

THE FOOTWEAR INDUSTRY REPORT

The Business Strategy Game © 2008 GLO-BUS Software, Inc. All rights reserved.

INDUSTRY 1

Friday, May 23, 2008

YEAR 20

COMPANY SCORES : INVESTOR EXPECTATIONS STANDARD

Investors and company boards of directors have established annual targets for five key performance measures and the importance weighting of each: EPS (20 points), ROE (20 points), Stock Price (20 points), Credit Rating (20 points), and Image Rating (20 points). The score on a performance measure is equal to the percentage of the target that was achieved. Achieving higher than targeted performance results in bonus awards of 0.5% for each 1% overachieved (capped at 40% over the target). Thus, the Investor Confidence Index ranges from 0 to a max of 120 (if all targets are exceeded by 40% or more).

YEAR 20 INVESTOR CONFIDENCE INDEX

Company Name	Year 20 Index	Change from Y19
Gazelle	119	+1
Angie and Sean	109	-2
Foolhardy	104	-5
Jail Bait Inc	80	+13
E-Qualite Athletics	62	-17
Dynamite	55	0
I-Shnikees Kicks	44	-12
Little Hermits	24	+1
Hot Shot Shoes	21	-2
B (deleted)	0	0
C (deleted)	0	0
K (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Gazelle	113	+1
Angie and Sean	101	+1
Foolhardy	83	+2
Dynamite	74	-2
I-Shnikees Kicks	64	-3
E-Qualite Athletics	58	+1
Jail Bait Inc	58	+2
Hot Shot Shoes	41	-3
Little Hermits	38	-1
B (deleted)	0	0
C (deleted)	0	0
K (deleted)	0	0

COMPANY SCORES : BEST-IN-INDUSTRY PERFORMANCE STANDARD

This scoring standard is based on how well each company performs relative to the best-performing company on EPS, ROE, Stock Price, Credit Rating, and Image Rating. In order to get a score of 100, a company must be the industry leader on all 5 measures, achieve the investor expectations on EPS, ROE, Stock Price, and Image Rating, and have an A+ Credit Rating. Scores of 70 and higher indicate strong overall performance; companies with low scores (<50) trail the industry leaders by a significant margin. Each company's annual and overall scores are shown on the next two pages.

YEAR 20 PERFORMANCE RANKINGS

Company Name	Year 20 Score	Change from Y19
Gazelle	98	0
Angie and Sean	60	-9
Foolhardy	55	-9
Jail Bait Inc	49	+3
Dynamite	38	+1
E-Qualite Athletics	37	-8
I-Shnikees Kicks	32	-7
Little Hermits	17	+1
Hot Shot Shoes	14	-3
B (deleted)	0	0
C (deleted)	0	0
K (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Gazelle	99	+2
Angie and Sean	68	-4
Foolhardy	60	-1
Dynamite	48	+1
Jail Bait Inc	45	+3
I-Shnikees Kicks	42	-5
E-Qualite Athletics	36	0
Little Hermits	17	+1
Hot Shot Shoes	16	-1
B (deleted)	0	0
C (deleted)	0	0
K (deleted)	0	0

EARNINGS PER SHARE (\$)

Bold numbers indicate achievement of investor expectation for EPS shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the overall score). Scores of other companies are a percentage of the industry-leading EPS performance. The overall best-in-industry score is based on a weighted average of the annual EPS performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall	Best-In-Ind. Score		
	(2.67)	(2.85)	(3.05)	(3.26)	(3.49)	(3.66)	(3.84)	(4.03)	(4.23)	(4.44)	(3.55)	Year 20	Overall	
A	4.86	2.74	3.89	2.55	5.22	4.93	6.19	5.50	7.32	6.60	4.89	10	14	A
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	B
C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	C
D	3.45	2.64	2.76	1.66	2.41	2.55	2.48	0.92	1.23	0.89	2.16	1	6	D
E	3.31	0.82	1.05	0.15	-1.35	2.19	2.94	0.83	3.70	2.36	1.68	4	5	E
F	1.59	3.22	3.36	0.79	1.72	2.87	4.53	3.76	5.69	5.36	3.23	8	9	F
G	3.88	4.51	5.50	3.92	5.19	7.33	8.56	8.04	10.97	13.19	6.92	20	20	G
H	3.46	2.06	1.59	-2.57	-3.37	-3.16	-1.26	-3.83	-4.16	-6.83	-2.27	0	0	H
I	2.83	2.23	2.20	0.86	0.84	0.90	1.57	0.58	0.77	0.07	1.28	0	4	I
J	1.32	0.82	-0.22	-3.38	0.33	3.04	3.20	1.80	2.00	2.56	1.04	4	3	J
K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	K
L	3.03	1.44	1.47	-0.80	-1.36	-1.34	-1.06	-2.67	-1.28	-3.43	-1.01	0	0	L

RETURN ON EQUITY (%)

Bold numbers indicate achievement of investor expectation for ROE shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the overall score). Scores of other companies are a percentage of the industry-leading ROE performance. The overall best-in-industry score is based on a weighted average of the annual ROE performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall	Best-In-Ind. Score		
	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	Year 20	Overall	
A	27.9	14.1	17.2	9.9	17.1	14.3	16.1	12.6	16.2	12.7	14.5	10	14	A
B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	B
C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	C
D	21.0	14.1	13.2	7.5	8.7	9.3	8.3	3.0	3.6	2.7	8.3	2	8	D
E	19.7	4.6	6.5	0.9	-8.4	16.3	23.3	4.8	17.8	13.3	9.9	11	9	E
F	10.3	17.9	16.8	3.6	7.5	10.9	15.4	11.3	14.9	12.4	11.6	10	11	F
G	22.8	23.1	23.8	15.8	20.4	22.6	23.5	19.9	24.3	24.5	21.1	20	20	G
H	20.5	10.5	7.4	-16.8	-23.8	-29.0	-14.6	-62.7	-197.1	0.0	-24.3	0	0	H
I	17.1	12.5	11.0	4.0	3.8	3.8	6.4	2.3	2.9	0.3	5.6	0	5	I
J	8.6	5.2	-1.3	-23.5	2.6	21.2	19.0	11.2	10.9	13.7	6.6	11	6	J
K	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	K
L	19.1	10.0	9.9	-5.7	-11.0	-12.2	-10.8	-52.3	-41.3	-264.3	-12.9	0	0	L

STOCK PRICE (\$ per share)

Bold numbers indicate achievement of investor expectation for stock price shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the overall score). Scores of other companies are a percentage of the industry-leading stock price. The overall best-in-industry score is based solely on the most recent year's stock price.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Avg Annual Change	Best-In-Ind. Score		
	(32.00)	(34.25)	(36.75)	(39.25)	(42.00)	(44.25)	(46.25)	(48.75)	(51.25)	(53.50)		Year 20	Overall	
A	78.28	35.67	48.31	25.19	75.82	57.18	90.57	63.44	103.33	76.06	+10 %	6	6	A
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	B
C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	C
D	66.23	32.60	31.96	17.70	23.86	25.84	29.29	16.54	12.09	9.95	-10	1	1	D
E	45.84	24.07	14.07	8.72	5.76	27.98	37.20	20.16	42.65	25.38	-2	2	2	E
F	17.19	39.09	37.90	20.35	15.93	27.34	61.31	43.04	71.53	67.42	+8	5	5	F
G	64.12	70.76	88.77	44.25	65.08	110.28	154.18	121.18	198.30	263.96	+24	20	20	G
H	57.82	28.75	15.90	10.05	6.19	4.75	5.40	4.65	5.11	4.55	-17	0	0	H
I	34.79	22.81	21.04	12.20	7.87	9.50	18.56	10.59	9.06	5.81	-15	0	0	I
J	16.48	9.51	6.49	4.85	4.90	30.07	41.82	22.30	17.84	28.52	-1	2	2	J
K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	K
L	44.73	23.28	14.26	8.73	5.24	4.75	4.86	5.65	4.60	5.34	-16 %	0	0	L

CREDIT RATING

Bolded credit ratings indicate meeting or beating the B+ investor expectation shown below each column head. For the best-in-industry scoring, companies with an A+ credit rating earn a score of 20 (which equals a 20% weighting in overall score). Lesser credit ratings earn lower scores. The overall best-in-industry score is based solely on the most recent year's credit rating.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Default Risk	Best-In-Ind. Score		
	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)		Year 20	Overall	
A	B	C+	B-	C	B	B	A	A-	A	A	Low	19	19	A
B	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	B
C	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	C
D	A-	B+	B	B-	B	B	B+	B	B+	A	Low	19	19	D
E	B	C-	C-	C-	C-	C-	C	C-	C-	C-	High	0	0	E
F	B	B+	C+	C-	C+	B-	B	B-	B+	A-	Medium	18	18	F
G	A-	B+	B+	C+	B	A-	A	A-	A	A+	Low	20	20	G
H	A	B	C+	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	H
I	B	B	B	C+	A-	A+	A+	A	A+	A-	Low	18	18	I
J	B-	C	C-	C-	C-	C+	B	B	B-	B	Medium	14	14	J
K	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	K
L	B-	C-	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	L

IMAGE RATING

Bolded image ratings indicate meeting or beating the 70 target image rating shown below each column head. Best-in-industry performers earn a score of 20 (equal to a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading image rating. Overall best-in-industry scores are based on the average of the image ratings in Y18, Y19, and Y20.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall	Best-In-Ind. Score		
	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)		Year 20	Overall	
A	73	73	82	74	72	76	68	69	67	77	71	15	15	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	70	66	69	71	71	69	65	59	68	73	67	15	14	D
E	81	88	77	72	73	72	79	89	90	100	93	20	20	E
F	60	64	69	79	74	71	66	82	86	69	79	14	17	F
G	67	67	89	78	73	81	83	86	91	88	88	18	19	G
H	71	64	64	73	90	85	78	80	77	68	75	14	16	H
I	81	80	79	84	76	73	72	73	72	72	72	14	15	I
J	57	63	74	79	94	100	100	95	95	89	93	18	20	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	76	79	78	77	75	75	79	80	74	85	80	17	17	L

INVESTOR CONFIDENCE INDEX

The degree to which a company meets or beats the annual targets for each performance measure drives investor confidence in management's ability to deliver good results. An index score below 70 indicates subpar achievement of the annual performance targets. Index scores of 100 or more reflect consistently excellent or superior performance in meeting investor expectations.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Average Index	Overall Confidence	
	A	108	86	101	67	105	102	111	106	111			
B	0	0	0	0	0	0	0	0	0	0	0	N/A	B
C	0	0	0	0	0	0	0	0	0	0	0	N/A	C
D	113	96	89	61	73	74	76	49	55	55	74	Fair	D
E	107	49	45	26	23	66	80	41	79	62	58	Subpar	E
F	70	102	90	41	57	75	100	86	109	104	83	Good	F
G	113	111	115	93	108	116	117	115	118	119	113	Superior	G
H	114	79	55	25	26	24	23	23	23	21	41	Subpar	H
I	101	83	77	46	57	58	69	53	56	44	64	Subpar	I
J	59	41	25	23	30	87	98	73	67	80	58	Subpar	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	K
L	101	58	52	25	23	23	23	23	23	24	38	Subpar	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	27,948	16,700	58,228	13,400	116,276
– Pairs Rejected	1,832	950	2,260	520	5,562
Net Y20 Production (after rejects)	26,116	15,750	55,968	12,880	110,714
Superior Materials Usage	39.9%	68.7%	47.9%	33.8%	47.4%
Capacity Utilization (branded + P-L prod.)	114.5%	115.2%	117.9%	116.5%	116.5%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	+ 0.31	+ 0.39	6.70
Superior Materials	12.00	– 0.16	+ 0.78	12.62

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	4,477	3,831	2,998	3,032	14,338
– Pairs Cleared (inventory clearance)	653	1,080	818	394	2,945
Beginning Y20 Inventories	3,824	2,751	2,180	2,638	11,393
+ New Production (shipped from plants)	23,323	25,629	24,322	23,444	96,718
Pairs Available for Sale in Y20	27,147	28,380	26,502	26,082	108,111

BRANDED DEMAND & SALES (000s of pair)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Projected Y20 Demand (see Y19 FIR)	23,951	23,868	22,461	21,711	91,991
Actual Year 20 Demand	22,779	22,635	21,906	21,327	88,647
Branded Pairs Sold	22,779	22,633	21,904	21,327	88,643
Required Y20 Ending Inventories	1,827	1,844	1,845	1,951	7,467
Inventory Surplus (Shortfall)	2,426	3,885	2,657	2,722	11,690

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.8%
- Available for shipment to warehouses
- % usage up by 1.1 points over Y19
- % utilization up by 1.9 points over Y19

Lower than normal (47.4% industrywide) superior materials usage led to superior materials prices that were 1.3% below the base and standard materials prices that were 5.2% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 6.5% from the base.

- Average inventory clearance of 20.5%
- 22.0% higher than Y20 demand

Actual demand in Year 20 was 3.6% less than expected due to increases in industry average prices.

- Needed to achieve delivery times
- { High in N.A. High in E-A
High in A-P High in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America (internet + wholesale)	23,690	24,638	25,624	26,649
Europe-Africa	23,540	24,482	25,461	26,479
Asia-Pacific	23,220	24,613	26,090	27,655
Latin America	22,607	23,963	25,401	26,925
Total	93,057	97,696	102,576	107,708
Private-Label — North America	4,275	4,275	4,275	4,275
Europe-Africa	4,230	4,230	4,230	4,230
Asia-Pacific	4,248	4,248	4,248	4,248
Latin America	4,248	4,248	4,248	4,248
Total	17,001	17,001	17,001	17,001

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	19,468
Potential Production (at max OT)	119,760
Potential Global Supply	139,228
Demand — Branded Sales Forecast (000s)	93,057
Private-Label Sales Forecast	17,001
Expected Global Demand	110,058
Conclusion:	Excess supply of 26.5% is likely to intensify competition in Year 21 until market growth absorbs the excess.

PLANT CAPACITY (000s of pairs w/o overtime)

	Capacity at Beginning of Year 20				Capacity Purchased (Sold)				Capacity Available for Y20 Production					Construction Initiated in Year 20	
	N.A.	E-A	A-P	L.A.	N.A.	E-A	A-P	L.A.	N.A.	E-A	A-P	L.A.	Total		
A	0	0	7,500	4,500	0	2,000	0	0	0	2,000	7,500	4,500	14,000	0	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	1,000	1,000	4,000	0	0	100	0	0	1,000	1,100	4,000	0	6,100	0	D
E	8,500	0	10,000	0	2,000	0	0	0	10,500	0	10,000	0	20,500	0	E
F	5,500	3,000	2,500	1,500	0	0	0	-1,500	5,500	3,000	2,500	0	11,000	0	F
G	0	0	9,900	3,000	0	0	0	0	0	0	9,900	3,000	12,900	0	G
H	2,800	3,500	5,200	2,000	-200	0	-400	0	2,600	3,500	4,800	2,000	12,900	0	H
I	0	1,800	4,700	0	0	0	0	0	0	1,800	4,700	0	6,500	0	I
J	2,100	1,000	2,000	1,000	0	0	0	0	2,100	1,000	2,000	1,000	6,100	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	2,100	1,500	4,000	1,000	600	600	0	0	2,700	2,100	4,000	1,000	9,800	0	L
Total	22,000	11,800	49,800	13,000	2,400	2,700	-400	-1,500	24,400	14,500	49,400	11,500	99,800	0	

INCOME STATEMENT DATA (\$000s)

	Net Sales Revenues	Cost of Pairs Sold	Warehse Expenses	Marketing Expenses	Admin Expenses	Operating Profit	Interest Exp (Inc)	Income Taxes	Net Profit	Total Dividend Payment (\$000s)	Shares of Stock (000s of shares outstanding)	
A	575,348	324,261	33,557	117,489	16,420	83,621	12,911	21,213	49,497	0	7,500	A
B	0	0	0	0	0	0	0	0	0	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	401,056	224,414	33,819	122,794	8,519	11,510	1,980	2,859	6,671	7,500	7,500	D
E	945,198	480,152	54,538	279,060	22,920	108,528	66,392	12,641	29,495	62,500	12,500	E
F	485,837	251,895	33,730	106,962	13,419	79,831	15,507	19,297	45,027	8,400	8,400	F
G	689,133	317,994	50,245	149,839	15,319	155,736	14,463	42,382	98,891	22,500	7,500	G
H	449,079	315,908	34,691	112,640	15,319	-29,479	73,037	0	-102,516	0	15,000	H
I	365,389	211,364	24,852	118,556	8,920	1,697	767	279	651	0	9,300	I
J	351,144	167,894	31,590	104,724	8,520	38,416	11,011	8,222	19,183	6,600	7,500	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	440,430	320,938	32,768	102,535	12,218	-28,029	36,025	0	-64,054	0	18,700	L
	522,513	290,536	36,643	134,955	13,508	46,870	25,788	11,877	9,205	11,944	10,433	

SELECTED BALANCE SHEET DATA (\$000s)

DIVIDEND DATA

	Cash on Hand	Current Assets	Total Assets	Current Liabilities	Long-Term Debt	Shareholder Equity				Year 20 Dividend (\$ / share)	No. of Changes (+ / -)	
						Beginning Equity	Stock Sales (Purchases)	Earnings Retained	Ending Equity			
A	47,989	236,735	644,547	53,846	175,000	366,205	0	49,497	415,701	0.00	8 / 2	A
B	0	0	0	0	0	0	0	0	0	0.00	0 / 0	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	4,816	170,409	267,455	18,431	0	249,854	0	-830	249,024	1.00	2 / 2	D
E	13,864	305,032	901,602	389,397	265,000	194,910	85,300	-33,005	247,205	5.00	8 / 2	E
F	0	191,240	474,778	55,169	38,800	344,182	0	36,627	380,809	1.00	4 / 4	F
G	41,413	241,058	594,064	39,223	112,500	365,949	0	76,392	442,341	3.00	9 / 1	G
H	0	191,167	503,310	605,372	0	452	0	-102,514	-102,062	0.00	0 / 1	H
I	10,311	147,821	281,040	25,895	8,427	246,068	0	651	246,718	0.00	1 / 2	I
J	0	140,118	279,436	39,585	93,520	133,748	0	12,583	146,331	0.88	2 / 3	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	187,283	437,535	445,332	0	56,259	0	-64,055	-7,797	0.00	1 / 1	L
	13,155	201,207	487,085	185,805	77,027	217,514	9,478	-2,739	224,252	1.21	4 / 2	

SELECTED FINANCIAL AND OPERATING STATISTICS

CREDIT RATING DATA

	Costs and Profits as a % of Net Revenues						Current Ratio	Days of Inventory	Interest Coverage Ratio	Debt to Assets Ratio	Default Risk Ratio	Default Risk	
	Cost of Prs. Sold	Whse. Expenses	Mktng. Expenses	Admin. Expenses	Operating Profit	Net Profit							
A	56.4 %	5.8 %	20.4 %	2.9 %	14.5 %	8.6 %	4.40	88	6.48	0.31	3.28	Low	A
B	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	B
C	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	C
D	56.0	8.4	30.6	2.1	2.9	1.7	9.25	107	5.81	0.00	10.00	Low	D
E	50.8	5.8	29.5	2.4	11.5	3.1	0.78	51	1.63	0.68	0.03	High	E
F	51.8	6.9	22.0	2.8	16.4	9.3	3.47	101	5.15	0.15	1.80	Medium	F
G	46.1	7.3	21.7	2.2	22.6	14.4	6.15	38	10.77	0.21	8.50	Low	G
H	70.3	7.7	25.1	3.4	-6.6	###	0.32	106	-0.40	1.14	0.00	N/A	H
I	57.8	6.8	32.4	2.4	0.5	0.2	5.71	78	2.21	0.04	5.19	Low	I
J	47.8	9.0	29.8	2.4	10.9	5.5	3.54	112	3.49	0.40	1.47	Medium	J
K	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	K
L	72.9	7.4	23.3	2.8	-6.4	###	0.42	91	-0.78	0.95	0.00	N/A	L
	55.6 %	7.0 %	25.8 %	2.6 %	9.0 %	1.8 %	1.08	86	3.82	0.43	3.36	Low	

Bold = best in industry = needs management attention

PLANT AND PRODUCTION BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Materials Costs (\$ per pair produced)	Branded Footwear		6.70	6.74	9.40	9.36	12.09	12.44
	Private-Label Footwear		5.66	5.99	7.06	7.11	8.72	7.73
Labor — North America	Total Compensation (\$/year)		18,767	20,043	21,788	22,814	25,092	25,475
	Productivity (pairs/worker/year)		4,264	4,362	5,111	5,387	5,701	5,876
	Labor Cost (\$/pair produced)		3.17	3.78	4.36	4.61	5.66	5.66
Europe Africa	Total Compensation (\$/year)		18,527	16,629	20,782	20,853	25,726	25,406
	Productivity (pairs/worker/year)		4,045	4,428	4,899	5,328	5,671	5,991
	Labor Cost (\$/pair produced)		3.11	3.05	4.32	4.20	5.11	5.29
Asia Pacific	Total Compensation (\$/year)		4,298	4,422	4,855	5,036	6,249	6,432
	Productivity (pairs/worker/year)		2,565	2,540	2,962	3,079	3,757	3,804
	Labor Cost (\$/pair produced)		1.18	1.37	1.60	1.66	1.94	1.87
Latin America	Total Compensation (\$/year)		3,287	3,461	4,218	4,600	5,395	5,568
	Productivity (pairs/worker/year)		2,922	2,824	3,154	3,116	3,654	3,570
	Labor Cost (\$/pair produced)		1.18	1.28	1.49	1.59	1.79	1.86
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.09	0.10	1.32	1.27	2.50	2.17
	Cumulative		0.52	0.43	1.21	1.19	2.40	2.01
Reject Rates	Branded Production		2.0%	2.1%	4.8%	4.5%	7.9%	7.2%
	Private-Label Production		1.6%	1.8%	2.5%	3.2%	3.8%	5.4%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	19.66	19.28	24.62	24.57	30.88	30.54
		E-A	22.29	21.97	25.09	25.49	28.26	31.34
		A-P	17.07	17.10	22.43	21.99	26.72	26.65
		L.A.	19.36	19.47	24.62	27.42	27.93	39.95
	Private-Label	N.A.	13.59	19.08	15.70	19.08	17.81	19.08
		E-A	15.70	21.62	18.27	21.90	20.19	22.18
		A-P	14.75	13.49	17.83	14.35	22.94	15.21
		L.A.	14.70	13.96	16.09	16.03	17.87	18.10

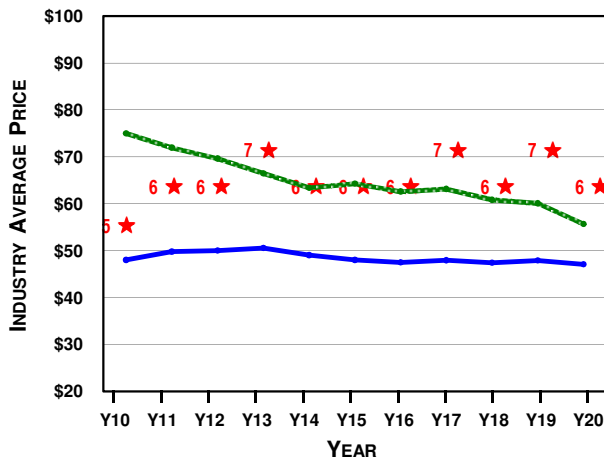
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	21.69	21.33	26.42	25.92	32.88	32.54
		E-A	23.97	23.97	27.35	27.06	33.62	32.81
		A-P	19.19	19.11	24.44	24.01	29.34	28.97
		L.A.	21.34	21.46	28.77	28.76	36.41	37.93
Warehouse Expenses - Internet (\$ per pair sold)	Internet		10.35	10.29	10.73	10.59	11.29	10.87
	Wholesale		1.90	1.80	2.51	2.33	3.28	2.73
Marketing Expenses — Internet (\$ per pair sold)	Internet		11.09	12.31	16.60	15.37	23.75	21.58
	Wholesale		8.37	9.43	13.74	13.74	24.11	16.92
Administrative Expenses (\$/pair sold)		1.07	1.16	1.43	1.39	1.84	2.04	
Operating Profit (\$ per pair sold)	Internet	N.A.	0.57	-1.43	13.91	11.18	25.92	22.86
		E-A	8.45	4.02	17.17	12.76	26.48	22.24
		A-P	7.83	6.41	17.69	16.21	29.96	26.86
		L.A.	4.48	-0.75	14.57	10.44	29.19	20.33
Wholesale	N.A.	-8.79	-9.81	2.10	1.90	9.43	11.20	
	E-A	-0.46	-4.67	5.14	3.01	10.48	10.83	
	A-P	-4.97	-4.24	2.57	3.17	9.68	11.97	
	L.A.	-2.22	-8.24	3.28	1.49	10.08	11.11	
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	17.46	16.64	18.47	18.21	19.81	21.08
		E-A	17.70	20.39	21.95	22.57	25.40	24.18
		A-P	16.75	15.49	19.70	16.35	24.94	17.21
		L.A.	16.70	15.96	18.09	19.53	19.87	22.52
Warehouse Expenses (\$ per pair sold)		1.00	1.00	1.00	1.00	1.00	1.00	
Margin Over Direct Costs (\$ per pair sold)		N.A.	0.86	-0.16	1.61	1.08	2.49	2.33
		E-A	0.76	-0.07	6.87	5.67	25.40	17.38
		A-P	-3.38	-0.07	0.61	0.58	2.36	1.23
		L.A.	-0.89	-0.16	0.72	1.16	1.78	2.54

CELEBRITY ENDORSEMENTS

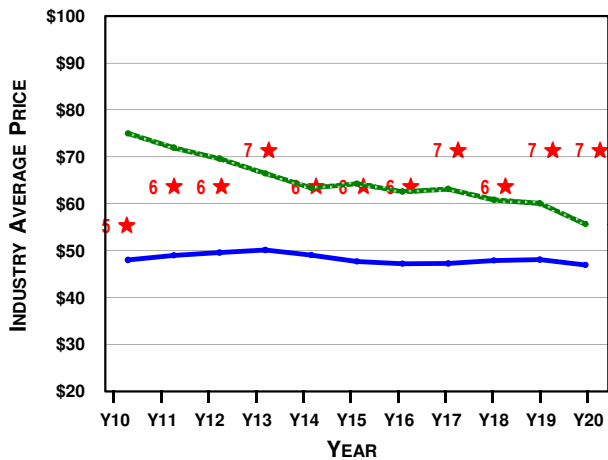
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company A	14,999	Y19	2 years	4	14,999	10,000	10,753	9,003
Oprah Letterman	100	70	65	75	Company G	20,002	Y20	3 years	1	20,002	0	20,002	20,002
Fifa Beckham	70	100	70	55	Company E	15,599	Y16	5 years	6	15,599	14,002	11,884	7,000
Tiger Green	95	80	85	75	[unsigned]	0	N/A	2 years	1	20,002	0	20,002	20,002
Jos Montaa	60	50	60	95	Company E	15,997	Y18	3 years	6	15,997	12,008	9,835	4,998
Kobioshi Jones	55	60	95	90	[unsigned]	0	N/A	4 years	1	20,002	0	20,002	20,002
Ace Federar	50	90	50	85	[unsigned]	0	N/A	1 year	1	20,002	0	20,002	20,002
Danica Andretti	70	65	55	60	Company E	15,545	Y19	3 years	5	15,545	10,400	10,831	9,003
LaBron Game	75	80	95	50	Company D	12,003	Y17	4 years	6	14,445	12,003	10,644	8,000
Lorena Lopez	45	85	60	100	Company I	10,500	Y19	2 years	5	10,500	10,299	9,764	9,003
Lance deFrance	80	85	75	70	[unsigned]	0	N/A	3 years	1	20,002	0	20,002	20,002
Yao KungPao	60	35	100	50	Company E	15,445	Y18	4 years	6	15,445	12,008	9,743	4,998

BRANDED PRICE AND S/Q RATING TRENDS

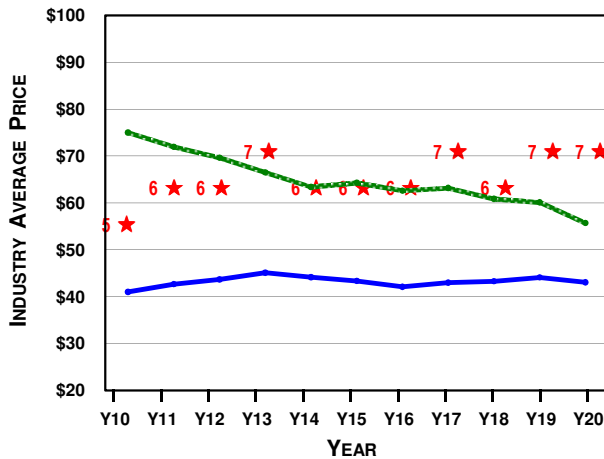
NORTH AMERICA



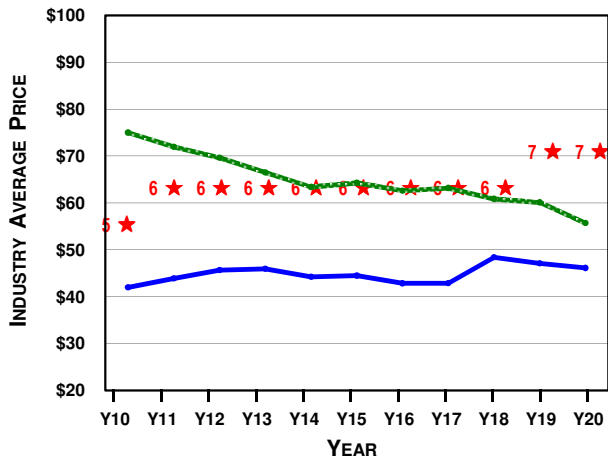
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



----- Internet Price (industry average)
 ----- Wholesale Price (industry average)
 ★ S/Q Rating (industry average)