

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 5

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
Brier Island Boots	120	+1
F-- Dale Wright	119	+2
C Company	118	+2
Goody Shoes	117	+2
Kinetic	117	+3
D emitos	116	-1
H8NvestorXpectations	104	-14
IForce Inc.	90	+28
A (deleted)	0	0
E (deleted)	0	0
J (deleted)	0	0
L (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
C Company	100	+2
F-- Dale Wright	100	+2
Brier Island Boots	99	+2
D emitos	92	+3
Goody Shoes	91	+3
Kinetic	83	+4
H8NvestorXpectations	76	+3
IForce Inc.	54	+4
A (deleted)	0	0
E (deleted)	0	0
J (deleted)	0	0
L (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
F-- Dale Wright	96	+21
C Company	84	+14
H8NvestorXpectations	78	-16
Brier Island Boots	77	+6
D emitos	74	+9
Kinetic	70	+10
Goody Shoes	63	+3
IForce Inc.	48	+12
A (deleted)	0	0
E (deleted)	0	0
J (deleted)	0	0
L (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
F-- Dale Wright	91	+2
C Company	83	-1
Brier Island Boots	81	-6
H8NvestorXpectations	79	-12
D emitos	75	-4
Kinetic	66	-4
Goody Shoes	64	-7
IForce Inc.	42	+5
A (deleted)	0	0
E (deleted)	0	0
J (deleted)	0	0
L (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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	A
B	3.48	1.84	3.01	1.10	1.43	4.38	6.89	6.75	9.59	10.32	4.78	12	17	B
C	3.53	2.66	3.36	0.78	2.71	4.88	8.94	8.50	10.76	14.72	5.64	17	20	C
D	4.16	2.62	2.88	0.78	0.34	5.80	6.63	7.33	10.00	10.00	4.75	12	17	D
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	E
F	1.84	2.61	3.93	2.99	2.21	2.36	6.87	8.98	11.77	16.97	5.56	20	20	F
G	3.22	2.50	3.97	0.90	-0.81	1.99	3.88	4.45	7.86	7.72	3.54	9	13	G
H	3.43	0.84	4.20	-1.32	-4.54	0.61	4.48	7.72	21.32	14.23	5.10	17	18	H
I	2.41	2.18	0.39	-1.27	-3.30	0.62	3.05	-0.23	1.32	2.94	0.88	3	3	I
J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	J
K	3.01	1.56	1.60	-1.54	0.19	2.78	5.76	5.40	7.72	8.74	3.50	10	12	K
L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	A
B	21.3	10.7	15.6	6.6	8.0	21.7	27.8	22.3	26.3	24.6	19.2	14	14	B
C	21.8	14.0	13.8	3.4	9.9	15.5	24.7	21.3	25.2	30.0	18.0	16	13	C
D	24.9	13.6	13.3	3.3	1.4	21.5	20.0	20.3	26.8	30.3	17.6	17	13	D
E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	E
F	11.8	15.1	19.4	13.6	9.2	8.9	21.5	25.1	26.6	32.7	19.0	18	14	F
G	20.0	13.9	19.3	4.3	-4.0	9.9	17.7	17.4	23.9	19.4	14.2	11	10	G
H	22.5	7.8	31.6	-9.0	-38.7	6.3	36.4	41.9	64.8	36.4	27.5	20	20	H
I	14.7	11.7	2.1	-6.5	-19.3	4.5	19.2	-1.5	6.9	14.2	4.8	8	3	I
J	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	J
K	18.6	8.7	8.4	-8.4	1.2	16.5	26.6	21.7	27.2	26.8	15.8	15	11	K
L	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0 %	0	0	A
B	56.62	28.04	34.07	18.93	13.19	65.94	137.96	135.82	197.37	212.25	+22	11	11	B
C	74.39	34.30	42.96	22.48	27.60	58.05	161.54	174.92	210.02	258.34	+24	14	14	C
D	73.70	34.64	30.39	16.66	9.99	52.47	103.57	124.76	155.77	195.09	+21	10	10	D
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	E
F	18.03	28.16	57.21	37.15	22.22	24.78	112.09	180.47	247.74	382.36	+29	20	20	F
G	62.00	32.67	71.95	33.18	17.93	18.63	53.36	80.52	162.04	135.45	+16	7	7	G
H	44.18	23.91	59.27	29.29	16.57	9.54	50.63	100.38	201.40	242.16	+23	13	13	H
I	26.12	22.24	12.49	7.67	5.01	5.22	28.05	15.91	14.95	35.34	+2	2	2	I
J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	J
K	47.60	25.13	15.77	9.13	5.53	29.12	86.66	105.41	162.97	175.13	+19	9	9	K
L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0 %	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	A
B	B	B	B	C	B-	A	A+	A+	A+	A+	Low	20	20	B
C	B	B	B	C	B	B+	A-	A-	A-	A	Low	19	19	C
D	B+	C+	C+	C-	C-	B+	A+	A+	A+	A	Medium	19	19	D
E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	E
F	B	B+	B+	B	B	B+	A	A	A	A+	Low	20	20	F
G	B+	B-	B+	C	C-	A-	A-	A+	A+	A+	Low	20	20	G
H	C+	C-	C-	C-	C-	C-	C-	C-	A-	C+	N/A	8	8	H
I	B-	C	C-	C-	C-	C	A-	C-	B+	A	Medium	19	19	I
J	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	J
K	B+	B-	C+	C-	C-	B+	A	A	A	A+	Low	20	20	K
L	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	79	79	75	79	86	95	98	100	92	100	97	20	19	B
C	79	74	81	76	74	82	80	82	84	90	85	18	17	C
D	66	60	81	69	69	84	70	78	76	79	78	16	16	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	62	80	86	78	93	82	89	84	86	92	87	18	17	F
G	65	72	73	66	68	66	80	68	66	81	72	16	14	G
H	72	66	94	90	100	100	100	100	100	100	100	20	20	H
I	68	88	74	73	69	71	70	70	76	81	76	16	15	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	69	67	67	73	67	67	69	67	67	78	71	16	14	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	N/A	A
B	108	80	96	51	59	117	120	120	119	120	99	Very Good	B
C	108	95	99	46	79	108	115	116	116	118	100	Excellent	C
D	111	81	84	37	29	112	115	117	117	116	92	Very Good	D
E	0	0	0	0	0	0	0	0	0	0	0	N/A	E
F	75	95	112	92	75	78	118	117	117	119	100	Excellent	F
G	108	88	110	52	28	73	107	110	115	117	91	Very Good	G
H	99	49	95	38	32	39	91	96	118	104	76	Fair	H
I	85	71	34	24	22	35	93	27	62	90	54	Subpar	I
J	0	0	0	0	0	0	0	0	0	0	0	N/A	J
K	107	69	57	25	25	88	115	113	114	117	83	Good	K
L	0	0	0	0	0	0	0	0	0	0	0	N/A	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	27,121	10,210	53,156	9,563	100,050
– Pairs Rejected	1,405	369	2,337	518	4,629
Net Y20 Production (after rejects)	25,716	9,841	50,819	9,045	95,421
Superior Materials Usage	56.7%	72.4%	48.5%	50.5%	53.4%
Capacity Utilization (branded + P-L prod.)	113.5%	105.3%	114.6%	102.8%	112.0%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	- 0.10	+ 0.12	6.02
Superior Materials	12.00	+ 0.82	+ 0.24	13.06

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	2,109	1,875	1,767	1,495	7,246
– Pairs Cleared (inventory clearance)	813	528	449	487	2,277
Beginning Y20 Inventories	1,296	1,347	1,318	1,008	4,969
+ New Production (shipped from plants)	21,723	22,452	19,960	19,554	83,689
Pairs Available for Sale in Y20	23,019	23,799	21,278	20,562	88,658

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)	22,473	22,717	20,590	20,074	85,854
Actual Year 20 Demand	21,112	21,544	19,330	18,844	80,830
Branded Pairs Sold	21,105	21,529	19,298	18,819	80,751
Required Y20 Ending Inventories	1,396	1,485	1,277	1,136	5,294
Inventory Surplus (Shortfall)	307	611	452	253	1,623

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.6%
- Available for shipment to warehouses
- % usage up by 5.0 points over Y19
- % utilization down by 7.7 points from Y19

Higher than normal (53.4% industrywide) superior materials usage led to superior materials prices that were 6.8% above the base and standard materials prices that were 1.7% below the base. Industrywide capacity utilization above 110% resulted in materials price increases of 2.0% from the base.

- Average inventory clearance of 31.4%
- 9.7% higher than Y20 demand

Actual demand in Year 20 was 5.9% less than expected due to increases in industry average prices.

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

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America (internet + wholesale)	21,956	22,834	23,747	24,697
Europe-Africa	22,406	23,302	24,234	25,203
Asia-Pacific	20,490	21,719	23,022	24,403
Latin America	19,974	21,172	22,442	23,789
Total	84,826	89,027	93,445	98,092
Private-Label — North America	3,496	3,496	3,496	3,496
Europe-Africa	3,488	3,488	3,488	3,488
Asia-Pacific	3,416	3,416	3,416	3,416
Latin America	3,456	3,456	3,456	3,456
Total	13,856	13,856	13,856	13,856

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	7,907
Potential Production (at max OT)	107,160
Potential Global Supply	115,067
Demand — Branded Sales Forecast (000s)	84,826
Private-Label Sales Forecast	13,856
Expected Global Demand	98,682
Conclusion:	Currently, there is a good balance between supply and demand, given available capacity w/OT. However, growth-minded companies should consider construction of new capacity now to meet future demand.

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	0	0	0	0	0	0	0	0	0	0	0	0	A
B	4,200	3,100	1,500	0	0	0	0	0	4,200	3,100	1,500	0	8,800	0	B
C	0	0	10,700	0	0	0	0	0	0	0	10,700	0	10,700	0	C
D	2,000	0	5,400	0	0	0	0	0	2,000	0	5,400	0	7,400	0	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	3,300	2,600	3,200	1,900	0	900	0	0	3,300	3,500	3,200	1,900	11,900	0	F
G	2,300	0	6,500	0	2,100	0	0	0	4,400	0	6,500	0	10,900	0	G
H	4,700	3,000	6,000	2,600	200	100	0	1,400	4,900	3,100	6,000	4,000	18,000	0	H
I	1,500	0	5,600	2,400	0	0	0	1,000	1,500	0	5,600	3,400	10,500	0	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	3,600	0	7,500	0	0	0	0	0	3,600	0	7,500	0	11,100	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	21,600	8,700	46,400	6,900	2,300	1,000	0	2,400	23,900	9,700	46,400	9,300	89,300	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	0	0	0	0	0	0	0	0	0	0	0	A
B	478,765	245,774	27,083	81,422	11,220	113,266	2,644	33,187	77,435	45,000	7,500	B
C	627,504	312,365	35,036	98,005	13,119	168,979	11,276	47,311	110,392	10,875	7,500	C
D	480,202	260,396	34,305	68,380	9,819	107,302	196	32,132	74,974	77,250	7,500	D
E	0	0	0	0	0	0	0	0	0	0	0	E
F	706,147	346,306	48,309	107,267	14,318	189,947	8,155	54,538	127,254	78,750	7,500	F
G	622,979	314,823	42,479	144,084	13,321	108,272	4,076	31,259	72,937	9,450	9,450	G
H	707,051	325,807	35,846	127,980	20,421	196,997	44,562	45,731	106,704	174,375	7,500	H
I	580,314	299,308	34,115	154,679	12,919	79,293	7,399	21,568	50,326	5,138	17,125	I
J	0	0	0	0	0	0	0	0	0	0	0	J
K	547,804	305,406	37,871	62,747	13,519	128,261	10,912	35,205	82,144	37,600	9,400	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	593,846	301,273	36,881	105,571	13,582	136,540	11,153	37,616	87,771	54,805	9,184	

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	0	0	0	0	0	0	0	0	0	0.00	0 / 0	A
B	31,662	165,424	388,978	30,374	28,000	298,168	0	32,436	330,604	6.00	7 / 2	B
C	0	191,328	501,994	66,391	34,420	335,986	-34,320	99,517	401,183	1.45	5 / 5	C
D	0	148,912	260,972	27,720	0	261,467	-25,943	-2,273	233,252	10.30	1 / 5	D
E	0	0	0	0	0	0	0	0	0	0.00	0 / 0	E
F	13,712	231,485	542,560	60,666	68,900	364,491	0	48,502	412,994	10.50	6 / 2	F
G	9,246	200,499	486,881	29,108	42,000	336,254	16,033	63,485	415,773	1.00	7 / 1	G
H	0	188,632	629,090	135,062	235,000	326,696	0	-67,669	259,028	23.25	5 / 2	H
I	10,768	166,787	471,881	60,326	35,000	331,369	0	45,186	376,555	0.30	4 / 3	I
J	0	0	0	0	0	0	0	0	0	0.00	0 / 0	J
K	4,702	173,046	445,408	45,199	71,000	284,665	0	44,544	329,209	4.00	4 / 2	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	8,761	183,264	465,970	56,856	64,290	317,387	-5,529	32,966	344,825	7.10	5 / 3	

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	Mktn. Expenses	Admin. Expenses	Operating Profit	Net Profit							
A	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.00	0	0.00	0.00	0.00	N/A	A
B	51.3	5.7	17.0	2.3	23.7	16.2	5.45	27	42.84	0.08	12.89	Low	B
C	49.8	5.6	15.6	2.1	26.9	17.6	2.88	62	14.99	0.15	3.25	Low	C
D	54.2	7.1	14.2	2.0	22.3	15.6	5.37	40	547.46	0.03	2.08	Medium	D
E	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	E
F	49.0	6.8	15.2	2.0	26.9	18.0	3.82	48	23.29	0.17	3.54	Low	F
G	50.5	6.8	23.1	2.1	17.4	11.7	6.89	45	26.56	0.10	14.62	Low	G
H	46.1	5.1	18.1	2.9	27.9	15.1	1.40	17	4.42	0.55	0.00	N/A	H
I	51.6	5.9	26.7	2.2	13.7	8.7	2.76	14	10.72	0.14	2.36	Medium	I
J	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	J
K	55.8	6.9	11.5	2.5	23.4	15.0	3.83	40	11.75	0.19	4.52	Low	K
L	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	L
	50.7 %	6.2 %	17.8 %	2.3 %	23.0 %	14.8 %	3.22	37	85.25	0.18	5.41	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		7.16	7.54	9.90	9.57	12.52	11.66
	Private-Label Footwear		5.82	5.62	7.22	7.74	8.39	10.83
Labor — North America	Total Compensation (\$/year)		19,012	19,469	22,211	22,964	27,984	29,364
	Productivity (pairs/worker/year)		4,055	4,374	4,878	5,268	5,608	6,082
	Labor Cost (\$/pair produced)		3.83	3.33	5.06	4.67	6.27	6.28
Europe Africa	Total Compensation (\$/year)		18,095	18,291	18,575	18,709	18,841	19,181
	Productivity (pairs/worker/year)		5,127	5,712	5,201	5,780	5,243	5,822
	Labor Cost (\$/pair produced)		3.71	3.32	3.88	3.46	4.02	3.68
Asia Pacific	Total Compensation (\$/year)		4,034	3,440	5,367	5,278	7,359	7,675
	Productivity (pairs/worker/year)		2,358	2,353	2,975	3,018	4,052	4,266
	Labor Cost (\$/pair produced)		1.36	1.32	1.82	1.81	2.50	2.52
Latin America	Total Compensation (\$/year)		4,294	4,329	4,960	4,867	5,759	5,450
	Productivity (pairs/worker/year)		2,597	2,515	3,333	3,309	4,062	4,075
	Labor Cost (\$/pair produced)		1.47	1.38	1.61	1.61	1.82	1.90
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.36	0.36	0.89	0.91	1.80	1.80
	Cumulative		0.50	0.58	1.13	1.16	2.09	1.94
Reject Rates	Branded Production		1.6%	1.8%	4.3%	4.7%	8.0%	8.0%
	Private-Label Production		2.3%	2.3%	2.7%	2.9%	3.3%	3.5%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		19.93	21.83	26.37	26.00	32.51	33.96
	E-A		20.62	22.40	23.18	23.36	25.28	24.24
	A-P		17.16	18.98	20.74	21.33	22.91	24.19
	L.A.		17.94	19.39	22.10	20.83	26.84	23.37
	Private-Label — N.A.		18.94	16.76	18.94	25.29	18.94	35.34
	E-A		17.79	17.98	17.79	19.70	17.79	21.41
	A-P		14.77	17.26	16.69	19.77	19.88	24.55
	L.A.		15.16	17.71	15.16	17.71	15.16	17.71

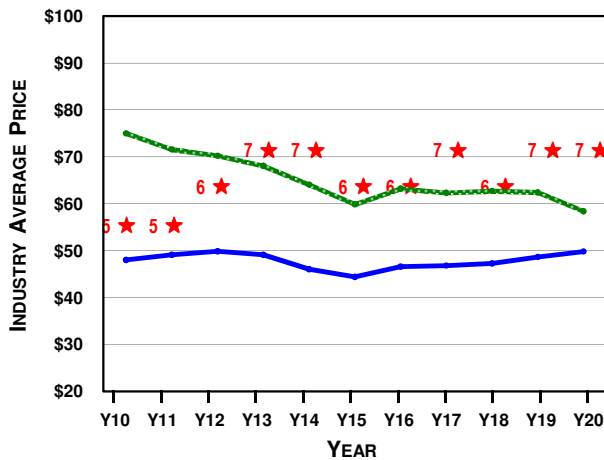
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	21.90	23.78	25.65	26.05	28.56	29.98
		E-A	23.21	24.40	26.66	27.10	29.27	30.81
		A-P	19.16	21.03	22.70	23.28	24.91	26.05
		L.A.	20.95	21.73	28.56	28.06	35.67	37.51
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.42	10.39	10.63	10.48	11.81	10.67
			2.11	2.07	2.39	2.21	3.78	2.49
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	7.58	7.69	11.80	10.91	21.72	14.31
			5.39	4.98	11.41	10.42	20.57	13.44
Administrative Expenses	(\$/pair sold)		1.07	1.12	1.26	1.37	1.71	1.91
Operating Profit (\$ per pair sold)	— Internet	N.A.	9.06	6.58	20.68	18.17	34.98	29.89
		E-A	9.81	7.25	22.79	19.09	36.55	32.29
		A-P	14.44	12.62	25.19	22.64	37.46	30.58
		L.A.	2.81	1.35	18.58	15.97	35.56	27.47
Wholesale	—	N.A.	-1.08	3.14	7.38	9.45	12.45	13.53
		E-A	1.15	4.72	9.70	10.95	13.80	17.22
		A-P	1.02	4.60	10.20	12.49	13.95	14.95
		L.A.	-2.64	5.79	6.95	9.48	11.85	13.56
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	18.80	18.76	19.33	25.72	19.86	37.34
		E-A	19.79	19.99	20.91	22.61	22.03	24.44
		A-P	16.77	19.27	18.69	21.77	21.88	26.55
		L.A.	18.12	19.71	18.12	25.12	18.12	29.02
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.	18.07	1.24	19.71	8.25	21.34	15.74
		E-A	-0.07	1.65	3.22	12.76	6.50	21.70
		A-P	2.50	1.39	15.18	12.01	23.65	20.63
		L.A.	23.98	7.59	23.98	13.65	23.98	23.01

CELEBRITY ENDORSEMENTS

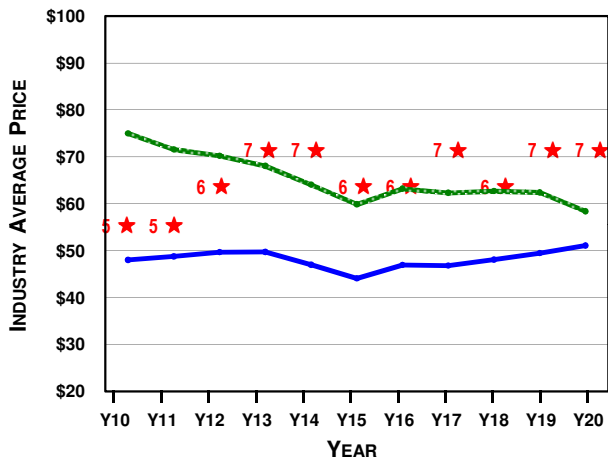
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company H	10,001	Y19	2 years	4	21,757	10,001	11,002	4,016
Oprah Letterman	100	70	65	75	Company H	10,002	Y20	3 years	2	10,002	3,101	6,552	3,101
Fifa Beckham	70	100	70	55	Company F	14,057	Y16	5 years	7	14,057	14,000	9,543	500
Tiger Green	95	80	85	75	Company H	10,002	Y20	2 years	2	10,002	3,101	6,552	3,101
Jos Montaa	60	50	60	95	[unsigned]	0	N/A	3 years	6	19,000	18,119	10,800	500
Kobioshi Jones	55	60	95	90	Company H	10,002	Y20	4 years	2	10,002	3,101	6,552	3,101
Ace Federar	50	90	50	85	Company H	10,002	Y20	1 year	2	10,002	3,101	6,552	3,101
Danica Andretti	70	65	55	60	Company C	20,757	Y19	3 years	5	20,757	16,851	14,548	10,001
LaBron Game	75	80	95	50	Company G	18,000	Y17	4 years	7	18,000	14,127	10,344	500
Lorena Lopez	45	85	60	100	Company G	23,006	Y19	2 years	5	23,006	22,757	17,647	10,001
Lance deFrance	80	85	75	70	Company H	10,002	Y20	3 years	2	10,002	3,101	6,552	3,101
Yao KungPao	60	35	100	50	[unsigned]	0	N/A	4 years	6	19,000	17,119	10,541	500

BRANDED PRICE AND S/Q RATING TRENDS

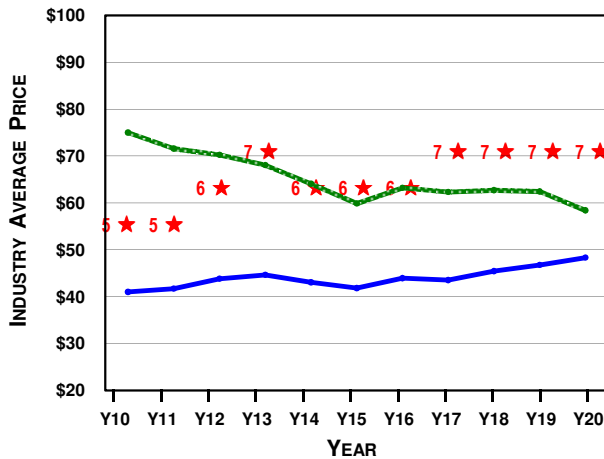
NORTH AMERICA



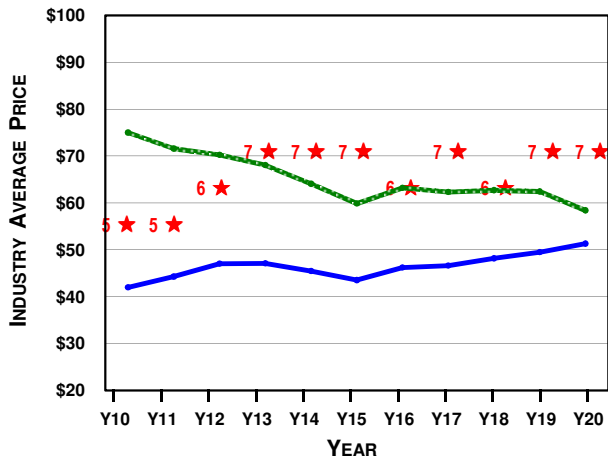
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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