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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
Crocs, Inc.  
Niwot, Colorado

We have audited the accompanying consolidated balance sheets of Crocs, Inc. and subsidiaries (the "Company") as of December 31, 2008 and 2007, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Crocs, Inc. and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements for the year ended December 31, 2008 have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the maturity of the Company's Revolving Credit Facility on April 2, 2009 and losses from operations raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for uncertain tax positions on January 1, 2007 in accordance with the Financial Accounting Standards Board's Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2008, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 17, 2009 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Denver, Colorado  
March 17, 2009

**CROCS, INC.**

**CONSOLIDATED BALANCE SHEETS**

(In thousands, except share data)

	December 31,	
	2008	2007
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 51,665	\$ 36,335
Restricted cash	—	300
Accounts receivable, less allowance for doubtful accounts of \$5,262 and \$3,795, respectively	35,305	152,919
Inventories	143,205	248,391
Deferred tax assets, net	11,364	12,140
Income tax receivable	24,417	—
Prepaid expenses and other current assets	13,415	17,865
Total current assets	<u>279,371</u>	<u>467,950</u>
Property and equipment, net	95,892	88,184
Restricted cash	2,922	1,014
Goodwill	—	23,759
Intangible assets, net	40,892	31,634
Deferred tax assets, net	21,231	8,051
Other assets	15,691	6,833
Total Assets	<u>\$455,999</u>	<u>\$627,425</u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current liabilities:		
Accounts payable	\$ 35,137	\$ 82,979
Accrued expenses and other current liabilities	50,076	57,246
Deferred tax liabilities, net	30	265
Accrued restructuring charges	1,439	—
Income taxes payable	24,420	19,851
Notes payable and capital lease obligations	22,431	7,107
Total current liabilities	<u>133,533</u>	<u>167,448</u>
Long-term capital lease obligations, net of current portion	—	9
Deferred tax liabilities, net	2,917	1,858
Long term restructuring	959	—
Other liabilities	31,427	13,997
Total liabilities	<u>168,836</u>	<u>183,312</u>

Commitments and contingencies (Notes 6, 9 and 15)

**Stockholders' equity:**

Common shares, par value \$0.001 per share; 250,000,000 authorized 83,543,501 issued and 83,019,501 shares issued and outstanding in 2008, 82,722,426 issued and 82,198,426 issued and outstanding in 2007	84	83
Treasury Stock, 524,000 shares, at cost	(25,022)	(25,022)
Additional paid-in capital	232,037	211,936
Deferred compensation	(246)	(2,402)
Retained earnings	64,233	249,309
Accumulated other comprehensive income	16,077	10,209
Total stockholders' equity	<u>287,163</u>	<u>444,113</u>
Total Liabilities and Stockholders' Equity	<u>\$455,999</u>	<u>\$627,425</u>

See notes to consolidated financial statements.

**CROCS, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except share and per share data)

	Year Ended December 31,		
	2008	2007	2006
Revenues	\$ 721,589	\$ 847,350	\$ 354,728
Cost of sales	486,722	349,701	154,158
Restructuring charges	901	—	—
Gross profit	<u>233,966</u>	<u>497,649</u>	<u>200,570</u>
Selling, general and administrative expenses	368,800	259,882	105,224
Restructuring charges	7,664	—	—
Goodwill impairment charges	23,867	—	—
Asset impairment charges	21,917	—	—
Income (loss) from operations	<u>(188,282)</u>	<u>237,767</u>	<u>95,346</u>
Interest expense	1,793	438	567
Other (income) — net	(565)	(2,997)	(1,847)
Income (loss) before income taxes	<u>(189,510)</u>	<u>240,326</u>	<u>96,626</u>
Income tax expense (benefit)	(4,434)	72,098	32,209
Net income (loss)	<u>(185,076)</u>	<u>168,228</u>	<u>64,417</u>
Dividends on redeemable convertible preferred shares	—	—	33
Net income (loss) attributable to common stockholders	<u>\$ (185,076)</u>	<u>\$ 168,228</u>	<u>\$ 64,384</u>
Income (loss) per common share:			
Basic	<u>\$ (2.24)</u>	<u>\$ 2.08</u>	<u>\$ 0.87</u>
Diluted	<u>\$ (2.24)</u>	<u>\$ 2.00</u>	<u>\$ 0.81</u>
Weighted average common shares:			
Basic	<u>82,767,540</u>	<u>80,759,077</u>	<u>74,598,400</u>
Diluted	<u>82,767,540</u>	<u>84,194,883</u>	<u>80,170,512</u>

See notes to consolidated financial statements.