

crocs™

THE MARKET

Named after one of the toughest creatures on the planet, Crocs took the world by storm from the time of the launch of the footwear range back in 2002.

Originally intended as a boating/outdoor shoe because of its comfortable and non-marking sole, the brand introduced its first Beach Model in November 2002 at the Florida Boat Show in America - and sold out in two days. From there, popularity mushroomed and sales poured in. By 2005, Crocs had become a bona fide phenomenon, universally accepted as an all-purpose shoe for comfort and fashion.

With a variety of colours available, there was soon a Croc for every outfit and activity, and a shoe that also offered real therapeutic benefit to wearers. Due to its proprietary closed-cell resin Croslite™ material, Crocs footwear has received the seal of approval from the United States Ergonomics council for reducing up to 62.6 percent of leg fatigue while standing.

Besides the comfort value, Croslite™ is a waterproof material, enabling wearers to work in the garden, get their shoes full of mud, and then simply hose them off. The shoes are extremely light and are virtually odour-resistant. The “clog” design, originally produced in Canada, was given a strap for utility and a little flair.

Superb for all-day comfort, Crocs are designed for everyone from three to 100 years old. They have become a phenomenon loved by doctors, nurses, athletes, chefs, travellers, service professionals and of course, boaters, just to name a few. Being great lovers of the outdoors - and with kilometres of hot, sandy beaches around South Africa - locals love the ease and comfort of Crocs.

In keeping with its payoff line, there really is “a shoe for every you”. Crocs’ commitment to providing fun and pleasant footwear experience to every foot in the world is also in line with the new marketing message of the shoe brand in the Asia-Pacific region in 2010, “Feel Good Revolution”.

ACHIEVEMENTS

In February 2006, Crocs went public on the NASDAQ exchange with the largest footwear IPO in history.

A profitable third quarter in 2009 saw Crocs Inc revenue improve to 177.1 million US dollars, exceeding the Company’s guidance and the prior year period revenue. Cash increases rose 50 percent to 76 million US dollars in first nine months of 2009.

Locally, Crocs has opened four concept stores and a large number of retailers stock the range across South Africa.

HISTORY

It all started in July 2002, in Boulder, Colorado when three Boulder, Colorado-based founders discovered an unusual clog manufactured by Fin

Project N.A., a company based out of Quebec, Canada. After adding an innovative strap, the original Crocs shoe was born.

Initially intended as a boating/outdoor shoe because of its comfortable and non-marking sole, Crocs began to enter the mainstream with the introduction of the brand’s first Beach Model in November 2002 at the Florida Boat Show - and the sale of 200 pairs in two days. From there, the popularity of the footwear mushroomed and sales poured in. By 2005 Crocs had become universally accepted as an all-purpose shoe for comfort and fashion.

From 2003 to 2004, Crocs focused on accommodating its remarkable growth, yet maintained its commitment to the core values and principles that made the company an instant success. Crocs expanded its product line, added warehouses and shipping programs, recruited and hired an exceptional senior management team and acquired Fin Project N.A. in 2004.

Today, Crocs are available all over the world as well as on the internet, as the brand continues to expand significantly in all aspects of its business.

May 2005 saw the launch of Crocs in South Africa. The brand currently has four local concept stores, located at the V&A Waterfront, Cape Town; Menlyn Shopping Mall, Pretoria; La Lucia Mall, La Lucia, KwaZulu-Natal; and at Cape Town International Airport. It also has several licensed distributors and a variety of stores across the country selling the sought-after shoes.

In November 2006, Crocs crossover footwear line with Disney was released in South Africa, bringing well-loved characters, from Winnie the Pooh through various “princesses” to kids around the country.

THE PRODUCT

Besides their bright colours, Crocs also come in a variety of styles. Crocs manufactures its footwear in company-owned facilities in North America and in third party manufacturers’ facilities throughout the world. The North American facilities provide Crocs with maximum production flexibility, allowing the company to meet changing customer demand quickly and efficiently. In addition, the geographic diversity of its company-operated and third party manufacturing facilities allows Crocs to more rapidly and cost-effectively serve specific markets around the world.

Since Crocs, Inc. began marketing its first shoe model, the Beach model, in November 2002, the company has expanded its product line



2006



2009



2010

Jibbitz decorations which can be clipped to the ventilation holes of the Crocs. These include designs mainly aimed at children, and feature a variety of fun and colorful designs and characters. In another nod to the popularity of Crocs, a line of purses and cell-phone holders - called Croc-O-Dials - is also produced in a wide array of colors.

RECENT DEVELOPMENTS

As evidence of the brand's global growth, October 2009 saw Crocs announce the planned opening of the company's largest retail location in the world in Boulder, Colorado.

In January 2010, Crocs donated 50 pairs of shoes to the African Children's Choir to wear as they travelled around the United States. The choir comprises vulnerable children from various countries in Africa, many of whom have lost their parents to poverty or disease. The African Children's Choir helps these children overcome poverty

and spread their message of hope to the world.

PROMOTION

Crocs are marketed through various initiatives, including catalogues in print and online. In-store posters and promotions are also used by the brand, and the internet site allows customers to buy products online, as well as interact via

to include over 120 unique shoe models and in a variety of color offerings; most other styles are produced in a palette of four to six colours or two-colour combinations.

The brand's Fuzz Collection, which has permanently attached woolly liners, extends the range into winter wear. Sporty flip-flops, Mary-Janes, Trailbreak multi-sport sandals and men's Dekum canvas shoes are just a few of the models in a range that has grown considerably since the first Crocs turned the footwear market on its head.

The brand also entered the golf shoe marketplace when it acquired golf shoe manufacturer Bite Footware, and introduced a Croc-styled pair of golf shoes called the Crocs Ace. Croc's now-famous ergonomic design has been expanded further into a range that includes:

- Crocs Rx
- Crocs Work
- Crocs Prepair

Crocs are certified by the United States Ergonomics Council and the American Podiatric Medical Association for their therapeutic benefits. The company created what it calls an Rx line of models specifically with healthy feet in mind: CrocsRx Relief, CrocsRx Cloud, CrocsRx Custom Cloud and CrocsRx Silver Cloud.

The company also sells other fashion accessories, including the

blogs. In particular, Crocs emphasizes an in-depth, interactive approach with the grassroots public, an initiative which can be clearly reflected in the many grass-roots events and PR exposures the company puts forward in the local communities.

To support its foray on to golf courses, Crocs signed on as a partner with the PGA Tour in 2008, ran a limited flight of advertisements in golf and lifestyle publications, and set up a consumer "test drive" booth at 30 professional men's and women's tour events. The on-site Crocs booths allowed consumers to take a pair of the golf shoes on to the course to follow the tournament, and then return them at the end of the day.

Much of the company's sales comes from word-of-mouth marketing, with wearers and some health-care providers suggesting them to eliminate plantar pain and aching feet, saying the shoes' inner support, heel cups, massaging heel nubs and arch support are ideal for people with foot problems.

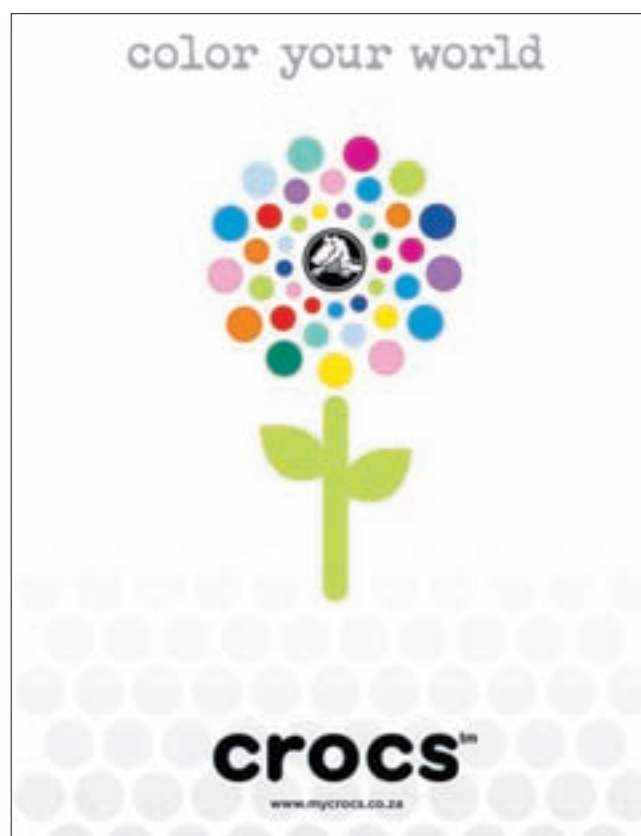
BRAND VALUES

Despite the brand's rapid and ongoing success, its makers still stand behind the core values of Crocs Footwear: "We are committed to making a lightweight, comfortable, fashionable and functional shoe that can be produced quickly and at an affordable cost to our customers."

Besides comfort and function, values associated with the shoe are:

- Innovative
- Different
- Exciting
- Fun
- Useful

The brand has become a global icon and even those who don't "see themselves" in the shoes are converted after wearing them - usually once! Today, Crocs shoes are available in some 9,500 domestic store locations and in more than 125 countries worldwide.



2007/2008

THINGS YOU DIDN'T KNOW ABOUT CROCS

- All Crocs shoes are constructed with Croslite™, a material that is soft, lightweight, non-marking, and odour resistant
- By 2003, Crocs had become universally accepted as an all-purpose shoe for comfort and fashion
- To support its foray onto golf courses, Crocs signed on as a partner with the PGA Tour in 2008
- Crocs were named after crocodiles, which are tough, strong creatures with no natural predators
- The Crocs brand was launched in South Africa in 2005