

NEWS RELEASE

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The Reilly Company Completes Successful Transition of Crocs, Inc. Latin America Business

CHICAGO (August 1, 2013)— The Reilly Company, a leading international services firm assisting clients around the globe, announced today that it has successfully completed the transition of the Latin America business at Crocs, Inc.

“We are delighted to have been a part of the significant growth that Crocs has experienced in Latin America and grateful for the close working relationship with the entire Crocs team”, said Ernie Watts, President of The Reilly Company (Chicago). “The strong and solid relationship we have with our clients like Crocs is truly the greatest reward for our work”.

The Reilly Company was initially retained by Crocs in November of 2009 to conduct a *Corporate Performance Assessment* of the entire Crocs Latin America business.

Using the *Global Advantage* process in each key market, The Reilly Company was able quickly identify critical success factors and develop a strategic and tactical plan that Crocs could implement for immediate results.

“Our business in Latin America was growing rapidly and approaching the size where we needed a fresh perspective and visionary, seasoned leadership. The Reilly Company helped us focus on our business objectives, strategic and profitable growth among varying market conditions and business models and helped us identify critical issues and recommend a go-to-market strategy for each country. They then worked full time in our business to help us implement the plan and transfer expertise to our team”, according to Doug Hayes, former President of Crocs Americas (now CEO at Ash City).

Watts points out that the Crocs Latin America team had built a solid position in wholesale channels in Brazil via its local subsidiary there. “The brand was well positioned with key wholesale partners in Brazil but lacked a strategy to build critical mass, develop new channels (retail and e-commerce) and prioritize opportunities in distributor markets”, said Watts.

Once the strategic plan was adopted by Crocs senior management, Watts was retained on a full time basis to lead the plan implementation as Vice President, Business Development for Crocs Latin America. “This is where The Reilly Company is unique in our focus on a long term partnership that complements the skills of the teams we work with. As former senior line executives with strong general management and business development backgrounds we can work directly in your business, manage

your channels of distribution and transfer the foreign business practices and inter-cultural characteristics essential to success directly to your staff”, added Watts.

In just 45 months Watts and the Crocs Latin America team were able to transform a \$30M business operating almost exclusively in wholesale channels to an \$85M omni-channel business that:

- Opened new wholesale accounts and segments to increase total POS by 50%.
- Used The Reilly Company *Supplier/Partner Performance Assessment* process to strengthen the entire distributor network and triple revenue through channel partners.
- Established new direct to consumer (retail and e-commerce) subsidiaries in Argentina and Chile.
- Opened flagship Crocs stores in Brazil, Argentina and Chile and increased total Crocs retail POS (owned and partner stores) from 40 to 135.
- Rolled out a full e-commerce platform in Brazil.
- Developed local sourcing options in Brazil and Argentina via third party suppliers and licensees.
- Launched seasonally appropriate products supported by regional marketing strategies and programs.

“The Crocs Latin America team is very talented and very cohesive”, concluded Watts. “With new leadership now hired and on board in Brazil, the brand is well positioned for continued growth and success. We truly would like to thank Crocs for

their commitment to the region and their willingness to implement measurable performance improvement for the long term.”

For more information, go to www.thereillycompany.com.

The Reilly Company, founded in 1988, is an international management services company providing solutions to management, marketing, sales, distribution and operating problems worldwide. The company is dedicated to identifying areas of potential market opportunity and performance improvement thereby helping its clients to compete successfully in world markets and maximize their growth and profits.

The Reilly Company (Chicago) is the Chicago based affiliate of The Reilly Company.

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