

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 4

Friday, August 22, 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
Achilles shoes	118	+20
Flores in Texas	118	+8
Ideal Shoes	118	0
Just Shoes	117	+3
CAT Footwear	116	+3
B Company	115	+9
Goobers	90	+14
Hellbender	73	+18
Londres	20	+1
Dope Shoooooes	18	-5
E (deleted)	0	0
K (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
CAT Footwear	100	+2
Ideal Shoes	98	+2
Flores in Texas	90	+3
Just Shoes	85	+4
Achilles shoes	80	+4
Goobers	79	+2
Hellbender	69	0
B Company	60	+6
Dope Shoooooes	40	-3
Londres	27	-1
E (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
CAT Footwear	91	+1
Ideal Shoes	91	-5
Flores in Texas	74	+6
Just Shoes	74	-3
B Company	71	+5
Achilles shoes	71	+9
Goobers	51	+5
Hellbender	43	+5
Londres	13	-1
Dope Shoooooes	11	-6
E (deleted)	0	0
K (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
CAT Footwear	98	+3
Ideal Shoes	84	-4
Just Shoes	68	-2
Flores in Texas	67	+3
Achilles shoes	64	+4
Goobers	54	+2
B Company	54	+4
Hellbender	49	+2
Dope Shoooooes	15	-3
Londres	13	-1
E (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	1.62	0.65	2.46	2.22	1.67	-0.98	3.03	4.49	3.63	6.54	2.43	9	6	A
B	2.43	0.90	0.59	-0.61	0.28	0.90	-2.33	3.62	4.09	6.23	1.46	9	4	B
C	4.90	3.99	7.05	6.83	4.77	4.33	2.16	17.30	10.83	14.44	7.54	20	20	C
D	2.70	-0.16	2.86	2.05	-1.20	-7.79	-4.09	-3.11	-1.15	-1.43	-1.37	0	0	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	3.54	0.97	3.61	3.89	2.77	-1.64	1.35	4.26	4.93	8.54	3.14	12	8	F
G	3.50	0.33	3.01	3.05	2.00	-0.53	3.42	3.42	2.71	3.48	2.44	5	6	G
H	2.98	2.02	5.41	1.36	1.11	0.62	1.27	1.50	1.18	2.15	1.96	3	5	H
I	2.51	1.35	3.82	2.93	2.58	3.58	6.53	9.09	9.56	13.49	5.00	19	13	I
J	2.65	0.24	2.12	2.30	2.43	2.39	4.76	5.92	6.17	9.16	3.53	13	9	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	1.92	0.35	0.64	0.41	-1.46	-2.30	-2.24	-1.75	-1.70	-0.79	-0.82	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	10.1	4.0	13.8	10.9	7.3	-4.5	13.3	17.3	13.4	22.0	11.0	16	12	A
B	14.8	5.0	3.1	-3.2	1.5	4.7	-12.5	18.8	17.3	28.1	7.5	20	8	B
C	29.3	24.2	32.0	23.7	13.8	11.1	5.1	32.0	16.1	18.5	17.8	13	20	C
D	16.4	-0.9	14.3	10.6	-6.1	-52.2	-76.7	-158.2	-204.1	0.0	-19.4	0	0	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	20.9	4.9	16.6	15.0	9.5	-6.2	4.2	13.2	13.5	19.1	10.5	13	12	F
G	21.3	1.9	16.8	15.3	9.2	-2.6	15.8	13.9	10.3	12.4	11.2	9	13	G
H	17.9	10.8	24.2	5.3	4.2	2.2	4.3	4.9	3.6	6.3	7.1	4	8	H
I	15.7	6.8	17.4	11.4	8.9	11.6	18.4	22.7	21.9	28.3	16.3	20	18	I
J	16.1	1.3	11.1	10.8	10.2	8.9	16.2	20.5	19.3	24.1	13.8	17	16	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	12.3	2.2	4.2	2.8	-11.0	-22.1	-29.3	-43.7	-70.5	-48.7	-10.4	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	16.27	9.77	24.26	22.77	16.72	9.76	35.79	75.00	47.22	134.37	+16 %	9	9	A
B	28.12	15.77	9.65	6.29	4.80	9.40	5.69	30.22	59.38	128.70	+16	9	9	B
C	79.21	52.67	117.28	93.63	52.50	43.80	23.57	106.57	144.81	288.99	+25	20	20	C
D	31.75	17.21	29.39	20.75	12.11	7.40	5.29	4.65	4.74	5.18	-16	0	0	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	53.91	27.42	45.20	47.28	32.79	18.02	13.36	59.91	76.79	149.64	+17	10	10	F
G	68.62	33.18	38.81	34.02	23.87	13.95	37.22	44.87	35.36	41.09	+3	3	3	G
H	38.84	20.78	89.91	39.31	21.13	12.44	12.49	15.37	13.72	29.66	-0	2	2	H
I	29.21	16.93	46.88	36.09	30.30	37.65	101.94	150.45	157.74	216.39	+22	15	15	I
J	28.78	16.79	20.86	23.75	30.10	25.45	78.60	101.60	111.61	133.61	+16	9	9	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	19.28	11.46	7.34	4.85	5.55	4.75	4.86	5.36	4.60	4.99	-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	B-	A-	B+	C+	C-	B+	A-	A+	A+	Low	20	20	A
B	A-	B-	C	C-	C-	C-	C-	A	A+	A+	Low	20	20	B
C	A-	B-	B-	C+	C	C	C	B+	B+	A-	Medium	18	18	C
D	B+	C-	C-	C	C-	C-	C-	C-	C-	C-	N/A	0	0	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	A-	B	A-	A-	B+	C-	A+	A+	A+	A+	Low	20	20	F
G	A-	C-	B	B	C	C-	B	B	B	B+	Medium	17	17	G
H	A-	B	A-	C	C	B-	A-	B+	B+	A	Low	19	19	H
I	B+	B-	B	B	C+	B	A-	A-	A-	A-	Medium	18	18	I
J	B	C-	C	C+	C+	B	B+	B+	A	A+	Low	20	20	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	86	92	82	79	84	89	83	81	80	85	82	17	17	A
B	75	75	80	59	67	60	56	63	66	65	65	13	13	B
C	65	75	76	78	88	86	93	97	95	100	97	20	20	C
D	69	68	78	73	68	63	76	83	77	57	72	11	15	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	71	72	70	74	72	74	71	77	81	93	84	19	17	F
G	86	71	81	75	78	74	75	71	68	83	74	17	15	G
H	72	71	68	71	70	73	65	69	68	76	71	15	15	H
I	72	75	70	87	83	88	93	92	96	97	95	19	20	I
J	72	49	69	67	73	70	69	64	70	76	70	15	14	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	57	60	50	55	50	55	58	61	60	64	62	13	13	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	73	51	91	82	58	27	91	111	98	118	80	Good	A
B	99	55	38	20	25	32	18	94	106	115	60	Subpar	B
C	113	105	105	101	92	83	55	116	113	116	100	Excellent	C
D	101	29	75	62	25	21	23	24	23	18	40	Subpar	D
E	0	0	0	0	0	0	0	0	0	0	0	N/A	E
F	113	66	107	107	85	29	63	106	110	118	90	Very Good	F
G	115	44	100	93	59	27	92	90	76	90	79	Fair	G
H	107	76	113	59	46	44	59	60	55	73	69	Subpar	H
I	97	61	104	89	71	91	115	117	118	118	98	Very Good	I
J	95	28	64	67	70	73	107	110	114	117	85	Good	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	K
L	70	29	32	25	17	18	19	19	19	20	27	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	26,232	8,360	58,559	19,869	113,020
– Pairs Rejected	1,155	365	3,312	1,307	6,139
Net Y20 Production (after rejects)	25,077	7,995	55,247	18,562	106,881
Superior Materials Usage	49.5%	51.0%	51.2%	44.7%	49.6%
Capacity Utilization (branded + P-L prod.)	94.0%	107.2%	108.6%	116.9%	106.0%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	+ 0.05	0.00	6.05
Superior Materials	12.00	- 0.02	0.00	11.98

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	4,328	3,871	4,077	4,290	16,566
– Pairs Cleared (inventory clearance)	1,198	801	1,077	1,207	4,283
Beginning Y20 Inventories	3,130	3,070	3,000	3,083	12,283
+ New Production (shipped from plants)	24,514	23,619	22,222	21,728	92,083
Pairs Available for Sale in Y20	27,644	26,689	25,222	24,811	104,366

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)	25,740	24,872	24,334	23,719	98,665
Actual Year 20 Demand	25,214	24,690	23,417	22,998	96,319
Branded Pairs Sold	24,827	24,421	23,013	22,432	94,693
Required Y20 Ending Inventories	1,558	1,676	1,550	1,592	6,376
Inventory Surplus (Shortfall)	304	69	-54	-120	199

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.4%
- Available for shipment to warehouses
- % usage up by 0.2 points over Y19
- % utilization down by 9.6 points from Y19

Lower than normal (49.6% industrywide) superior materials usage led to superior materials prices that were 0.2% below the base and standard materials prices that were 0.8% above the base.

- Average inventory clearance of 25.9%
- 8.4% higher than Y20 demand

Actual demand in Year 20 was 2.4% less than expected due to increases in industry average prices.

- Needed to achieve delivery times

- { Okay in N.A. Okay in E-A
Low in A-P Low in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America (internet + wholesale)	26,222	27,271	28,362	29,496
Europe-Africa	25,678	26,705	27,773	28,884
Asia-Pacific	24,822	26,311	27,890	29,563
Latin America	24,378	25,841	27,391	29,034
Total	101,100	106,128	111,416	116,977
Private-Label — North America	4,770	4,770	4,770	4,770
Europe-Africa	4,660	4,660	4,660	4,660
Asia-Pacific	4,660	4,660	4,660	4,660
Latin America	4,670	4,670	4,670	4,670
Total	18,760	18,760	18,760	18,760

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	9,673
Potential Production (at max OT)	127,920
Potential Global Supply	137,593
Demand — Branded Sales Forecast (000s)	101,100
Private-Label Sales Forecast	18,760
Expected Global Demand	119,860
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	1,700	1,000	1,500	1,000	0	0	0	0	1,700	1,000	1,500	1,000	5,200	0	A
B	1,000	0	4,000	0	0	0	0	0	1,000	0	4,000	0	5,000	0	B
C	0	0	12,000	4,500	6,400	0	0	300	6,400	0	12,000	4,800	23,200	0	C
D	5,100	1,000	5,600	1,900	0	0	-300	-100	5,100	1,000	5,300	1,800	13,200	0	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	3,600	2,100	3,600	1,000	1,000	0	400	500	4,600	2,100	4,000	1,500	12,200	0	F
G	2,500	0	4,900	1,800	0	0	0	0	2,500	0	4,900	1,800	9,200	0	G
H	2,600	1,400	4,300	1,000	0	0	0	0	2,600	1,400	4,300	1,000	9,300	0	H
I	0	0	11,800	2,000	0	0	0	1,100	0	0	11,800	3,100	14,900	0	I
J	2,200	2,300	2,200	2,000	0	0	0	0	2,200	2,300	2,200	2,000	8,700	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	1,900	0	4,100	0	-100	0	-200	0	1,800	0	3,900	0	5,700	0	L
Total	20,600	7,800	54,000	15,200	7,300	0	-100	1,800	27,900	7,800	53,900	17,000	106,600	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	358,380	175,701	22,736	81,685	7,620	70,638	580	21,017	49,041	37,500	7,500	A
B	321,798	210,852	24,017	12,144	7,419	67,366	570	20,039	46,757	22,500	7,500	B
C	972,440	573,229	57,240	137,075	25,623	179,273	24,529	46,423	108,321	30,000	7,500	C
D	304,983	229,868	18,134	17,248	15,621	24,112	63,465	0	-39,353	0	27,500	D
E	0	0	0	0	0	0	0	0	0	0	0	E
F	721,102	387,034	54,361	142,355	14,619	122,733	1,064	36,501	85,168	0	9,970	F
G	503,382	334,316	31,238	72,208	11,619	54,001	8,746	13,577	31,678	18,200	9,100	G
H	541,009	348,670	42,079	105,349	11,719	33,192	4,138	8,716	20,338	4,253	9,450	H
I	867,433	429,283	53,273	188,981	17,320	178,576	24,686	46,167	107,723	799	7,985	I
J	457,053	224,500	27,815	88,377	11,119	105,242	7,048	29,458	68,736	1,875	7,500	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	334,660	216,824	26,366	69,675	8,119	13,676	33,408	0	-19,732	0	25,000	L
	538,224	313,028	35,726	91,510	13,080	84,881	16,823	22,190	45,868	11,513	11,901	

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	10,369	102,565	247,263	18,337	0	217,383	0	11,543	228,926	5.00	2 / 2	A
B	32,021	135,197	198,697	17,194	3,000	154,247	0	24,256	178,503	3.00	1 / 1	B
C	47,357	337,287	1,020,087	111,442	285,000	545,322	0	78,324	623,645	4.00	1 / 1	C
D	0	101,941	413,507	412,696	12,000	8,786	19,400	-39,375	-11,189	0.00	4 / 2	D
E	0	0	0	0	0	0	0	0	0	0.00	0 / 0	E
F	21,067	218,273	522,372	30,149	3,200	403,857	0	85,167	489,023	0.00	0 / 1	F
G	24,485	177,269	379,087	51,507	66,000	248,102	0	13,479	261,580	2.00	7 / 3	G
H	24,328	178,794	389,754	40,169	20,000	313,500	0	16,085	329,585	0.45	4 / 4	H
I	14,838	275,414	693,385	85,489	220,400	373,320	-92,730	106,906	387,496	0.10	6 / 3	I
J	19,168	136,541	337,394	18,368	0	252,166	0	66,860	319,026	0.25	2 / 3	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	166,211	277,485	228,604	9,050	41,189	18,400	-19,757	39,831	0.00	0 / 1	L
	19,363	182,949	447,903	101,395	61,865	255,787	-5,493	34,349	284,643	1.48	3 / 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	49.0 %	6.3 %	22.8 %	2.1 %	19.7 %	13.7 %	5.59	5	121.79	0.00	10.00	Low	A
B	65.5	7.5	3.8	2.3	20.9	14.5	7.86	42	118.19	0.03	11.71	Low	B
C	58.9	5.9	14.1	2.6	18.4	11.1	3.03	35	7.31	0.35	1.73	Medium	C
D	75.4	5.9	5.7	5.1	7.9	###	0.25	150	0.38	1.00	0.00	N/A	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	53.7	7.5	19.7	2.0	17.0	11.8	7.24	18	115.35	0.01	68.51	Low	F
G	66.4	6.2	14.3	2.3	10.7	6.3	3.44	37	6.17	0.26	1.14	Medium	G
H	64.4	7.8	19.5	2.2	6.1	3.8	4.45	20	8.02	0.08	3.67	Low	H
I	49.5	6.1	21.8	2.0	20.6	12.4	3.22	37	7.23	0.39	2.76	Medium	I
J	49.1	6.1	19.3	2.4	23.0	15.0	7.43	6	14.93	0.00	10.00	Low	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	64.8	7.9	20.8	2.4	4.1	-5.9	0.73	218	0.41	0.79	0.00	N/A	L
	58.2 %	6.6 %	17.0 %	2.4 %	15.8 %	8.5 %	1.80	57	39.98	0.29	10.95	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		7.32	6.57	9.71	9.24	12.85	12.20
	Private-Label Footwear		7.06	5.98	8.30	7.96	10.40	9.85
Labor — North America	Total Compensation (\$/year)		15,302	18,429	21,899	22,697	27,592	30,347
	Productivity (pairs/worker/year)		2,768	3,195	4,739	5,005	5,685	5,850
	Labor Cost (\$/pair produced)		3.58	4.02	4.99	4.85	6.61	6.60
Europe Africa	Total Compensation (\$/year)		18,244	18,024	19,895	19,596	22,165	22,000
	Productivity (pairs/worker/year)		4,199	4,174	4,399	4,517	5,007	5,079
	Labor Cost (\$/pair produced)		3.97	3.95	4.63	4.82	5.27	5.32
Asia Pacific	Total Compensation (\$/year)		3,727	4,360	5,028	5,488	7,541	8,658
	Productivity (pairs/worker/year)		2,370	2,623	2,874	3,010	3,523	3,772
	Labor Cost (\$/pair produced)		1.44	1.52	1.83	1.91	2.80	2.89
Latin America	Total Compensation (\$/year)		3,472	4,346	4,935	5,522	7,653	7,549
	Productivity (pairs/worker/year)		2,614	2,697	3,074	3,157	3,678	3,895
	Labor Cost (\$/pair produced)		1.43	1.43	1.86	1.87	2.67	2.57
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.43	0.27	1.55	1.39	2.50	2.50
	Cumulative		0.52	0.54	1.38	1.26	2.50	2.37
Reject Rates	Branded Production		1.5%	2.2%	5.3%	5.4%	8.6%	8.9%
	Private-Label Production		1.0%	1.8%	2.4%	2.8%	4.0%	5.1%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		20.94	19.25	31.28	29.91	52.53	50.30
	E-A		20.68	19.42	27.48	43.92	31.56	112.47
	A-P		18.15	16.66	23.11	44.45	27.09	245.53
	L.A.		19.47	16.58	27.88	55.96	36.69	261.96
	Private-Label — N.A.		21.54	16.32	23.90	23.09	25.73	27.04
	E-A		20.53	24.38	20.62	24.38	20.70	24.38
	A-P		17.25	17.28	19.97	20.36	21.78	24.90
	L.A.		15.84	16.20	15.84	30.44	15.84	44.68

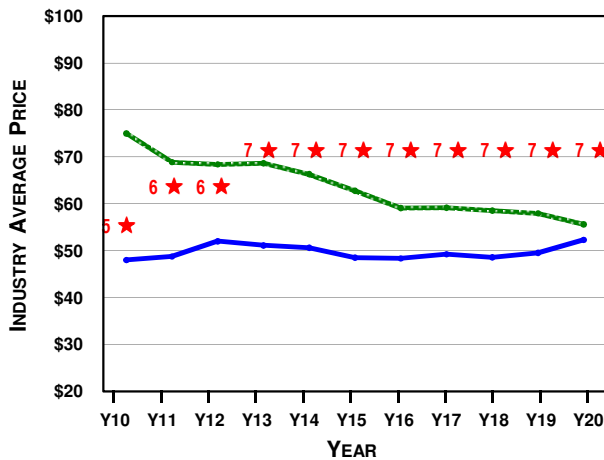
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.71	21.11	29.63	28.73	44.05	43.21
		E-A	22.43	21.30	29.89	38.55	35.26	115.85
		A-P	19.90	18.61	26.96	26.80	36.76	43.18
		L.A.	21.14	18.40	30.18	31.49	35.82	54.28
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.31	10.31	10.94	11.21	13.27	16.06
			1.85	1.76	2.73	2.76	5.24	5.97
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	6.95	6.74	14.71	12.49	30.91	19.98
			1.64	1.46	11.06	9.88	21.07	14.69
Administrative Expenses	(\$/pair sold)		1.01	0.99	1.56	2.56	2.95	13.92
Operating Profit (\$ per pair sold)	— Internet	N.A.	-4.04	-12.78	9.83	9.31	21.35	23.77
		E-A	-11.76	-99.27	11.16	-1.13	27.15	26.59
		A-P	-12.22	-32.76	12.90	11.17	26.13	27.09
		L.A.	-11.29	-39.14	11.88	10.04	26.48	31.19
Wholesale	—	N.A.	0.02	0.23	3.85	7.79	10.04	26.14
		E-A	-1.96	-96.26	7.29	-4.09	13.73	15.40
		A-P	-6.05	1.25	3.50	8.09	9.78	18.02
		L.A.	2.36	4.81	6.53	10.33	12.19	17.22
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.29	19.90	25.34	24.27	26.55	27.71
		E-A	22.28	24.69	25.79	27.82	30.56	32.39
		A-P	20.16	19.03	24.50	25.85	30.53	38.30
		L.A.	22.31	19.98	22.31	25.42	22.31	29.23
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.	-2.22	1.90	1.12	6.01	5.71	10.81
		E-A	0.94	0.86	6.40	8.11	11.61	18.83
		A-P	0.74	1.42	3.43	8.52	6.20	19.94
		L.A.	-2.91	3.11	-2.91	13.44	0.00	20.58

CELEBRITY ENDORSEMENTS

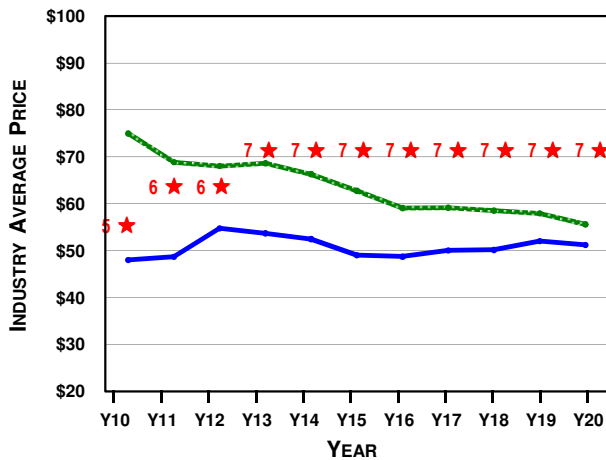
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# of Bids	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company F	13,103	Y19	2 years	4	13,103	12,888	10,075	3,009
Oprah Letterman	100	70	65	75	Company F	13,000	Y20	3 years	2	13,000	500	6,750	500
Fifa Beckham	70	100	70	55	Company F	12,005	Y16	5 years	7	12,005	11,425	9,923	6,000
Tiger Green	95	80	85	75	Company F	10,000	Y20	2 years	2	10,000	500	5,250	500
José Montaña	60	50	60	95	Company I	13,101	Y18	3 years	4	13,101	12,123	11,805	9,985
Kobioshi Jones	55	60	95	90	Company J	13,643	Y20	4 years	3	13,643	3,000	5,714	500
Ace Federar	50	90	50	85	Company J	16,633	Y20	1 year	4	16,633	12,300	8,358	500
Danica Andretti	70	65	55	60	Company I	13,301	Y19	3 years	4	13,301	12,222	11,903	10,009
LaBron Game	75	80	95	50	Company H	13,000	Y17	4 years	5	13,000	12,701	11,878	10,563
Lorena Lopez	45	85	60	100	Company F	14,010	Y19	2 years	5	14,010	12,888	11,401	7,007
Lance deFrance	80	85	75	70	Company F	5,000	Y20	3 years	2	5,000	500	2,750	500
Yao KungPao	60	35	100	50	Company I	13,101	Y18	4 years	4	13,101	11,200	11,408	10,208

BRANDED PRICE AND S/Q RATING TRENDS

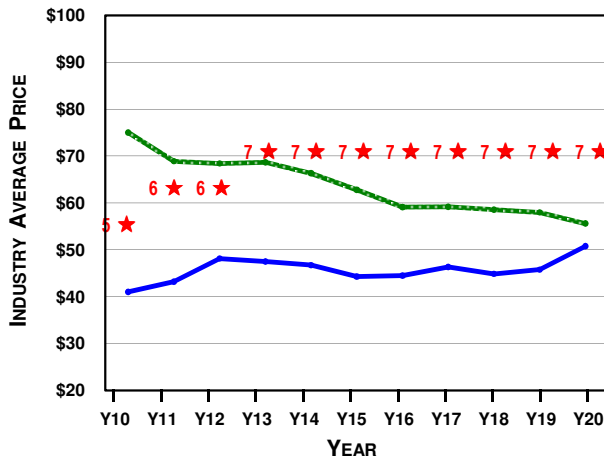
NORTH AMERICA



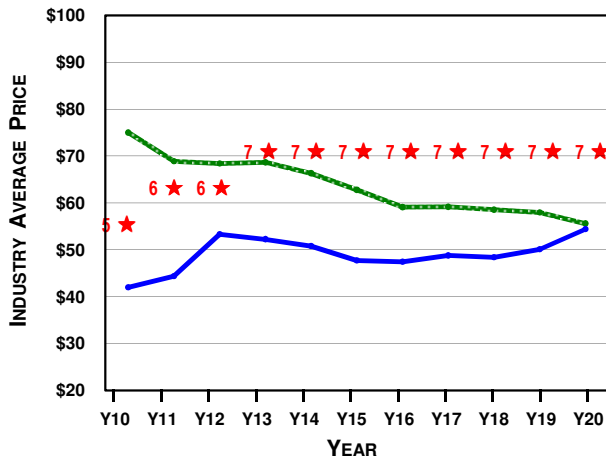
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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