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eCCO®

Since it was founded in 1963 in the town of Bredebro in Southwestern Denmark, ECCO has been owned and managed by the Toosbuy family.



Yet another successful year for ECCO

Continuing recent years' positive trends, ECCO had yet another satisfactory year in 2007.

ECCO's new collections were well received by consumers and this played a strong role in the improvements we recorded in all markets. Revenue rose by almost 17% in 2007 and the full-year profit before tax climbed to DKK 756 million, an increase of just over 6% relative to 2006, which was the best year in ECCO's history.

Accordingly, ECCO continued recent years' healthy and strong growth.

The goal of financial independence is supported by a solvency ratio of 49.0% in 2007, up by 2 percentage points on the year before. We came close to our long-term target of achieving a profit before tax of 15.0% of revenue: Our 2007 profit equalled 14.5% of revenue. The slightly lower margin relative to 2006 reflected the adverse effects of EU's punitive tariffs on shoes manufactured in China and generally high freight costs.

Our performance was driven primarily by the developments we achieved throughout all business areas in 2007. Our collections were, as always, at the very heart of our improvements, but 2007 was equally characterised by the coherent development of sales channels, new shops, IT systems, marketing and, not least, human resources.

Achieving ECCO's goal of being the world's foremost shoe company requires more from us than just producing and distributing the most comfortable shoes in the world. Our ability to recruit, train and develop the many people who are going to help us succeed is equally important. We need to ensure that the right products reach the right shelves on time, that the products are supported by sales materials and that our shop training programme is up to standard. This makes heavy demands on production and logistics as well as on IT, marketing and training efforts. Only by constantly developing and maintaining a coherent ECCO universe will we be able to create value for ECCO, the customer and the consumer.

Our targeted efforts throughout the ECCO value chain were rewarded in 2007. ECCO's 15,000 employees at tanneries, shoe factories, centralised functions, distribution centres, wholesale and retail organisations have all made an outstanding performance.

While the markets in Eastern Europe and Asia were unaffected by the credit crisis during the year, the US and UK markets began to show signs of an economic downturn.

In this situation, ECCO's geographical diversification provides an advantage. Russia is now ECCO's second-largest market after the United States, and the markets



ECCO's Managing Board, from left: President & CEO, Dieter Kasprzak, EVP Production, Jens Christian Meier, CFO, Annemette Nohr, EVP Branding & Products, Andreas Wortmann and EVP Int. Sales & Retail, Flemming O. Nielsen.

in Eastern Europe and Asia continue to record double-digit growth rates.

The 2007 performance shows the impact of ECCO's persistent work to optimise all links of the value chain. The supply situation has normalised after the fire at our factory warehouse in Thailand in 2006 and we have adapted our production and logistics to the situation after the introduction of the EU punitive tariffs on shoes manufactured in China. To meet the mounting demand for quality leather, we have initiated the construction of a state-of-the-art tannery in China, which is scheduled for commissioning in the autumn of 2008.

We have continued the development of ECCO's overall distribution – both through our network of franchise shops and through the expansion of our portfolio of own shops by opening new shops that are distinctively ECCO.

The results reflect that we have been successful in combining the best of shoemaking tradition with modern technology and mass production, and they enable us to take our ambitions a step further.

Based on the substantial uncertainty about the global economic trends, ECCO has decided to throttle back a little in 2008 and we expect a slightly lower growth rate than in 2007.

The relatively high investment level throughout ECCO's business systems will, however, be maintained. The strong performance gives us the versatility to continue our efforts to constantly do better.

We have also decided to focus even more on the future. In 2008, we plan to invest more heavily than ever before in product development and branding, significant new production equipment, enhanced supply chain and IT systems, opening of a number of new ECCO shops and more extensive marketing efforts.

This will pave the way for strong results in 2009 and 2010, as well.

The goal of manufacturing and selling the world's most comfortable shoes to the consumers remains the driving force of our efforts throughout the ECCO Group.

Our 15,000 employees have the skill and dedication to spearhead our work to make ECCO shoes "the most comfortable place on Earth".

Bredebro, March 12, 2008

Dieter Kasprzak
President & CEO

Annemette Nohr
CFO

Flemming O. Nielsen
EVP Int. Sales & Retail

Jens Christian Meier
EVP Production

Andreas Wortmann
EVP Branding & Products



Consolidated financial highlights and key ratios

FINANCIAL HIGHLIGHTS

DKK '000

	2007	2006	2005	2004	2003
Net revenue	5,219,525	4,470,403	3,830,546	3,393,693	3,168,930
Profit before amortisation and depreciation	1,041,971	937,822	628,879	447,972	370,295
Amortisation and depreciation	(208,943)	(178,360)	(205,039)	(180,937)	(188,657)
Profit before financials	833,028	759,462	423,840	267,035	181,638
Net financials	(77,304)	(49,979)	(74,294)	(60,594)	(61,394)
Profit before tax	755,724	709,483	349,546*	206,441	120,244
Income taxes	(194,314)	(209,423)	(124,512)	(42,883)	(49,264)
Group profit	561,410	500,060	225,034	163,558	70,980
Minority interests	(23,832)	(10,588)	697	(12,897)	(9,192)

Profit for the year	537,578	489,472	225,731	150,661	61,788
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Fixed assets	1,217,827	1,121,303	1,075,306	1,112,597	1,073,447
Current assets	2,997,382	2,529,377	2,210,052	1,832,582	1,714,309
Assets	4,215,209	3,650,680	3,285,358	2,945,179	2,787,756

Equity	2,073,447	1,729,513	1,285,750	1,034,026	951,016
Other liabilities	73,193	57,079	87,358	56,877	31,257
Debt	2,068,569	1,864,088	1,912,250	1,854,276	1,805,483
Liabilities	4,215,209	3,650,680	3,285,358	2,945,179	2,787,756

Cash-flow from operating activities	263,610	427,374	515,078	272,973	336,378
Cash-flow from investing activities	(305,055)	(234,809)	(201,678)	(212,811)	(228,551)
Cash-flow from financing activities	(114,347)	(188,958)	(2,385)	(392)	(73,808)

Pairs of shoes sold (thousands)	16,916	14,776	12,906	12,045	11,225
Number of employees (as of 31 December)	14,957	12,670	10,534	9,657	9,388

**) Profit for the year 2005 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	16.0%	17.0%	11.1%	7.9%	5.7%
ROAIC	21.2%	21.9%	13.6%	9.3%	6.4%
Return on assets	19.2%	20.5%	11.2%	7.2%	4.2%
Investment ratio	1.5	1.3	1.0	1.2	1.2
Return on equity	28.3%	32.5%	19.5%	15.2%	6.5%
Solvency ratio	49.2%	47.4%	39.1%	35.1%	34.1%
Liquidity ratio	2.2	3.0	2.9	2.0	1.9

DEFINITIONS OF KEY RATIOS

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

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

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

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

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

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

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

Highlights of 2007

Financial results

The ECCO Group again posted satisfactory financial results in 2007.

Consolidated profit before tax rose by 6.5% to DKK 755.7 million from DKK 709.5 million in 2006.

The strong performance was partly attributable to significant growth in sales volume: Sales increased by 14.5% to 16.9 million pairs of shoes. This figure does not include sales from ECCO's licensed manufacturer in Japan, whose sales totalled 0.8 million pairs of shoes. The improvement was substantial in all product groups – Men's, Ladies', Kids', Golf and Performance – with Performance and Kids' recording exceptional growth rates.

Net revenue rose by 16.8% year on year to DKK 5,219.5 million. 93.0% of net revenue consisted of shoe sales, while the remaining 7.0% consisted of sales of accessories and leather and wetblue.

Net shoe sales rose by 17.8%, partly due to considerable growth in sales volume and partly to a 3.0% increase in the average price per pair. The improvement was achieved despite a negative exchange rate effect of 2 percentage points on net revenue. Net revenue from accessories rose by 51.5%, thus continuing the good performance seen in 2006. The Group's third business area, sales of leather and wetblue, recorded a decline of 2.0% attributable to ECCO's growing need for leather for its own shoe production.

Profit before financials rose by 9.7% to DKK 833,0 million, corresponding to a profit margin of 16.0%. The Group's earnings thus stabilised at a level corresponding to 2006 with continued growth in volumes as well as average prices. However, this failed to filter completely through to the profit margin as the Group's costs, despite high capacity utilisation, were adversely affected by

extraordinarily high distribution costs and the full effect of the import sanctions on certain shoe types from China.

Total costs increased by DKK 204,0 million, equivalent to 12.6%. In addition to growth in a number of emerging markets and the establishment of own shops, the increase was attributable to the initiation of a number of production and sales activities aimed at continuously developing systems and processes to keep pace with the Group's growth. Moreover, our marketing costs increased substantially.

Net financials amounted to an expense of DKK 77.3 million, compared with DKK 50.0 million in 2006. Factors contributing to this trend included exchange rate adjustments relating to debt denominated in foreign currencies, which were negative in 2007 at DKK 9.2 million against a gain of DKK 12.0 million in 2006. In addition, the amount of capital tied up in inventories increased as did receivables.

Income tax amounted to DKK 194.3 million in 2007. Accordingly, the effective tax rate was 25.5% against 29.7% in 2006.

Profit after tax and minority interests rose by 9.8% to DKK 537.6 million from DKK 489.5 million in 2006.

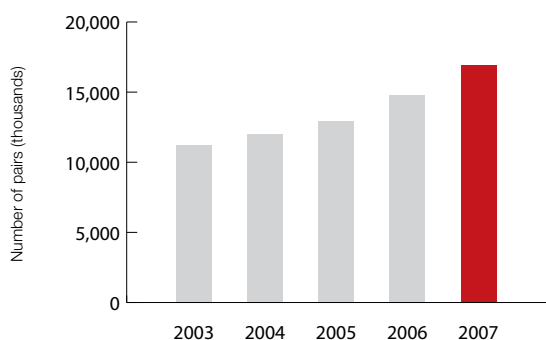
Balance sheet

At 31 December 2007, total assets stood at DKK 4,215 million, representing an increase of 15.5% or DKK 565 million.

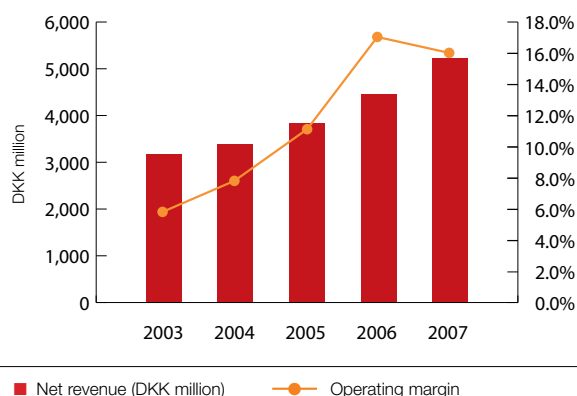
Fixed assets totalled DKK 1,218 million, of which DKK 1,105 million was property, plant and equipment.

The Group's inventories of finished products increased by 36.4% at the end of 2007, partly as a result of the pending invoicing of spring and summer products, which

Pairs of shoes sold (thousands)



Net revenue / Operating margin



is expected to exceed the amount invoiced for the same period of last year, and partly as a result of shift in the Group's production to the effect that a greater proportion of the production of our spring and summer products had been completed at year-end 2007.

Equity at 31 December 2007 was DKK 2,073 million, against DKK 1,730 million at year-end 2006, an increase of 19.9%. Profit for the year contributed DKK 538 million to equity. Currency translation of the equity of foreign subsidiaries amounted to a loss of DKK 41 million, and currency translation of derivatives etc. amounted to a loss of DKK 12 million. In addition, DKK 142 million was paid out in dividend.

The solvency ratio rose from 47.4% to 49.2%, which supports ECCO's overall goal of achieving the greatest possible financial independence.

Cash flow statement

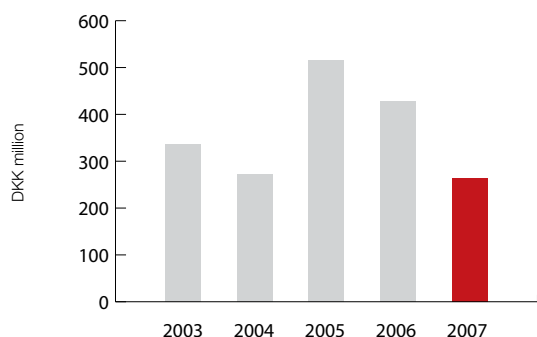
The cash flow from operating, investing and financing activities amounted to an outflow of DKK 156 million, compared with an inflow of DKK 4 million in 2006.

The consolidated cash flow from operating activities totalled DKK 264 million, against DKK 427 million in 2006, a decline of DKK 163 million. The decline was due to additional capital being tied up in inventories and to trade receivables.

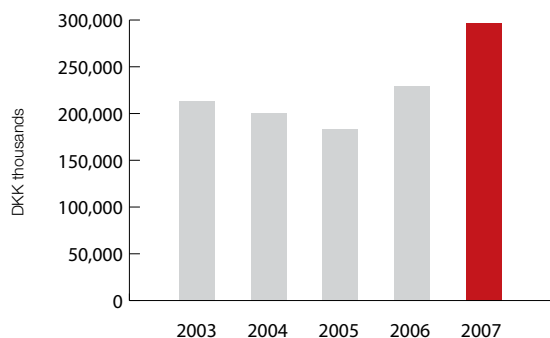
The net cash outflow for capital investments amounted to DKK 305 million, compared with DKK 235 million in 2006, an increase of 30.0% or DKK 70 million. Investments were concentrated around expanding the production capacity to meet the growing demand. As in previous years, investments were also made in improving ECCO's concept sales and in establishing the future IT platform for the Group.

The consolidated net increase in short-term and long-term debt totalled DKK 35 million. Dividend paid during the financial year amounted to DKK 142 million.

Cash Flow from operating activities (DKK million)

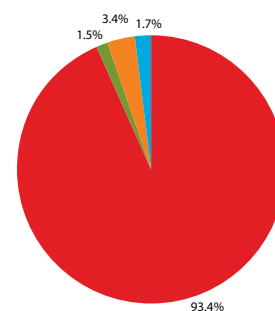


Tangible fixed asset investments (DKK thousands)



Net sales of the ECCO Group in 2007 (in %)

Shoes **93.4%**
 Accessories **1.5%**
 Leather and Wetblue **3.4%**
 Others **1.7%**



■ Shoes ■ Accessories ■ Leather and Wetblue
 ■ Others

Product philosophy – comfort is more than a feature

Comfort is the core of ECCO's philosophy. Consumers who try on a pair of ECCO shoes for the first time are often surprised at how comfortable they actually are.

This surprise is rooted in the ECCO comfort that makes us fundamentally superior to other shoe manufacturers. Our philosophy consists of five simple, yet important ingredients.

Everything starts with the foot

We believe that it should be the foot shaping the shoe – not the other way around. No other shoe manufacturer invests as many resources in constantly updating its knowledge about the foot and its anatomy than we do. We team up with leading experts in our constant research into the foot and the biomechanical impact on the foot when wearing a shoe. Most recently, ECCO has invested substantial resources in expanding its development of lasts and related technologies.

Using the right materials

In our world, we select materials depending on the specific use of a particular shoe. ECCO firmly believes that everything in a shoe should be there for a reason. It is therefore equally natural for us to tan our own hides and to make constant development and innovation efforts in relation to new types of leather and materials.

Using the right technology in combination with craftsmanship

When knowing the use for which the shoe is intended and when having selected the best materials for the shoe, we proceed to production. Here two things are important: That the people who make our shoes are skilled in the art of shoemaking and that they have the best possible technology available to them. It is the combination of high-quality craftsmanship and state-of-the-art technology that guarantees ECCO's trademark quality.

Beautiful, functional design

It would not be very difficult to make a shoe which is comfortable if looks were not a factor. Conversely, it would not be very difficult to make a beautiful shoe so long as you would not have to worry about comfort. But designing a shoe that pleases the eye as well as the foot requires a team of outstanding shoe technicians and designers who are deeply rooted in the Danish tradition for creating beautiful, functional design. This is why our team of some of the world's foremost technicians and designers may very well be our strongest competitive edge.

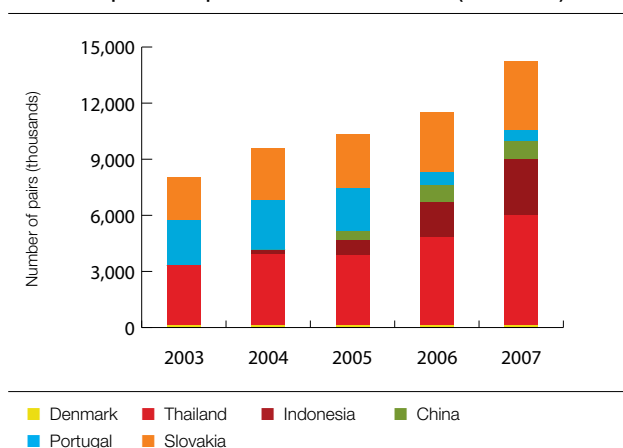
Ownership from cow to consumer

Last, but not least, we strive to implement ECCO's comfort philosophy in every link from production and distribution to the end consumer. In order to implement the comfort philosophy and to ensure that our shoes are always manufactured to the highest quality standards, ECCO controls the entire process from start to finish. ECCO is the only major shoe manufacturer in the world that owns every link of its value chain from cow to consumer.

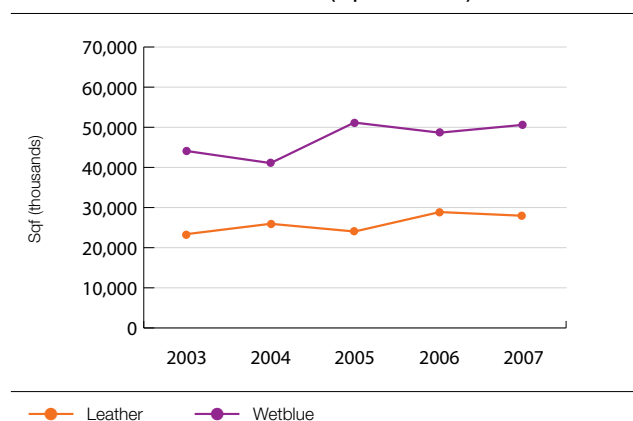
Every new collection is a manifestation of how far we have been able to combine craftsmanship, technology and bulk production in our efforts to create the world's most comfortable shoes. And with every new collection we raise the bar. But we also know that there is always a next level – we want to move ahead.

We believe that our employees' mindsets about craftsmanship and technology are vital, no matter in which part of the value chain they work. Respect for high-quality craftsmanship is an obvious prerequisite in product development and production for designers and machine operators alike. But it is equally important for employees who are in contact with consumers: We don't just sell shoes – we sell "the most comfortable place on Earth".

Number of produced pairs of shoes - 2003-2007 (thousands)



Production of leather and wetblue (sqf thousands)



Striving to obtain the best combination of craftsmanship and technology implies a requirement on the entire ECCO organisation to constantly do better. New materials are tested to increase comfort. Machinery is developed to add new features to the quality of ECCO craftsmanship. And feedback from sales to product development should not just involve ideas for new shoes, but also ideas for better and more comfortable shoes. This exchange of input throughout the ECCO value chain is based precisely on a common understanding of and attitude towards combining craftsmanship and technology to develop, manufacture and distribute the world's most comfortable shoes to the consumers.

ECCO's tanneries

One of ECCO's most important raw materials is high-grade leather and that is the reason why we have operated our own tanneries in the Netherlands, Thailand and Indonesia for many years. The tanneries help ensure that the important raw material is always in compliance with ECCO's tough quality standards. Also, our tanneries are included at an early stage in the development of new materials together with our designers and product developers.

The development and curing of yak leather for modern shoe production is a good example of the important role played by our tanneries. Raw hides from yaks were previously not deemed by the international shoe industry to be a suitable material for shoe production, but through dedicated, creative and innovative work, our tanneries have turned these raw hides into an invaluable and extremely durable material for our performance products.

Our tanneries also sell a significant share of the production to external customers all over the world. ECCO's tanneries are among the world's leading suppliers of high-quality leather for car and airplane seats, gloves, bags and shoes manufactured by other companies.

In order to meet the growing demand, we initiated the construction of a tannery near the factory in Xiamen, China in October 2007. The tannery, which will be one of the world's most advanced tanneries from a production and environmental point of view, is scheduled to open in September 2008.

ECCO's production

ECCO's production technology, as represented for example by our state-of-the-art machinery for direct injection of soles, is a good example that innovative technology extends the limits to what quality craftsmanship can create. ECCO operates its own shoe factories in Portugal, Slovakia, Thailand, Indonesia and China. In 2007, 0.6 million pairs

of shoes were manufactured at the factory in Portugal, 2.9 million pairs in Indonesia, 6.0 million pairs in Thailand, 3.7 million pairs in Slovakia and 1.0 million pairs in China.

The production and supply situation normalised completely during 2007 after the fire at the factory warehouse in Thailand in April 2006 put ECCO's production and logistics systems under substantial pressure.

As a result of the EU's decision to impose special duties on the import of leather shoes from China among other countries, our investment and expansion plans for the factory in China were put on hold. In 2007, the factory combined the production of finished shoes with substantial deliveries of components for other ECCO units.

Important interaction

Ownership and control of production processes is important, but it only makes sense when all other functions contribute proactively to fulfilling our ambitions for constant development. Logistics, human resources, IT, finance, marketing and all other functions support our ambitions and create the coherence throughout the value chain which is so important for ECCO.

Smooth interaction hinges on the people behind the organisation. All over the world, ECCO therefore seeks to recruit young people, give them a thorough introduction to their new job and offer them lifelong training and exciting professional challenges. ECCO is a family-owned company and we aim through our staff policy to treat all employees positively and with respect.



Our collections

In 2007, ECCO successfully achieved its dual goal of increased consistency in our global collection and increased value in every new shoe.

This meant that revenue growth outgrew volume growth, which is necessary to be able to constantly offer better products to the customers.

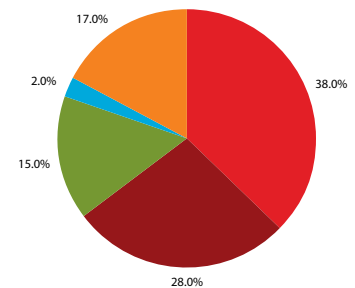
Several entirely new shoe concepts were developed in 2007 to push the boundaries in terms of design and innovation within our collection, and thereby upgrading our global brand positioning.

We launched two new concepts on top of ECCO's main collection – a premium collection and a limited edition collection – both to test consumer demand in ECCO's international markets.

The launch of ECCO's first limited edition shoe, the ECCO E1, and a significant number of high value products in the high premium category showed promising results. This paves the way for additional limited edition and premium products in the future.

Composition of shoe sales in 2007 (in %)

Ladies'	38.0%
Men's	28.0%
Kids'	15.0%
Golf	2.0%
Performance	17.0%



■ Ladies' ■ Men's ■ Kids' ■ Golf ■ Performance



From left: ECCO Berlin and ECCO Second Nature

Men's collection

2007 was an excellent year for the Men's collection with sales growth of 6.0% compared to 2006. Two ground-breaking new products, Neo Basic and Berlin, set the stage for this performance. The Neo Basic was developed to strengthen the casual category and had a very strong commercial design, while the Berlin was driven by image and innovation. Although executed in two different design directions, both products are true ECCO products – classic comfort coupled with style. The Second Nature line for men was also launched and further strengthened the ECCO brand in terms of more modern and trendier products.

Ladies' collection

The Ladies' collection has been a key priority for ECCO for several consecutive seasons. A growth rate of 7.0% in 2007 shows that this priority is now translating into promising sales results. The Comfort and Style concept has been the leading factor in several of the new features in the range, especially visible with the growing strength and importance of the Ladies' Casual Modern category. A strong product execution of this particular strategy is the Spirit Ladies', which was launched with great success in all parts of the world.



ECCO Spirit



From left: ECCO Dragonaut og ECCO Summerday

Kids' collection

ECCO's Kids' collection is a continuing success story. In 2007, sales of Kids' products grew by 20.0%. The key product groups were the Girls Summerday for the spring/summer season and the Boys Dragonaut for autumn/winter. Several new products in the Infant category created a lot of excitement in the markets.

Performance collection

ECCO's Performance collection consists of functionally advanced products with unique performance features. In introducing yak leather, which is three times stronger than ordinary cow hides because of its thin compact woven collagen fibres and fine closed grains, ECCO has achieved considerable success in the Outdoor and Walking range. The introduction of Xpedition for men and ladies for the autumn/winter season is a good example of this strategy, which contributed to the division's 49.0% sales growth in 2007.



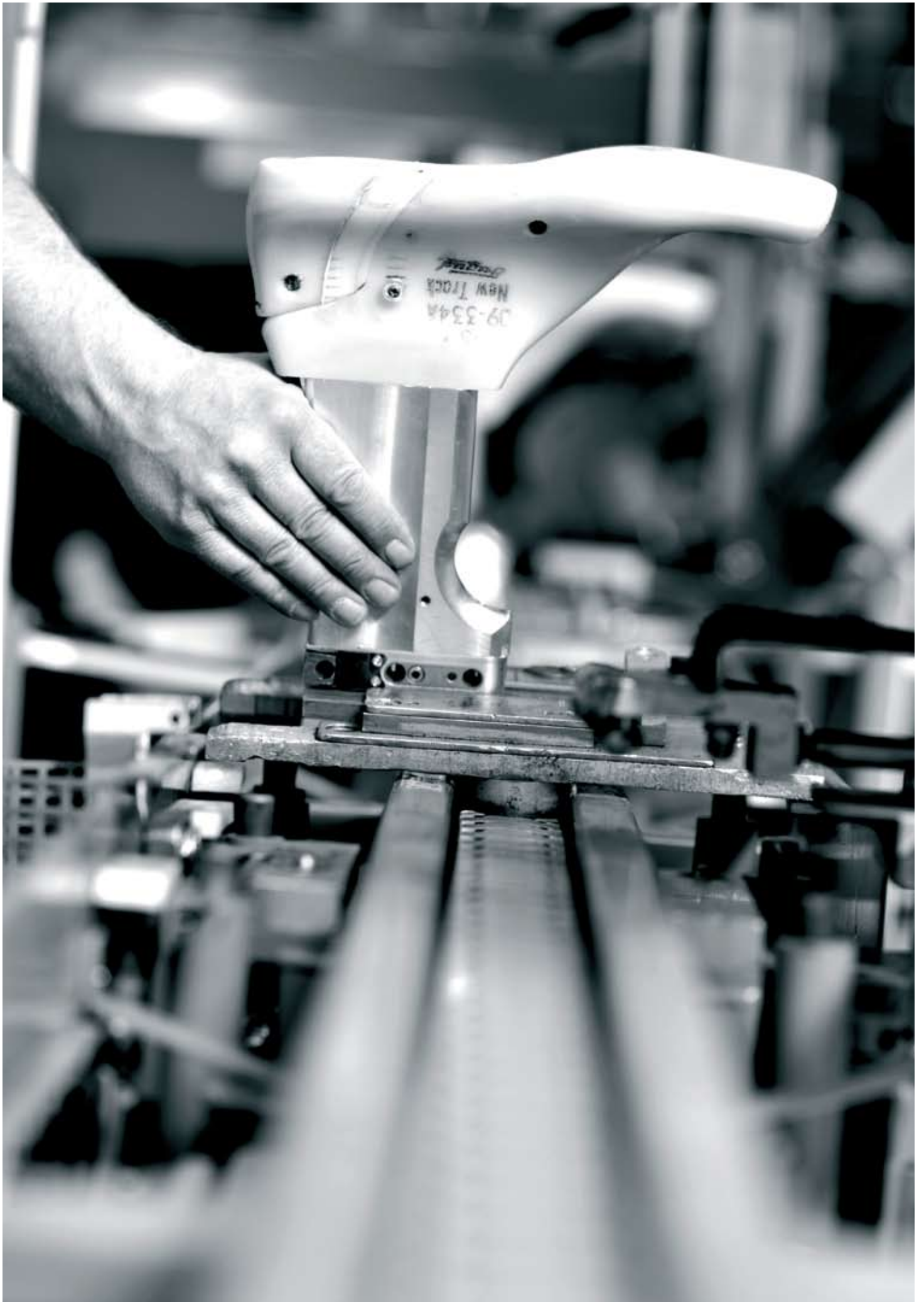
ECCO Xpedition



From left: ECCO Pitch and ECCO Flexor

Golf collection

ECCO's position as one of the market leaders in comfortable and stylish golf shoes in the premium price segment was cemented by the new collection. Products that have supported this strategy include the Men's Flexor and the Ladies' Pitch. These products demonstrate the innovation level that ECCO offers to the market and they both contributed to the division's 16.0% sales growth in 2007.



Group structure as of 31 December 2007



Dormant companies have been left out



Our markets

Focused retail strategy

In 2007, ECCO generated growth in all five regions as the net turnover increased by 18.0%. The successful growth is a result of all regions having focused on improving the value of ECCO's products and on developing the ECCO universe experienced by consumers in the ECCO shops all over the world.

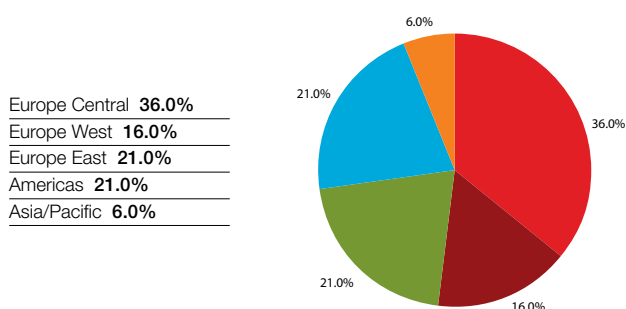
During 2007, a large number of new ECCO shops and shop-in-shops, either own and operated or partner-driven, has been opened with careful attention to achieving the absolute prime retail locations around the world for ECCO's brand. At year end 2007, the total number of ECCO shops has risen to 687, of which 113 are own and operated and 1,119 shop-in-shops, of which 43 own and operated.

In 2007, the strategic branding of ECCO also with regards to shop interior has been a primary priority.

The conceptual selling elements of our shops and shop-in-shops have created a retail environment of branded space to offer a full-scale shopping experience with all the core values of ECCO's global brand. The total service package including staff training and a large service stock has played a major role in our retail initiatives in 2007.

Across the regions, ECCO's Wholesale Management System (WMS) has been further implemented during 2007. ECCO WMS aims at optimizing the efficiency of our sales force by sharing and building on best practices between our respective, global markets. The implementation of ECCO WMS helps our sales force align sales activities towards our wholesale customers and thus maximises the utility of our internal resources as well as enhances our customers' experience with ECCO as an efficient and professional business partner.

Composition of sales by geography in 2007 (in %)



■ Europe Central ■ Europe West ■ Europe East
■ Americas ■ Asia/Pacific

ECCO Shops

	2006	2007
Shops	551	687
of which own and operated	98	113
Shop-in-Shops	1,018	1,119
of which own and operated	39	43



ECCO Europe Central



The 2007 results for the mature markets of ECCO's Europe Central region were very satisfying. ECCO generated a net turnover growth of 19.0% in the region.

For the Nordic markets, the ECCO shops and ECCO shop-in-shops proved to be a very strong distribution foundation. The ECCO brand performed very well at point of sale and rose above the general market level.

ECCO Shop no. 100 in Scandinavia was opened on March 29, 2007 in Århus, Denmark. A very commercial collection, improved communication material and a programme directed at retail promotions for the ECCO shop personnel were important tools. The new level of functionality and the more premium features in our collections were welcomed by the Nordic markets, as all product categories have increased sales throughout the year.

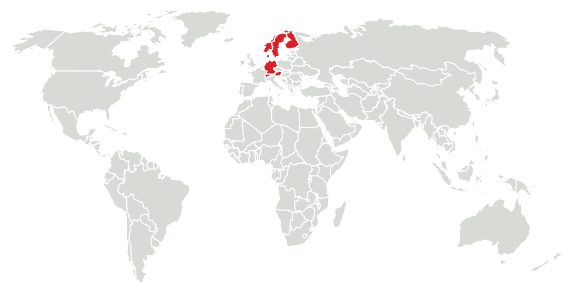
Furthermore, at point of sale the training and promotion programme, which has been running for a couple of years in Sweden, has now successfully been rolled out to the other Nordic markets. The ECCO shop franchise partners and their staff welcomed the initiative, as sales have increased where implemented.

In Germany, Austria and Switzerland focus has been partly on seeking a significant increase of the number of shops and shop-in-shops over the coming years as well as on upgrading the wholesale business to a new qualitative level and improve product selection at point of sale. The first results of new locations including a number of new franchise shops across Germany and Austria are now showing.

ECCO's new wholesale strategy saw its first positive results. The strategy included a reorganisation of the wholesale organisation into product groups. In Germany, for instance, the organisation was split into Men's, Ladies', Performance and Kids' organisations. The reorganisation focused on increasing the product categories sold to the customers and to assist them with point of sale material and marketing support.

In Germany, the efforts were crowned by ECCO being awarded Supplier of the Year in Germany 2007 by the German magazine Schuh Courier.

For the region as such, four successful ECCO Walkathons and Shop Walkathons took place in 2007. The Walkathons in Copenhagen, Stockholm and Berlin and the very first Shop Walkathon of its kind in Kolding, Denmark all contributed to ECCO's Walk for Life charity programme and to the build up of the ECCO brand.





ECCO Europe West



ECCO Europe West consists of the relatively mature markets of UK, Ireland and the Benelux and a range of emerging markets such as Italy, France and Spain.

For the mature markets, 2007 has seen a focused effort on the positioning of the ECCO brand. In the UK, ECCO is already positioned as a premium brand, but in 2007, we succeeded in shifting consumer demand from the basic to the more premium classic and modern product categories. This change was based on a much more commercial and premium product collection.

2007 marked the start of the new UK 'London & City' retail strategy aimed directly at raising the brand profile and visibility in the capital city of England and also in the key cities across the UK. This is important in order to challenge consumer perception of the ECCO brand in the UK, and also to provide an environment in which ECCO can deliver a 'brand experience' to its target consumers. In 2007, the UK opened two new shops in the west end of London in the fashionable Knightsbridge and Covent Garden districts to support its existing London shops in Oxford Street and Kensington High Street. In addition, a further store was opened in November in one of the UK's largest cities, namely Manchester.

In the Netherlands, two new shop openings brought us to a total of 35 ECCO shops, just as the number of shop-in-shops also increased.

In the Southern European markets the focus was on creating brand awareness for ECCO. In Italy, a marketing campaign aimed at the consumers of Northern Italy was launched in autumn 2007. Also, the basic platform for the future conceptual selling in Italy was further developed with a new agreement to open 10 new ECCO sales points and a new shop in Bolzano to be opened in February 2008. Also, a new agreement for four new shop-in-shop locations was signed during 2007.

In Spain, the groundwork was laid for a re-launch of ECCO in 2008.





ECCO Europe East and Middle East



In 2007, the strong growth of ECCO Europe East and Middle East continued across the region with an increase in net turnover of 34.0% based on a rapid increase of the total number of pairs sold. The success formula was a consistent roll-out of focused conceptual selling across the entire region.

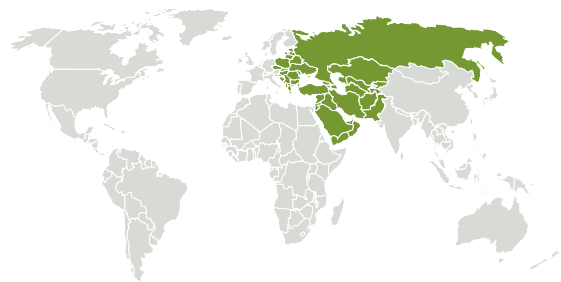
During 2007, 125 store projects including both new and refurbished shops were completed bringing the total number of shops and shop-in-shops in ECCO Europe East and Middle East to a fantastic level.

Retail branding, both with regards to the actual premium location of the shop, but also when it comes to the conceptual inventory and training of the staff continued to play an important role in strengthening ECCO's position as the leading premium footwear brand in markets such as Russia, Ukraine, Poland and the Baltic States. The best selling ECCO shop in the world is e.g. located in Moscow. In addition, the global service stock and the possibility for repeat ordering strengthened regional activities.

Also, 2007 saw the launch of ECCO's brand new concept shops for kids in Riga and in Warsaw. Two new shops opened to test a completely new concept for separating the shopping experience between kids and adults to provide a much more child-friendly shop environment in ECCO

Europe East and Middle East. During the first weekend, the new ECCO Kids Shop in Warsaw was a huge sales success with more than 1,500 visitors, and as the positive feedback from the markets continued all through 2007, the Kids Concept was approved for official roll-out in the major markets of the region.

The ECCO Walkathon continued to be a fantastic tool to drive brand awareness in the region. The Warsaw Walkathon once again set a new record with 18,500 participants, who used their feet to make ECCO donate DKK 1,200,000 to charity. The money raised was allocated between the selected charity organisations, namely Street Kids International, WWF and the local foundation TVN supporting children affected by fibrocystic disease. The ECCO Warsaw Walkathon was nominated by 'National Geographic' in Poland as the best social responsibility initiative in 2007.





ECCO Americas



2007 proved to be a very challenging year for ECCO USA. The retail and wholesale environment in ECCO's largest market has been nervous and declining due to the economic setback. However, in spite of the harsh market environment, ECCO USA was still able to achieve the largest sales volume in the history of our US subsidiary. This was largely due to an extremely high level of activity across the region, such as 600 ECCO sales events targeted directly at retail level.

The other big market in the region, Canada, experienced more favourable market conditions in 2007. The very positive trend from previous years continued with 2007 representing another record year. Even with pressure to reduce prices from the market, due to the strengthening Canadian dollar, and much cross-border shopping occurring as a result, the Canadian team managed to deliver the best year in the history of ECCO Canada.

ECCO Americas as a whole achieved a 2.0% increase in net turnover as measured in DKK, but 11.0% as measured in local currency.

In 2007, a focused expansion of our conceptual retail space in selected prime locations was carried out. In total, five new ECCO shops were opened in the region; three in New York and California and two in Montreal and Toronto. In

Montreal, we have opened a premium ECCO store on the very fashionable St. Catherine Street. On top of that, a number of conceptual renovations of existing shops, shop-in-shops or shop points were concluded.

Across the region, a wide range of activities was initiated to increase ECCO's brand awareness in the markets, such as ECCO sales events across the region, an 8-page insert in ELLE magazine in both US and Canada, a 6-page insert in Vogue in the US, official footwear supplier of the Pebble Beach AT&T Pro-Am Golf Tournament in the US and national broadcasts on the Golf Channel and CBS during Pebble Beach AT&T Golf Tournament.

Finally, the growth of our commercial website at ECCO USA.com continued during 2007 and again achieved record net sales and profit. Overall, we have great expectations for the future internet business for ECCO in the American market.





ECCO Asia/Pacific



In 2007, ECCO Asia/Pacific experienced the best year ever with a 41.0% increase of net turnover. The growth was generated widely across the entire region with positive development in all key markets and in particular in ECCO's main markets of Hong Kong, China and Australia.

A major contributor to the widespread growth across the region is the fact that the number of ECCO concept stores including stand-alone shops and shop-in-shops has now passed 500 with the predominant part of the new stores being opened in China. A major milestone in this respect was the opening of ECCO's first signature shop in Hong Kong in the new five-star Elements shopping mall. The shop opened under massive media attention in October 2007. The event was also the launching platform of ECCO's first limited edition product ECCO E1 and a collection of premium collection products.

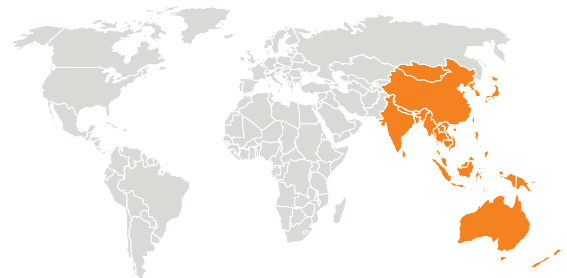
The Asia/Pacific region hosted the introduction of ECCO E1. This great ying-yang shoe is founded on a deep fascination with ancient Chinese culture and architecture. The heel of ECCO E1 celebrates the traditional curving lines of Chinese architecture and ornaments. The advanced PU sole delivers an abundance of details and offers exceptional shock absorption. The PU sole construction on the toe area is inspired by the radical design of the new 'Bird's nest' stadium in Beijing.

The many activities in the region were planned in recognition of ECCO's strong belief in Hong Kong and the rest of Asia as markets of major potential for concept stores. This strategy further underlines the premium position of ECCO in these markets

In 2007, Shanghai hosted the first ECCO Walkathon in Asia, which was concluded with a major fashion show launching ECCO's autumn/winter 2007 collection. The ECCO Walkathon also marked the celebration of ECCO's 10 year anniversary in China with a number of major events to follow including a fashion show and celebratory event in the capital city of Beijing, where ECCO was launched in 1997.

ECCO entered the market of Macau with the opening of its first concept shop in the Venetian Macau casino. ECCO's brand enjoys great success in Macau benefiting from the awareness of overseas tourists. Also, ECCO was launched in the markets of Vietnam and Indonesia with a number of shops-in-shops and further planned for the years to come.

The year 2007 in Asia/Pacific ended on a high note with the Hong Kong market being awarded the prestigious Export Award by His Royal Highness Prince Joachim.



ECCO's organisation – delegation and interaction

ECCO's organisation is based on the concept that responsibility and decision-making powers should be delegated to the units and employees with the greatest insight into and skill to handle a specific problem or challenge. Our 11 business units have extensive freedom to make the necessary decisions and to act accordingly within their respective fields of responsibility. The individual business unit therefore has responsibility for results within the framework defined for the Group.

Group functions

The distribution of work means that ECCO's headquarters is responsible for brand, design, product and concept development and for Group functions such as IT, finance, human resources, logistics and legal affairs. Our headquarters also performs support and supervisory tasks for the individual business units.

Business units

Headed by unit managements who are responsible for budgets and results, ECCO's business units control their own day-to-day operations and are able to take appropriate action, if and when required by market conditions. ECCO's 11 business units comprise the five sales regions (Europe Central, Europe West, Europe East and the Middle East, the Americas and Asia/Pacific), the five shoe factories and ECCO Leather Group (see page 17).

Development – in close proximity to day-to-day operations

ECCO's organisational philosophy pervades our constant activities to concurrently develop our business and our employees. The interaction and balance between centralised requirements on the one hand and decentralised decision-making powers and day-to-day procedures on the other is clear, both in terms of IT development, production enhancements and training.

Re-implementation of SAP

In the field of IT, ECCO's ongoing efforts to update our ten-year-old SAP platform is an excellent example of how many parts of the organisation are involved when important, cross-cutting changes need to be implemented. As part of our growth strategy, we are in the process of implementing a more flexible and modern version of SAP, including a number of new modules, such as customer relations management, supply chain management and supplier relations management.

One of the things that makes ECCO unique is the control of the entire shoe value chain from cow to consumer. On the one hand, planning and implementing IT changes in a value chain as long as ECCO's is a complex task. But on the other hand, consistent implementation will increase our flexibility across products, collections, customers and sales channels.

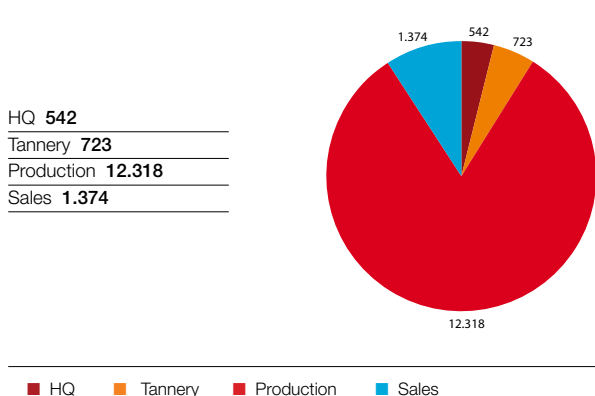
The project was given very high priority throughout the ECCO organisation in 2007, involving more than 50 employees in our business units, 25 employees from our IT, Production and Sales functions and some 15 employees at our tanneries. The close involvement was instrumental in generating progress and, what is equally important, in quality-proofing the standardisations of business processes which are crucial in achieving a positive re-implementation outcome.

The project is progressing according to plan. The design phase is now complete and, continuing the business involvement, the system will be established, tested and implemented during 2008-2009.

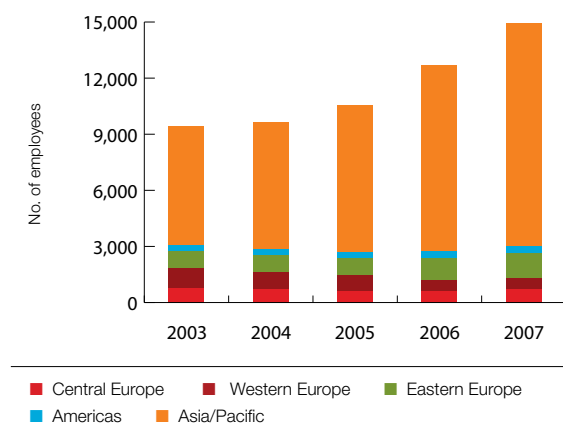
ECCO Lean

ECCO has been working with Lean concepts since 2005. ECCO considers Lean methods and tools an important component in ensuring best practice throughout the

Composition of employees by function (End of year 2007)



Composition of employees by geography - 2003-2007



Group's value chain. To ECCO, Lean is basically about creating and strengthening the learning organisation. Standardisation, constant improvements, uniform quality and a strong awareness of coherence and use for internal and external customers are essential mindsets, not just for the management, but for all employees. This is why ECCO Lean is not just a set of tools we use at our factories. Standardisation and optimisation provide scope and drive for the delegation, empowerment and innovation which ECCO believes should cut across the entire value chain of the company.

In 2007, two additional ECCO Lean academies were held, training up to 20 participants from seven or eight different countries to become change agents. Alternating between theory and practice, the training programme is aimed at providing the agents with the tools necessary and supporting their personal development. The network established and used very actively by the participants after they return to their respective units to apply and implement the knowledge they have acquired, is an important element of our academy programmes. The many change agents we have trained have not only added to their personal experience, they have also established an efficient network that reaches across functions and fields of responsibility.

The process has now been rolled out to our factories and is also in the process of being implemented at our tanneries. In 2007, the turn came to product development, and ECCO is gradually taking over methodology and tools, thereby reducing the number of external consultants. In the years ahead, the implementation process will be further developed. The aim is to have three or four change agents in each business area. Lean thinking is here to stay. Not in the sense of something complete or static, but as a dynamic element in the constant change and improvement that we strive for.

Human resources in ECCO

Our HR function plays a key role in our ambition of being an attractive workplace for the Group's employees, regardless of geography and business unit. We guarantee our employees lifelong training, a constant stream of challenges and fresh opportunities, usually across functions and national borders, as both ECCO and the individual employee stand to gain from the valuable knowledge and culture transfer across the organisation.

Our HR activities were further strengthened and professionalised in 2007. Our centralised HR function and our 11 business units are making a concerted and dedicated effort to identify and support the local and global employee potential. ECCO's business units are making targeted efforts to develop different groups of managers

and specialists. At Group level, we have launched a global talent programme for more experienced managers. We have also launched management development programmes at different levels.

The development programmes generally strive to combine theory and practice and to link specific ECCO business and product know-how with general theory. The programmes are tailored to the qualifications of the individual employee and range from international trainee programmes for employees with intermediate qualifications, such as the successful ECCO International Trainee Education programme, to graduate and masters programmes completed in collaboration with esteemed international universities. ECCO thus offers a full range of development and trainee programmes tailored to the very different qualifications and needs of our individual employees.

At the same time, we are constantly redeveloping our production and shop training programmes and we also completed management, sales and brand training programmes for several hundred sales employees in 2007.

Changes to ECCO's management

Supervisory Board

In connection with the election of employee representatives to the Supervisory Board, Jakob Møller-Hansen was re-elected and Gitte Jochimsen was elected, whereas Bernd Scheelke and Aage Andersen both resigned from the Supervisory Board.

The Supervisory Board of ECCO thus consists of Hanni Toosbuy Kasprzak (Chairperson), Karsten Borch (Vice Chairman), Torsten E. Rasmussen, Mogens Munk-Rasmussen, Jakob Møller-Hansen and Gitte Jochimsen.

Managing Board

In May 2007, the Managing Board was expanded to include Annemette Nøhr and Andreas Wortmann and in connection with the resignation of COO Mikael Thinghuus with effect from 31 December 2007, the Supervisory Board appointed Flemming O. Nielsen, Executive Vice President, International Sales and Retail, a new member of ECCO's Managing Board.

The Managing Board of ECCO thus consists of Dieter Kasprzak (President & CEO), Jens Christian Meier (EVP, Group Production & Logistics), Flemming O. Nielsen (EVP, International Sales & Retail), Annemette Nøhr (CFO) and Andreas Wortmann (EVP, Branding & Products).

Financial matters

Financial risks

Due to the international scope of ECCO's business activities, a number of financial matters, which the Group evaluates on an ongoing basis, impact the Group's results of operations and its equity. The approach to handling financial risks is determined by the Supervisory Board and the Managing Board.

Foreign exchange risks

ECCO is exposed to more than 20 different currencies and the majority of these exposures are so substantial that they require hedging. Accordingly, the overall policy defines that all significant net currency positions are hedged when the currency exposure arises and aims for a hedging horizon of 9 to 18 months, corresponding to the Group's business model.

With a few exceptions, the currency used in transactions between the parent company and a sales subsidiary is the local currency of the sales subsidiary, thereby allocating the foreign exchange risk to the parent company which sets up a corresponding hedge. The exceptions are handled individually in relation to the local market. The currency used in transactions with external distributors is either DKK, EUR or USD.

ECCO's own production units are settled in EUR and the production units thus bear the risk relating to payment of local capacity costs. Such positions are hedged locally and to the extent permitted by local foreign exchange regulations. External suppliers are primarily paid in EUR or USD.

Interest rate risks

The Group's interest rate risks relate to fluctuations in interest rates on the Group's interest-bearing debt and refinancing of repayments. Interest rate risk is reduced by taking up fixed-interest loans or by entering into interest rate swaps. At year-end 2007, the share of fixed-rate debt/interest rate swaps amounted to approximately 55.0% of the Group's interest-bearing debt.

Credit risks

The Group has no material credit risks other than what has been recognised in the financial statements.

Letters of credit, bank guarantees or debtor insurance are used for selected markets/customers. However, permanent debtor insurance is not cost-effective, owing to the sufficient diversification provided by the number, size and geographical spread of customers. Large customers, such as retail shops, wholesale societies or distributors are assessed individually on a regular basis.

Material events after 31 December 2007

In January 2008, we announced the decision to restructure our production unit in Slovakia due to the growing problems in relation to attracting the right staff. Going forward, ECCO Slovakia will manufacture 2.8 million pairs of shoes annually, and 859 jobs will be retained. The number of staff was reduced by 176 employees, and 107 short-term contracts were not renewed. No provision has been made in the 2007 financial statements for costs incurred in connection with the restructuring, but they are estimated at DKK 7.5 million.

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

Outlook for 2008

In the light of the general worldwide economic uncertainty, we expect our growth rate to be more moderate for 2008 compared with the growth rates achieved in 2006 and 2007.

At present, the operating margin is expected to be on a level with 2007. However, the profit margin may be adversely affected by the level of costs, particularly in our manufacturing units and distribution, or by global economic trends, which may be less favourable than previously expected.

The Group's level of investment for 2008 will be considerably higher than in recent years. ECCO will continue to make sizeable investments in concept sales, including selected own shops and expansion of the franchise shop network, and infrastructure. In addition, we invest significantly in the expansion of our production capacity, not least in a new tannery in China and the expansion of production in Thailand and Indonesia.

Despite a challenging macro-economic setting, ECCO also expects a positive trend in 2008, and this is supported by preliminary order intake and sales.



The background of the page is a dark, textured surface, possibly leather or a similar material, featuring a repeating pattern of embossed oval shapes. In the center of the page, the letters 'ECCO' are embossed in a stylized, serif font. The lighting creates a subtle gradient, highlighting the texture of the material.

ECCO's Annual Accounts 2007

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 2007.

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 2007 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 2007.

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, 12 March 2008

Managing Board

Dieter Kasprzak
President & CEO

Annemette Nøhr
CFO

Flemming O. Nielsen
EVP Int. Sales & Retail

Jens Christian Meier
EVP Production

Andreas Wortmann
EVP Branding & Products

Supervisory Board

Hanni Toosbuy Kasprzak
Chairperson

Karsten Borch
Vice Chairman

Torsten E. Rasmussen

Mogens Munk-Rasmussen

Gitte Jochimsen
Employee representative

Jakob Møller-Hansen
Employee representative

Auditors' report

Independent 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 1 January - 31 December 2007, which comprises the statement by the Executive and Supervisory Boards on the Annual Report, Management's review, accounting policies, income statement, balance sheet, and notes for the Group as well as for the parent company and the consolidated cash flow statement. The annual report has been prepared in accordance with the Danish Financial Statements Act.

The Executive and Supervisory Boards' responsibility for the annual report

The Executive and Supervisory Boards are responsible for the preparation and fair presentation of this annual report in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the Annual Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive and Supervisory Boards, as well as evaluating the overall presentation of the Annual Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the parent company's financial position at 31 December 2007 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2007 in accordance with the Danish Financial Statements Act.

Esbjerg, 12 March 2008

KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

John Lesbo
State Authorised
Public Accountant

Søren Jensen
State Authorised
Public Accountant

Accounting policies

Basis of preparation

The financial statements of the Parent Company and the Group for 2007 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, Slovakia and China 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 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 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 as 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 straightline 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 in the equity note.

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 2007

Note	DKK '000	Group		Parent Company	
		2007	2006	2007	2006
1	Net revenue	5,219,525	4,470,403	3,542,249	3,065,427
	Change in inventories of finished products and work in progress	323,313	12,328	304,649	(136)
	Costs of raw materials and consumables	(2,368,545)	(1,706,354)	(2,821,530)	(2,110,596)
	Other external costs	(1,123,746)	(918,559)	(371,672)	(319,631)
2	Staff costs	(1,008,576)	(919,996)	(248,018)	(240,004)
5.6	Amortisation and depreciation	(208,943)	(178,360)	(39,099)	(43,455)
	Profit before financials	833,028	759,462	366,579	351,605
3	Financial income	174,828	96,408	67,256	56,843
	Financial expenses	(252,132)	(146,387)	(84,213)	(75,747)
	Profit from subsidiaries	-	-	395,806	364,563
	Intercompany profit	-	-	(18,055)	(866)
	Profit before tax	755,724	709,483	727,373	696,398
4	Income taxes	(194,314)	(209,423)	(189,795)	(206,926)
	Group profit	561,410	500,060	537,578	489,472
11	Minority interests	(23,832)	(10,588)	-	-
	Profit for the year	537,578	489,472	537,578	489,472
	Proposed allocation:				
	Revaluation reserve for undistributed profit in subsidiaries			89,614	(8,540)
	Retained earnings			296,964	356,012
	Proposed dividend			151,000	142,000
				537,578	489,472

Balance sheet as of 31 December 2007

Assets	Group		Parent Company	
	2007	2006	2007	2006
Note DKK '000				
FIXED ASSETS:				
Intangible rights	43,902	52,345	18,756	20,588
5 Total intangible assets	43,902	52,345	18,756	20,588
Land and buildings	527,252	490,375	116,159	108,671
Plant and machinery	245,944	212,046	5,413	6,465
Other fixtures and fittings, tools and equipment	244,945	230,121	60,788	63,693
Property, plant and equipment in progress	87,317	74,883	40,739	23,685
6 Total property, plant and equipment	1,105,458	1,007,425	223,099	202,514
7.8 Investments in subsidiaries	-	-	965,374	985,006
8 Receivables from subsidiaries	-	-	666,174	471,001
9 Deferred tax	68,467	61,533	29,729	40,183
Total long-term financial assets	68,467	61,533	1,661,277	1,496,190
TOTAL FIXED ASSETS	1,217,827	1,121,303	1,903,132	1,719,292
CURRENT ASSETS:				
Raw materials and consumables	371,467	266,893	-	-
Work in progress	33,210	45,927	-	-
Finished products and commercial products	1,199,254	879,297	729,790	425,141
Total inventories	1,603,931	1,192,117	729,790	425,141
Trade receivables	632,166	477,089	186,974	75,926
Receivables from subsidiaries	-	-	444,873	328,298
Other receivables	196,593	154,756	83,612	53,571
4 Income taxes	-	-	15,743	-
Prepayments	57,829	42,760	25,448	15,770
Total receivables	886,588	674,605	756,650	473,565
Securities	24,016	8,526	127	133
Cash	482,847	654,129	78,356	310,159
TOTAL CURRENT ASSETS	2,997,382	2,529,377	1,564,923	1,208,998
TOTAL ASSETS	4,215,209	3,650,680	3,468,055	2,928,290

Balance sheet as of 31 December 2007

Equity and liabilities	Group		Parent Company	
	2007	2006	2007	2006
Note DKK '000				
Share capital	5,500	5,500	5,500	5,500
Revaluation reserve	-	-	501,989	495,804
Retained earnings	2,067,947	1,724,013	1,565,958	1,228,209
10 Total equity	2,073,447	1,729,513	2,073,447	1,729,513
11 Minority interests	57,409	43,796	-	-
Provisions	15,784	13,283	-	-
Credit institutions	684,085	1,012,879	637,076	852,094
12 Total long-term debt	684,085	1,012,879	637,076	852,094
Short-term part of long-term debt	219,574	173,918	218,129	125,656
Credit institutions	519,609	201,658	254,045	20,344
Trade payables	236,586	181,987	79,404	39,149
Payables to subsidiaries	-	-	120,811	70,865
4 Income taxes	17,775	44,884	-	4,792
Other payables	322,104	178,458	16,305	15,728
Deferred income	68,836	70,304	68,838	70,149
Total short-term debt	1,384,484	851,209	757,532	346,683
Total debt	2,068,569	1,864,088	1,394,608	1,198,777
TOTAL EQUITY AND LIABILITIES	4,215,209	3,650,680	3,468,055	2,928,290

- 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 2007

	2007	2006
DKK '000		
Cash flow from operating activities		
Profit before tax	755,724	709,483
Adjustment for non-cash operating items:		
Amortisation and depreciation	208,943	178,360
Exchange rate adjustments	(48,181)	(420)
Tax adjustments	(992)	2,665
Working capital adjustments:		
(Increase)/Decrease in inventories	(411,814)	(223,567)
(Increase)/Decrease in receivables	(211,983)	(92,151)
Increase/(Decrease) in payables	54,599	5,476
Increase/(Decrease) in other payables	142,178	76,370
Increase/(Decrease) in provisions	2,501	(35,246)
Income taxes paid	(227,365)	(193,596)
	263,610	427,374
Cash flow from investing activities		
Payments to invest in fixed assets:		
Intangible assets	(8,437)	(5,446)
Property plant and equipment	(296,618)	(229,363)
	(305,055)	(234,809)
Cash flow from financing activities		
Change in minority interests	(7,160)	(4,466)
(Repayment of)/proceeds from new long-term debt	(328,794)	(149,910)
Increase/(Decrease) in short-term debt	363,607	418
Dividend paid	(142,000)	(35,000)
	(114,347)	(188,958)
Cash flow from operating, investing and financing activities	(155,792)	3,607
Cash and cash equivalents at beginning of year	662,655	659,048
Cash and cash equivalents at year-end	506,863	662,655
Breakdown of cash and cash equivalents:		
Securities	24,016	8,526
Cash	482,847	654,129
	506,863	662,655

Notes to the Group and Parent Company financial statements

1. Segment information

DKK '000	Group	
	2007	2006
Segment information		
Shoes & accessories	4,952,937	4,200,789
Others	266,588	269,614
Total net revenue	5,219,525	4,470,403
Net revenue shoes & accessories		
ECCO Europe West	763,980	666,328
ECCO Europe Central	1,592,422	1,338,950
ECCO Europe East and Middle East	935,415	699,101
ECCO Americas	1,173,168	1,150,579
ECCO Asia/Pacific	487,952	345,831
Total shoes & accessories	4,952,937	4,200,789

Reference is made to the ECCO Group structure page 17 regarding the definition of the geographic regions.

2. Staff costs and management and staff information

DKK '000	Group		Parent Company	
	2007	2006	2007	2006
Salaries	908,069	835,549	232,449	226,358
Pensions	26,609	28,757	13,422	12,143
Other social security costs	73,898	55,690	2,147	1,503
Staff costs	1,008,576	919,996	248,018	240,004
Average number of employees	13,701	11,520	514	469
Number of employees at year-end	14,957	12,670	542	468
Fees to Managing Board and Supervisory Board:				
Managing Board	-	-	24,322	33,150
Supervisory Board	-	-	800	417

Notes to the Group and Parent Company financial statements

3. Financial income

	Parent Company	
	2007	2006
DKK '000		
In the Parent Company, interest income from subsidiaries amounted to	35,771	22,029

4. Income taxes

	Group		Parent Company	
	Cost 2007	Debt 2007	Cost 2007	Debt 2007
DKK '000				
Income taxes payable as at 1 January		44,884		4,792
Income taxes paid in 2007		(537)		(537)
Prior-year adjustment	(3,070)	(3,070)	(3,070)	(3,070)
Estimated tax for 2007	203,326	203,326	78,445	78,445
of which paid		(226,828)		(95,373)
Tax in subsidiaries			102,974	
Year's adjustment of deferred tax	(5,942)		11,446	
	194,314	17,775	189,795	(15,743)

5. Intangible assets

	Group		Parent Company	
DKK '000				
Cost at 1 January	123,953		37,223	
Currency translation	(2,695)		-	
Additions	10,438		1,840	
Disposals	(2,972)		-	
Cost at 31 December	128,724		39,063	
Accumulated amortisation at 1 January	71,608		16,635	
Currency translation	(1,439)		-	
Amortisation	15,624		3,672	
Amortisation on assets sold	(971)		-	
Accumulated amortisation at 31 December	84,822		20,307	
Carrying amount at 31 December	43,902		18,756	
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 in progress
GROUP				
Cost at 1 January	750,507	760,610	789,988	74,883
Currency translation	(3,957)	8	(6,655)	(19)
Additions	87,886	122,920	95,518	13,763
Disposals	(2,756)	(55,187)	(51,253)	(1,310)
Cost at 31 December	831,680	828,351	827,598	87,317
Accumulated depreciation at 1 January	260,132	548,564	559,867	-
Currency translation	(166)	-	(5,191)	-
Depreciation	45,642	76,405	71,272	-
Depreciation on disposals	(1,180)	(42,562)	(43,295)	-
Accumulated depreciation at 31 December	304,428	582,407	582,653	-
Carrying amount at 31 December	527,252	245,944	244,945	87,317
PARENT COMPANY				
Cost at 1 January	223,212	75,636	222,741	23,685
Additions	18,223	1,421	22,392	17,054
Disposals	(1,213)	(2,802)	(8,242)	-
Cost at 31 December	240,222	74,255	236,891	40,739
Accumulated depreciation at 1 January	114,541	69,171	159,048	-
Depreciation	9,516	2,660	23,251	-
Depreciation on disposals	6	(2,989)	(6,196)	-
Accumulated depreciation at 31 December	124,063	68,842	176,103	-
Carrying amount at 31 December	116,159	5,413	60,788	40,739
Depreciated over	20 years	5 years	3-5 years	-

The officially rated cash property value at 1 October 2006 of the Parent Company's properties was DKK 213,110 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. (China)	80%	13,500 k USD
ECCO Shoe (Xiamen) Co. Ltd. (China) (dormant)	80%	315 k USD
ECCO Tannery Holding (Singapore) Pte. Ltd.	100%	5,600 k USD
ECCO Tannery (Xiamen) Co. Ltd. (China)	100%	5,500 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%	200 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%	12,500 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%	50 k EUR
ECCO India Trading Private Limited	100%	6,969 k INR
ECCO Middle East A/S (Denmark)	50%	2,250 k DKK
ECCO Internet, Inc. (USA)	100%	100 k USD
ECCO Norge A/S (Norway)	100%	15,000 k NOK
ECCO (Portugal) Sales-Comercilização 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%	100 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%	3,000 k HKD
ECCO Shoes International AG (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%	10,000 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

	Investments in subsidiaries		Receivables from subsidiaries	
	2007	2006	2007	2006
DKK '000				
Cost at 1 January	673,652	647,302	471,001	166,606
Additions	(7,762)	26,350	229,529	315,068
Disposals	-	-	(34,356)	(10,673)
Cost at 31 December	665,890	673,652	666,174	471,001
Accumulated revaluation at 1 January	495,804	525,156	-	-
Currency translation of foreign subsidiaries	(40,565)	(20,812)	-	-
Regulation in connection with foreign currency hedging of future sales of subsidiaries	(42,864)	-	-	-
Profit after tax of subsidiaries	292,830	258,505	-	-
Dividend	(203,216)	(267,045)	-	-
Net revaluation	6,185	(29,352)	-	-
Accumulated revaluation at 31 December	501,989	495,804	-	-
Intercompany gains	(202,505)	(184,450)	-	-
Carrying amount at 31 December	965,374	985,006	666,174	471,001

9. Deferred tax

	Group		Parent Company	
	2007	2006	2007	2006
DKK '000				
Deferred tax comprises:				
Inventories, unrealised intercompany gains	49,429	52,860	38,847	44,844
Tax loss	6,827	5,164	-	-
Other assets	12,211	3,509	(9,118)	(4,661)
Recognised at 31 December	68,467	61,533	29,729	40,183
Recognised at 1 January	(61,533)	(60,541)	(40,183)	(38,858)
Total adjustment	6,934	992	(10,454)	1,325
Of which adjusted in equity	992	(2,665)	992	(63)

Notes to the Group and Parent Company financial statements

10. Equity

	Group		Parent Company	
	2007	2006	2007	2006
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	-	-	495,804	525,156
Net revaluation	-	-	6,185	(29,352)
Reserve for net revaluation at 31 December	-	-	501,989	495,804
Brought forward from prior years/revaluation reversed	1,724,013	1,280,250	1,228,209	755,094
Proposed dividend in respect of the financial year	151,000	142,000	151,000	142,000
Dividend paid	(142,000)	(35,000)	(142,000)	(35,000)
Exchange rate adjustment to year-end exchange rates	(40,565)	(20,812)	-	-
Currency translation of subordinated loan capital in subsidiaries	(4,092)	(5,063)	(4,092)	(5,063)
Gain on financial swap	1,116	5,226	1,116	5,226
Retained from profit for the year	386,578	347,472	296,964	356,012
Adjustment of currency hedges of future sales	(8,103)	9,940	34,761	9,940
Total retained earnings	2,067,947	1,724,013	1,565,958	1,228,209
Total equity	2,073,447	1,729,513	2,073,447	1,729,513

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

	Group	
	2007	2006
DKK '000		
Minority interests at 1 January	43.796	38.829
Additions	1.125	-
Disposals	(8.285)	(4.466)
Share of profit for the year	23.832	10.588
Currency translation	(3.059)	(1.155)
Minority interests at 31 December	57.409	43.796
Breakdown of minority interests:		
Minority interests regarding ECCO (Thailand) Co., Ltd.	5.479	5.921
Minority interests regarding ECCO Slovakia, a.s.	3.442	4.685
Minority interests regarding ECCO China Holding (Singapore) Pte. Ltd.	23.294	23.133
Minority interests regarding ECCO China Wholesale Holding (Singapore) Pte. Ltd.	24.774	10.057
Minority interests regarding ECCO Middle East A/S (Denmark)	420	-
Minority interests at 31 December	57.409	43.796

12. Long-term debt

	Group		Parent Company	
	2007	2006	2007	2006
DKK '000				
Long-term debt due more than five years after the end of the financial year	128,366	202,420	128,366	202,420

Notes to the Group and Parent Company financial statements

13. Contingent liabilities and collateral security

	Group		Parent Company	
	2007	2006	2007	2006
DKK '000				
CONTINGENT LIABILITIES				
Rent and lease liabilities	578,861	429,194	36,114	35,508
Guarantees and letters of comfort for staff	-	429	-	429
Guarantees and letters to suppliers and subsidiaries	76,327	147,739	69,048	141,276
Litigation	-	-	-	-
Sponsorships	13,039	12,250	13,039	12,250
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	177,287	172,333	80,000	80,000
Guarantee for import duty	8,839	20,960	-	-

14. Fees to auditors appointed at the annual general meeting

	Group		Parent Company	
	2007	2006	2007	2006
DKK '000				
Total fees to auditors appointed at the annual general meeting:				
KPMG	7,946	7,154	1,758	1,576
Others	1,066	944	49	75
	9,012	8,098	1,807	1,651
Of which fees for non-audit services:				
KPMG	2,368	2,066	958	717
Others	284	277	49	75
	2,652	2,343	1,007	792

Notes to the Group and Parent Company financial statements

15. Related parties

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

ECCO HOLDING A/S
Industrivej 5, Bredebro, Denmark

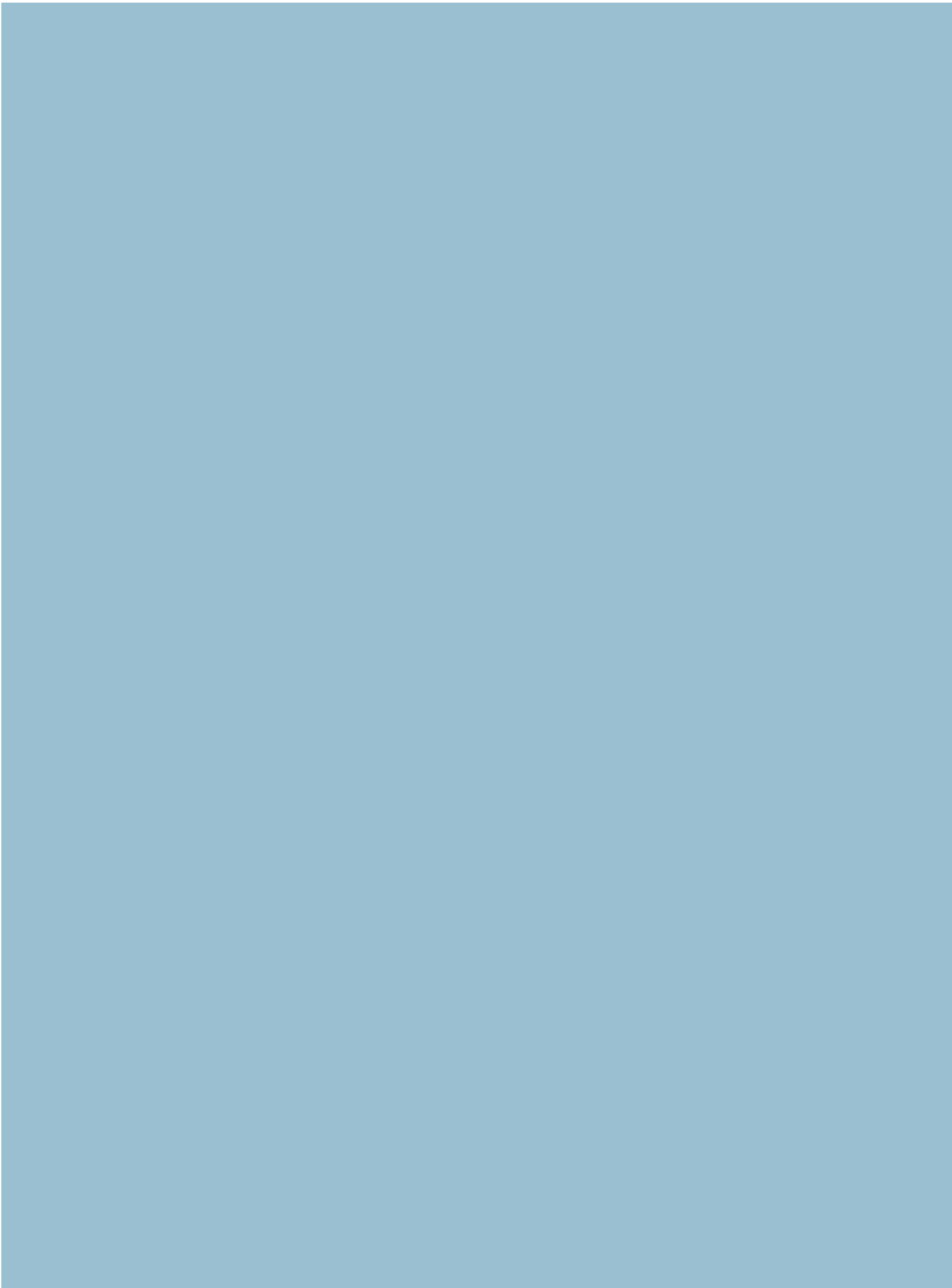
There have been no material transactions with the Parent Company other than the distribution of dividend.

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 5.0% of the votes or more than 5.0% of the nominal value of the share capital includes:

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





ECCO's Code Of Conduct 2007

ECCO's Code of Conduct – from paper to practice

Since ECCO's founder Karl Toosbuy formulated ECCO's first Code of Conduct in 1999, the Group has worked intensively with topics such as employee relations, safety at work, environmental issues, religion and relations to the local community. ECCO's Code of Conduct consists of 10 commitments, which were reviewed and updated in 2006. The commitments aim to ensure that the company has reasonable, long-term goals for balanced corporate development.

Now, ECCO has taken the Code of Conduct a step further, establishing the Corporate Conduct department on 1 August 2007. The department works closely with ECCO's Managing Board and its objective is to ensure that the entire ECCO Group lives up to the strong commitments prescribed in the Code of Conduct. The department will among other things help formalise the standards for ECCO's ambitions about balanced corporate developments and to ensure a balanced implementation of our standards throughout the ECCO Group.

ECCO owns its tanneries and shoe factories, which makes it easier to apply our Code of Conduct. ECCO has exclusive control of the conditions under which the company's leather and shoes are produced. Despite ECCO's year-long focus on environmental-friendly production of shoes, this is a never-ending process. New ideas from employees and new research continuously produce new methods to improve work processes.

In order to intensify the effort, our new Corporate Conduct department will constantly seek to involve more and more employees. Many of ECCO's employees are already involved in these efforts which have turned out to be a great success. With the help of as many employees as possible keeping their eyes and ears open, we will be able to improve the opportunities of launching new initiatives in ECCO's international organisation.

On the following pages, you will find specific examples of how we have implemented our Code of Conduct. We believe that listing concrete examples is the best way to involve every single employee, business partner and consumer in the work with our Code of Conduct.

ECCO's CODE OF CONDUCT

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.

Employee involvement – a cultural challenge, but also a decisive strength

Many of the ideas for new projects come from ECCO's own employees. We have a strong belief that active employee involvement in the day-to-day work to improve the company's processes creates a solid platform for the most durable solutions. The development of ideas is supported throughout the ECCO organisation, ensuring that the ideas are collected and given the proper attention. In addition, we take a focused approach to knowledge sharing so new ideas can quickly disseminate throughout the entire global organisation.

2,462 new ideas from Portugal

Since the project 'Free Ideas' was launched at ECCO's factory in Portugal in May 2005, 2,462 individual ideas from the employees have been registered and assessed. Many ideas are related to environment, health and safety. When an idea is submitted to the database, the sender is also asked to describe how the idea can lead to improvements. For example, a good idea can improve the health and safety of the employees or the general level of safety in the workplace.

The 'Free Ideas' project has turned out to be a powerful tool with which to involve the employees so that their ideas can be utilized at the factory.

One of the new ideas has resulted in significantly lower consumption of energy. The storage tanks containing the sole material (the so-called polyurethane) are heated to an exact temperature. These tanks are now turned off daily without compromising the quality of the sole material, because the temperature is maintained. The company can continue working without disruption. The lower energy consumption produces huge savings and is reinforced by the fact that the tanks are heated when electricity prices are the lowest. In Portugal, electricity prices vary almost 100 percent in the course of a 24-hour period. So by turning off the tanks with the sole material when electricity prices are the highest, the electricity bill is reduced.

Another employee came up with an idea that has resulted in a higher level of safety at the factory's stitching working tables. The lamps at the tables have metal edge, and sometimes they can be sharp. The edges are now covered by plastic protection to prevent people from getting hurt.

New factory sets high standards

In China, there is no strong tradition for involving employees, but at ECCO's new shoe factory established in Xiamen, they have succeeded in establishing a number of environment, health and safety committees.

At the factory, a committee has been set up in each of the factory halls and the representatives participate in a main committee for the entire factory. When the employees were



first appointed to a committee, the management experienced reluctance to join a committee. But after the employees had witnessed the positive aspects of involvement, interest in participating improved significantly. The organisation in committees shows the employees that environmental, health and safety issues not only involve environmental, health and safety officers and the management – every employee has a responsibility and can contribute. Focus on environmental, health and safety issues is also an integral part of the training activities, which in 2007 involved almost all 2,971 employees at the factory in Xiamen.

In China as well as in Portugal, experience shows that employee involvement and participation brings out many good ideas and suggestions for improving the day-to-day operations – ideas based on concrete day-to-day experiences. For example, insulating the machines has helped to reduce heat and noise from the plants. This positive development is supported by an active and attentive management team who participates in the committee work. Every week, a factory tour is conducted focusing on employee suggestions, clearly showing that involvement results in concrete action and positive results.



ECCO Walkathon – A walk that to others is a walk of hope

Each year, together with a number of recognised aid organisations, ECCO organises the so-called ECCO Walkathons all over the world. Since 1999, Walkathon participants have supported charities with their feet. For every kilometre walked by a participant, ECCO donates approximately EUR 1 to selected charitable projects. All projects that have received donations within the past three years are gathered under the concept ECCO WALK FOR LIFE.

Charitable work has always been a natural part of ECCO's activities. That is why our commitment and obligations in this important area are clearly defined in ECCO's Code of Conduct. With our entire WALK FOR LIFE programme, ECCO focuses on protecting natural environments, supporting education of young people and promoting an active and healthy lifestyle.

The first ECCO Walkathon took place in Copenhagen in 1999, and the 2007 Copenhagen Walkathon counted 15,000 participants. Together, they collected more than EUR 80,000. Every year, Walkathons are arranged throughout the world, e.g. in Stockholm, Berlin, Tokyo and Shanghai, but smaller cities such as Kolding (Denmark) and Gothenburg (Sweden) also host a Walkathon. This year, the largest donation ever made through Walkathon was collected in Warsaw, Poland. A total of DKK 1.2 million was collected through the two routes in the city.

In 2007, more than 45,000 persons participated in Walkathons all over the world, collecting DKK 3 million. Throughout the years, ECCO has donated more than DKK 15 million in aggregate for charitable projects all over the world, and the Walkathon is a continuing event.

The funds donated by ECCO are used e.g. for a project giving young children living in the streets in Poland and Kenya the opportunity to get an education. The project continues until 2010, and we hope that the project will by then have helped more than 4,000 children to a brighter future.

Through our Walkathons, we also support a WWF project aiming to protect one of the world's largest rain forest areas, the Congo Basin in Central Africa. The rain forest covers an area of more than one million square kilometres, which is more than twice the size of France. Animals such as elephants and gorillas as well as several native tribes live in the forest. Illegal logging, hunting and exploration of natural resources have endangered the forest environment. That is why ECCO supports this and other projects that contribute to the preservation of rain forests.



Community relations in Indonesia

Community relations that matter

ECCO wishes to be an active and supportive member of the local community in the countries where we operate. In Indonesia, ECCO's shoe factory and tannery are situated next to the three villages of Tenggulunan, Bligo and Candi. 1,700 of the 4,500 people at our shoe factory in Indonesia live in these three villages. As such, the connection between ECCO's factory complex and the local community is strong, and a lot of focused community projects have grown out of this strong link.

One project has helped the villages gain access to clean water. Up to that point, the inhabitants got water from a well they built by themselves. However, they did not have clean water even after boiling it. After an inquiry from the villagers, ECCO decided to donate the money needed to install new water pipes, so that the villagers could get a new water tank connected to a larger government tank with clean water.

ECCO has also contributed to building safer infrastructure. ECCO helped the villages build drainage lines in both sides of the roads and fill up the road with asphalt. ECCO donated money to the project, but ECCO also worked with the villages to set up local businesses enabling the villages to earn money for the project themselves.

Also, the children have gained from ECCO's close link to the local community. To the joy of more than 600 children, ECCO has helped build and renovate kindergarten schools and elementary schools. Also in their free time the life of the children has improved with the help from ECCO, who has filled up and planted grass on a large recreational area making it suitable for playing games and sports.

All these projects have come to life based on innovative ideas from the villagers. But ECCO also takes independent initiatives. Each year, ECCO gives out about 30 scholarships to orphans and has thus given out over 300 scholarships so far. ECCO Indonesia has taken this step to ensure that children in the local community have the possibility of getting an education to help them raise their living standard.



Community relations in Thailand

Valuable employee activities in the Thai shoe factory

In the Thai culture it is a prevailing attitude to take care of and help your surroundings. At ECCO's shoe factory in Thailand, management supports a valuable framework for their employees in order to help the local community. The employees organize a number of welfare and social activities with support from the so-called '10 Bath Club'.

Every month, the 3,260 members of this club from ECCO Thailand donate 10 Bath. These donations are spent in support of the local community and for people who are victims of natural disasters, such as flooding. The employees collect the money and organise the activities – the factory merely provides the organisational setup in terms of 10 committees.

Donation in terms of scholarships is another activity from our Thai shoe factory. The scholarships have been divided into five levels targeting our employees' children, including from primary level to Senior Vocational and Bachelor Degree and Shoe Technical College. In 2007, 29 scholarships were awarded.

ECCO's active role in the local community has been noticed by the Thai Ministries. In 2007, ECCO Thailand was rewarded as "The Best Healthy Workplace" by the Ministry of Public Health Department and further, ECCO received "The Labour Relations & Labour Welfare Award" from the Ministry of Labour Department.





The LIFE-project in the Netherlands

Environmental progress demands innovation

ECCO aims to be a leading company in environmental efforts and innovation. ECCO is constantly trying to develop new ways of reducing the company's environmental impact. During the period December 1, 2003 to December 31, 2006, the R&D Centre at ECCO's tannery in the Netherlands was involved in a focused project with the objective of minimizing the overall environmental impact of the leather industry. The project was funded by LIFE EU, an EU institution supporting environmental projects throughout the EU.

During the project ECCO tried out the technical and economical feasibility of three innovative clean technology solutions for tanneries. All three technologies went way beyond the best known technologies at the time.

First, ECCO tested a brand new type of the drums used to process the raw hides. The new drums have a technology installed that lifts and processes the hides more efficiently and therefore, they can function with a lower rotational speed. The expectations for the new drums were that they would effectively reduce the use of water and energy in the process. The result of this first project was more than positive. The energy savings on electricity were 48.0%, the energy savings on gas were 18.0% and the water savings were 32.0%.

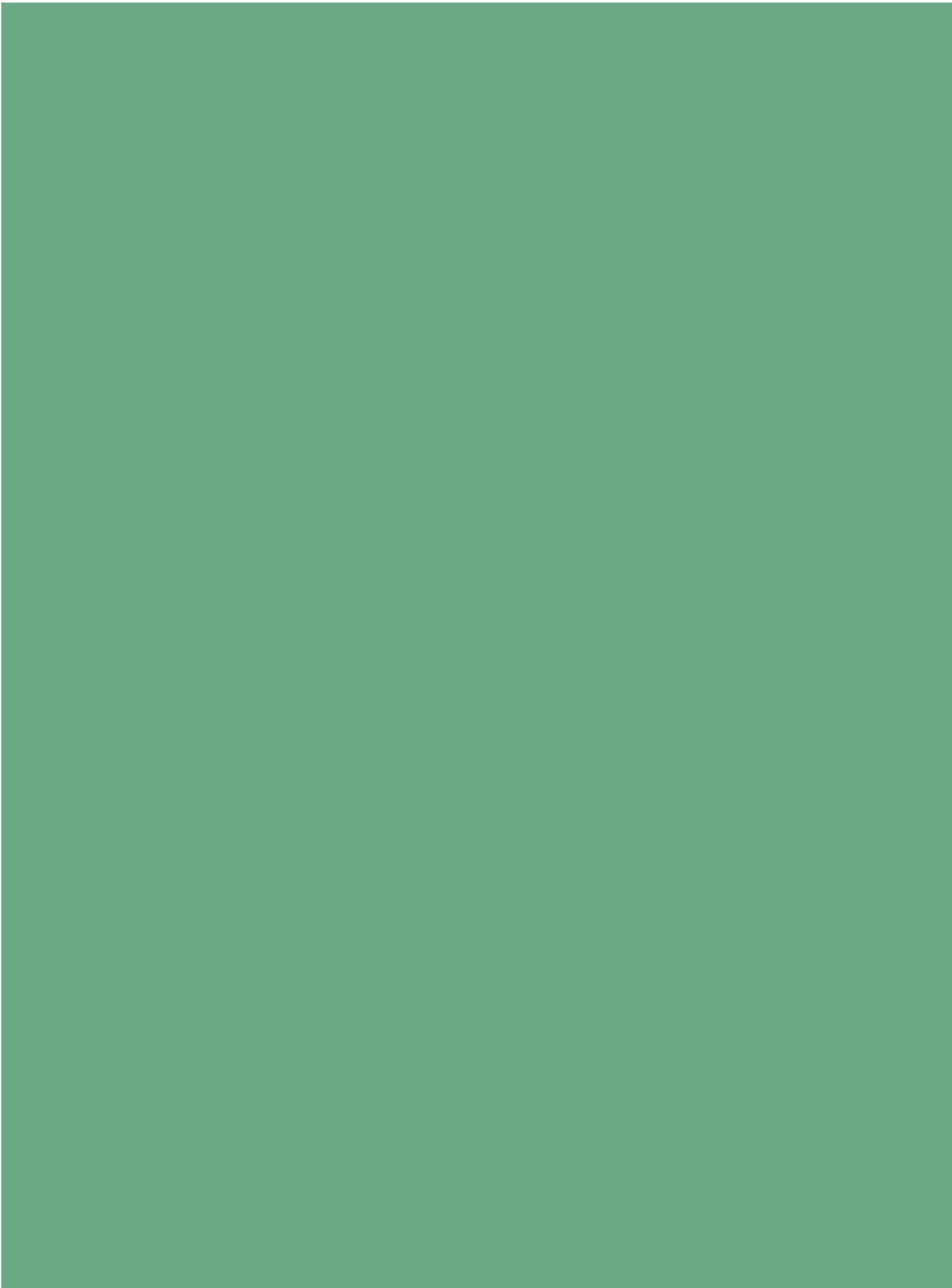
As a result of the positive findings, ECCO has now invested in 11 drums of the new type to be installed at the tannery in the Netherlands. At the new tannery in Xiamen, China it is also the plan to use the new type of drums. The construction of the new tannery in Xiamen was initiated in 2007.

Second, as an individual part of the LIFE project, ECCO experimented with a membrane filter to make it possible to re-use the chromium. ECCO chose not to go ahead with this solution, as it would affect the overall quality of the products too much. ECCO is now looking into alternative solutions.

The third project was focused on the recycling of waste for biogas. However, the various test results proved that the waste was irreversibly inhibited by toxic components. Thus, ECCO decided not to go ahead with this idea.

The ultimate goal of all research is new insights and know-how for tomorrow. All of the innovation projects carried out at our tannery in the Netherlands provided ECCO with inspiration to continue the environmental progress.







ECCO's Group environmental statement 2007

ECCO and the environment

National differences in a global community

Like all other important activities in the ECCO Group our policy for environment, health and safety and our related activities are developed across borders. Since the beginning of the seventies, ECCO has manufactured shoes at the global market and our environment, health and safety activities are increasingly internationally organised – with a sharp view on the global perspective.

Focus and challenges are continuously increasing. It is an important area which will fill up more and more in the everyday life at ECCO in the future - in headquarters, in sales subsidiaries as well as in our production units. It includes both ECCO's own factories and our suppliers. It is a never-ending process.

There are also legislative and cultural differences across borders when it comes to environment, health and safety. This challenges the organisation's procedures and strategic development. Many people all over the ECCO Group are involved in preparing, implementing and anchoring our global programme about environment, health and safety on a daily basis. Everybody has the same objective, namely to ensure that ECCO takes the environment into consideration at all times, when leather and shoes are manufactured. It is done in a global community – across the national differences that naturally exist.

Employee involvement

Employee involvement in ECCO's global environmental programme is an absolute necessity in order to be successful. Without local effort, an ambitious global policy about environment, health and safety does not amount to much. 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 of 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 shoe" for all new employees.

Environment, health and safety in constant development

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

ENVIRONMENTAL IMPACT AND 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.

The efforts on environment, health and safety take place across borders in a daily co-operation between ECCO's Group Environmental Department and decentralised environmental entities within and outside ECCO.

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

We especially focus on audits. During 2006, a lot of work has been put into thorough audits in ECCO. In the coming years, we will increase these efforts further to ensure that ECCO's Code of Conduct is observed at our own factories and at our suppliers at all times.

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

The ECCO Group is a global company with approximately 9,500 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 internationally 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 physically, psychologically and socially healthy 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.

Bredebro, August 31, 2005



D. Kasprzak
President & CEO

Harmful chemical substances

In the global environmental activities, the ECCO Group aims to meet the criteria for harmful chemical substances based, among other things, on the internationally recognized SG list for shoes. SG is an abbreviation of the German term Schadstoffgeprüft (tested for harmful substances). The SG list contains threshold values for harmful substances in leather products the use of which should continuously be minimized.

Resource consumption from cow to shoe

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.

Our tanneries produce process wastewater, whereas our shoe factories mainly produce domestic wastewater. 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.

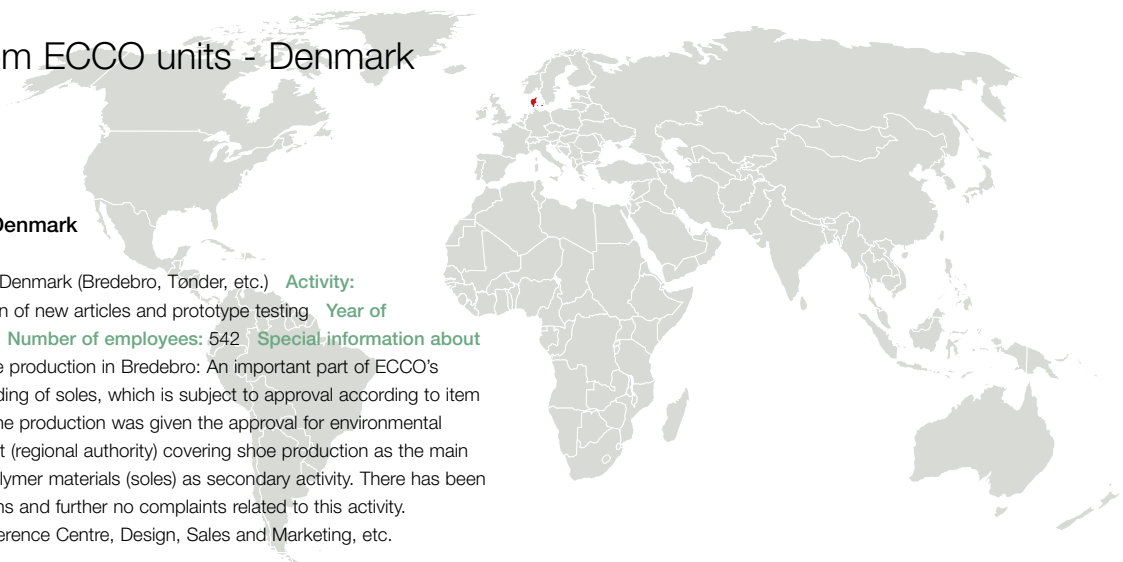
The main environmental impact from our shoe factories derives from energy consumption and waste production. The global environmental activities in ECCO foster many initiatives, which all have the aim to reduce this waste.

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.

For additional information please go to:

www.ecco.com/environment

Statements from ECCO units - Denmark



Product development Denmark

Location: ECCO facilities in Denmark (Bredbro, Tønder, etc.) **Activity:** Development and preparation of new articles and prototype testing **Year of establishment:** 1963/1996 **Number of employees:** 542 **Special information about environmental issues:** Shoe production in Bredbro: An important part of ECCO's shoe production is the moulding of soles, which is subject to approval according to item D107. On 14 March 2002, the production was given the approval for environmental issues by Sønderjyllands Amt (regional authority) covering shoe production as the main activity and production of polymer materials (soles) as secondary activity. There has been no violations of the regulations and further no complaints related to this activity. **Other facilities in DK:** Conference Centre, Design, Sales and Marketing, etc.

2007 2006 2005 2004 2003

Production output

Uppers produced [pairs]	3,285	1,458	1,868	3,805	3,720
Shoes produced [pairs]	20,481	28,472	7,645	20,577	38,000

Energy and water consumption

Electricity [MWh]	3,434*	2,379	2,353	2,560	2,734
Gas [m ³]	308,639*	165,221	130,463	132,873	139,970
Water [m ³]	8,810*	1,921	2,145	2,407	3,013

Consumption of sole material

Polyol and isocyanate [kg]	13,470	27,160	23,680	23,660	21,280
TPU [kg]	4,000	7,000	7,400	5,600	8,700
Hardener [kg]	1,030	965	-	-	2,800
Colour paste [kg]	473	893	522	30	75
Release agent [kg]	160	392	292	292	930
Finishing products [kg]	160	-	30	-	440

Waste

Recyclable waste [tons]	317**	307**	302**	344**	459**
Waste otherwise disposed [tons]	132	144	115	198	150
Waste to Kommunekemi [tons]	18	28	24	32	36

Industrial accidents

Accidents causing less than 1 day's absence	24*	6	10	12	7
Accidents reported to the Danish National Working Environment Authority	8*	1	2	2	3

* For 2007, energy and water consumption as well as the number of industrial accidents are now counted from all ECCO facilities in DK.

** 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 certain amounts 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:** Research & Development Centre.

Production of sales samples and prototypes. **Year of incorporation:** 1984

No. of employees: 305



2007 2006 2005 2004 2003*

Production output

Uppers produced [pairs]	-	4,451	18,741	20,737	79,690
Shoes produced [pairs]	609,596	722,675	2,315,342	2,649,178	2,442,395

Energy and water consumption

Electricity [MWh]	3,309	3,667	4,923	5,894	5,474
Gas [m ³]	30,081	48,579	58,976	48,178	17,702
Oil [l]	-	-	-	-	-
Water [m ³]	2,257	730	1,583	3,013	3,551

Consumption of sole material

Polyol and isocyanate [kg]	193,778	350,082	815,760	872,130	884,746
TPU [kg]	28,665	42,140	108,006	83,783	76,651
Hardener [kg]	11,719	17,066	35,326	42,323	68,040
Colour paste [kg]	4,652	7,629	19,307	19,326	18,507
Release agent [kg]	5,515	6,810	14,752	17,126	18,079
Finishing products [kg]	8,983	11,788	26,097	22,531	20,393

Waste

Recyclable waste [tons]	258	258	247	212	330
Waste otherwise disposed [tons]	90	88	192	352	360
Chemical waste [tons]	18	42	121	94	67

Industrial accidents

Accidents causing less than 1 day's absence	72	45	68	80	128
Accidents causing 1 or more days' absence	11	8	10	23	17

* In 2003, the activities at the tannery were permanently discontinued.

Statements from ECCO units - Indonesia



P.T. ECCO Indonesia

Location: Surabaya, Indonesia **Activity:** Production of uppers and shoes.

Year of incorporation: 1991 **No. of employees:** 4,547



2007 2006 2005 2004 2003

Production output

Uppers produced [pairs]	6,022,871	5,805,354	5,389,476	5,328,790	4,664,023
Shoes produced [pairs]	2,872,394	1,863,951	816,194	246,173	-

Energy and water consumption

Electricity [MWh]	10,306	10,653	8,228	4,300	5,375
Gas [m ³]	1,120	840	-	-	-
Oil [l]	61,120*	630	-	-	-
Water [m ³]	106,330	126,900	87,900	81,970	106,018

Consumption of sole material

Polyol and isocyanat [kg]	669,098	420,657	-	-	-
TPU [kg]	44,543**	4,423	-	-	-
Hardener [kg]	38,363	23,559	-	-	-
Colour paste [kg]	13,060	8,107	-	-	-
Release agent [kg]	13,805	8,033	-	-	-
Finish products [kg]	6,714	34,628	-	-	-

Waste

Recyclable waste [tons]	533	452	260	24	-
Waste otherwise disposed [tons]	63	29	27	19	-
Chemical waste [tons]	22	24	-	4	-

Industrial accidents

Accidents causing less than 1 day's absence	80	77	84	57	88
Accidents causing 1 or more days' absence	36	19	27	8	22

* Increased use of oil is a result of generator use because of unstable power supply.

** Included in this figure is the use of TPU from a new machine.

Statements from ECCO units - Indonesia



P.T. ECCO Tannery Indonesia

Location: Surabaya, Indonesia **Activity:** Production of wetblue, crust and finished leather **Year of incorporation:** 1991 **No. of employees:** 391



2007

2006

2005

2004

2003

Production output

Wetblue produced [ft ²]	15,327,229	12,705,845	18,532,447	18,249,560	15,970,001
Leather produced [ft ²]	16,309,386	17,988,197	13,296,854	15,098,971	14,062,152

Energy and water consumption

Electricity [MWh]	9,805	6,915	7,952	14,072	9,556
Oil [l]	664,000	528,185	534,000	560,000	608,000
Water [m ³]	305,709	306,104	322,981	430,738	419,263

Waste

Recyclable waste - tannery [tons]	18,011	3,507	4,684	9,668*	4,764
Waste otherwise disposed - tannery [tons]	478	3,597	5,334	5,585	5,012
Chemical waste - tannery [tons]	3,3	22	22	25	-

Wastewater

Volume [m ³]	268,161	278,137	293,587	327,367	351,808
BOD [mg/l]	20-63	15-18	29-36	19-49	50-65
Chromium [mg/l]	0,03-0,10	0,02-0,24	0,09-0,18	0,05-0,17	0,03-0,13
pH	6,7-6,9	6,8-7,4	6,2-6,7	7,1-7,2	6,8-7,1

Industrial accidents

Accidents causing less than 1 day's absence	4	18	8	17	18
Accidents causing 1 or more days' absence	5	0	5	2	9

* The relatively high figure is due to the use of new machinery.

Statements from ECCO units - Thailand



ECCO (Thailand) Co., Ltd.

Location: Ayudhthaya, Thailand **Activity:** Production of uppers and finished shoes

Year of incorporation: 1993 **No. of employees:** 3,451

Special environmental information: ECCO Thailand is ISO 14001 certified



2007 2006 2005 2004 2003

Production output

Uppers produced [pairs]	2,294,101	2,794,173	3,127,255	3,237,054	2,868,227
Shoes produced [pairs]	6,030,586	4,821,444	3,860,069	3,910,382	3,319,623

Energy and water consumption

Electricity [MWh]	15,383	12,284	10,880	10,671	9,038
Oil [l]	9,928	17,751	10,069	13,044	4,800
Water [m ³]	61,507	54,130	53,164	45,932	51,961

Consumption of sole material

Polyol and isocyanate [kg]	1,910,235	1,562,353	1,143,301	1,280,455	928,548
TPU [kg]	353,525	328,525	269,431	111,424	-
Hardener [kg]	139,225	80,750	83,419	104,234	236,381
Colour paste [kg]	57,769	42,618	27,359	28,833	24,809
Release agent [kg]	66,510	21,518	18,726	29,587	8,590

Waste

Recyclable waste [tons]	97	115	124	144	168
Waste otherwise disposed [tons]	1,198	968	756	815	326
Chemical waste [tons]	6	5	2	28	408

Industrial accidents

Accidents causing less than 1 day's absence	14	19	31	64	46
Accidents causing 1 or more days' absence	10	16	8	16	16

Statements from ECCO units - Thailand



ECCO Tannery (Thailand) Co. Ltd

Location: Ayudhthaya, Thailand **Activity:** Production of crust and finished leather
Year of incorporation: 1993 **No. of employees:** 210



2007 2006 2005 2004 2003

Production output

Leather produced [ft ²]	12,488,912	11,348,277	9,978,619	10,095,425	9,138,590
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Energy and water consumption

Electricity [MWh]	6,750	5,831	5,663	5,827	5,456
Oil [l]	560,800	386,614	366,219	390,000	360,000
Water [m ³]	132,385	111,020	96,766	107,704	97,484

Waste

Recyclable waste [tons]	57	63	32	38	585
Waste otherwise disposed [tons]	47	1,367	1,668	1,600	1,253
Chemical waste [tons]	1,838*	65	47	50	158

Wastewater

Volume [m ³]	110,189	97,843	84,267	83,367	88,389
BOD [mg/l]	13,0-14,0	10,0-15,0	10,0-13,0	5,7-13,0	5,3-8,0
Chromium [mg/l]	0,25-0,39	0,09-0,19	0,10	0,20-0,21	0,04-0,17
pH	7,6-7,8	7,5-7,7	7,5-7,7	7,5-7,6	7,3-7,6

Industrial accidents

Accidents causing less than 1 day's absence	6	6	13	21	7
Accidents causing 1 or more days' absence	3	8	2	3	1

* Increased amount because of new legislation stipulating new registration methods.

Statements from ECCO units - Slovakia



ECCO Slovakia, a.s.

Location: Martin, Slovakia **Activity:** Shoe factory. Production of uppers and finished shoes **Year of incorporation:** 1998 **No. of employees:** 1,165



2007 2006 2005 2004 2003

Production output

Uppers produced [pairs]	-	-	75,786	163,297	259,136
Shoes produced [pairs]	3,678,226	3,155,631	2,841,235	2,771,025	2,265,312

Energy and water consumption

Electricity [MWh]	8,285	7,440	6,204	5,722	4,730
Gas [m ³]	206,241	260,231	274,611	250,204	179,301
Oil [l]	-	-	-	-	2,281
Water [m ³]	17,463	11,387	12,163	11,460	14,419

Consumption of sole material

Polyol and isocyanate [kg]	1,398,870	1,210,592	1,049,100	1,134,160	724,030
TPU [kg]	152,413	221,863	144,050	158,249	150,524
Hardener [kg]	113,563	66,821	51,900	50,310	41,340
Colour paste [kg]	28,831	23,717	20,800	17,085	15,034
Release agent [kg]	32,562	12,066	13,960	12,888	8,985
Finishing products [kg]	27,715	34,492	18,210	24,958	15,662

Waste

Recyclable waste [tons]	207	233	108	55	44
Waste otherwise disposed of [tons]	412	371	282	220	233
Chemical waste [tons]	136	119	44	45	40

Industrial accidents

Accidents causing less than 1 day's absence	73	54	77	23	17
Accidents causing 1 or more days' absence	29	26	12	19	18

Statements from ECCO units - The Netherlands



ECCO Tannery (Holland) B.V.

Location: Dongen, The Netherlands **Activity:** Production of wetblue. Development centre for leather **Year of incorporation:** Acquired by ECCO in 2001

No. of employees: 107



2007 2006 2005 2004 2003

Production output

Wetblue produced [ft ²]	35,436,966	36,823,248	33,240,142	22,820,513	28,114,877
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Energy and water consumption

Electricity [MWh]	6,004	6,129	6,133	5,192	5,704
Gas [m ³]	978,399	1,086,834	1,065,340	846,300	672,286
Water [m ³]	383,049	362,286	337,996	244,593	273,784

Waste

Recyclable waste [tons]	13,590	13,222	11,063*	-	-
Waste otherwise disposed of [tons]	7,517	7,590*	7,697*	-	-
Chemical waste [tons]	0,92	2,18*	0*	-	-

Tannery wastewater

Volume [m ³]	385,094	360,511	365,820	267,668	302,895
BOD [mg/l]	12,0-16,0	11,0-15,0	12,5-14,0	9,0-14,0	9,0-22,0
Chromium [mg/l]	0,04-0,15	0,05-0,13	0,10-0,20	0,20-0,30	0,10-0,20
pH	7,4-8,0	7,5-8,1	7,7-8,0	7,2-7,7	7,0-8,0

Industrial accidents

Accidents causing less than 1 day's absence	12	5	7	2	-
Accidents causing 1 or more days' absence	5	3	1	6	-

* Figures according to present method for registration are only available from 2005.

Statements from ECCO units - China



ECCO Xiamen

Location: Xiamen, China **Activity:** Production of uppers and finished shoes
Year of incorporation: 2005 **No. of employees:** 2,971



2007 2006 2005

Production output

Uppers produced [pairs]	3,297,987	1,793,505	428,076
Shoes produced [pairs]	967,517	867,642	475,724

Energy and water consumption

Electricity [MWh]	6,052	4,412	3,435
Oil [l]	10,312	8,415	-
Water [m ³]	47,495	29,882	23,096

Consumption of sole material

Polyol and isocyanate [kg]	382,677	322,974	152,479
TPU [kg]	63,481	97,697	-
Hardener [kg]	21,342	18,557	7,744
Colour paste [kg]	5,350	5,793	2,945
Release agent [kg]	3,777	2,635	1,133
Finishing products [kg]	18,954	4,739	2,046

Waste

Recyclable waste [tons]	229	193	8,4
Waste otherwise disposed of [tons]	464	334	0,5
Chemical waste [tons]	5,8	3,7	3,6

Industrial accidents

Accidents causing less than 1 day's absence	36	402	24
Accidents causing 1 or more days' absence	39	24	2

