

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 8

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
I-Catcher Footwear	119	+3
JKaizen Kicks	118	+1
Ada Footwear	117	0
Hyper si-am	115	-4
E Company	98	-4
Leading Shoes	51	+12
B-Real	41	-46
G Company	21	0
K Company	14	0
CuDDIE WeAr Co	11	-2
D (deleted)	0	0
F (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Hyper si-am	106	+1
I-Catcher Footwear	100	+2
Ada Footwear	85	+3
JKaizen Kicks	81	+4
B-Real	64	-3
E Company	57	+5
Leading Shoes	37	+1
G Company	33	-1
K Company	28	-2
CuDDIE WeAr Co	25	-1
D (deleted)	0	0
F (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
I-Catcher Footwear	93	+3
JKaizen Kicks	83	+10
Hyper si-am	75	-20
Ada Footwear	68	+1
E Company	58	+3
Leading Shoes	33	+4
B-Real	24	-17
G Company	14	+1
K Company	9	+1
CuDDIE WeAr Co	7	-1
D (deleted)	0	0
F (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
I-Catcher Footwear	97	+1
Hyper si-am	86	-3
JKaizen Kicks	81	+6
Ada Footwear	66	+1
E Company	48	+2
B-Real	32	-14
Leading Shoes	29	0
G Company	14	0
K Company	9	0
CuDDIE WeAr Co	6	0
D (deleted)	0	0
F (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	5.44	-0.89	0.25	2.63	3.84	1.95	4.13	4.48	9.21	10.88	3.68	10	8	A
B	2.13	-1.44	0.79	2.69	2.74	-0.03	3.74	3.94	3.60	1.08	1.91	1	4	B
C	1.98	-0.71	-1.55	0.10	-1.67	-2.29	-2.13	-1.46	-1.16	-2.52	-1.31	0	0	C
D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	D
E	2.06	0.78	-1.98	0.31	-0.21	1.75	0.21	4.42	6.55	8.04	2.19	8	5	E
F	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	F
G	3.20	-0.78	0.33	-1.99	-2.44	-2.12	-1.56	-1.70	-0.04	-0.48	-0.86	0	0	G
H	4.60	3.83	6.41	5.96	5.05	3.77	4.93	6.49	27.82	14.36	8.04	14	18	H
I	5.19	2.31	5.30	6.85	5.81	4.81	3.26	12.79	23.08	21.17	9.06	20	20	I
J	4.30	0.07	3.04	1.86	0.39	1.81	4.49	7.86	10.52	14.90	4.80	14	11	J
K	3.31	0.39	0.12	-1.67	-4.06	-3.42	-6.46	-2.66	-2.50	-3.01	-2.00	0	0	K
L	2.82	0.03	-1.61	-1.97	-0.90	-0.84	-0.67	0.62	-0.03	0.70	-0.20	1	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	30.7	-3.9	0.9	7.2	9.0	4.8	10.1	9.9	17.7	17.6	9.4	9	9	A
B	13.6	-9.5	5.6	16.8	14.6	-0.2	16.9	15.5	12.0	3.3	8.8	2	8	B
C	12.6	-3.9	-8.9	0.8	-13.7	-23.8	-38.2	-37.1	-47.9	-524.3	-16.4	0	0	C
D	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	D
E	13.1	4.6	-18.2	3.3	-2.2	17.0	1.9	33.9	35.3	38.5	16.0	20	14	E
F	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	F
G	19.1	-4.3	1.7	-11.0	-15.4	-22.2	-18.7	-25.4	-0.7	-8.7	-7.7	0	0	G
H	26.6	17.8	21.1	16.9	12.4	8.4	9.6	11.9	39.0	15.8	16.7	8	15	H
I	32.1	17.4	31.1	29.6	19.7	13.8	8.4	27.3	35.7	24.4	22.1	13	20	I
J	25.5	0.4	15.0	8.6	2.0	8.8	18.9	26.3	26.8	29.1	17.5	15	16	J
K	19.7	2.1	0.6	-9.2	-26.5	-29.5	-97.5	-129.1	0.0	0.0	-21.1	0	0	K
L	17.0	0.2	-9.8	-12.8	-6.4	-7.5	-6.1	5.7	-0.3	6.1	-1.5	3	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	103.54	42.18	22.28	24.83	51.81	26.29	51.79	51.32	152.29	191.02	+20 %	10	10	A
B	23.18	13.30	7.98	31.10	32.93	18.64	50.85	49.98	46.35	24.05	-2	1	1	B
C	19.86	11.52	7.27	4.86	5.28	4.75	5.53	4.65	4.85	5.62	-15	0	0	C
D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	D
E	22.56	12.97	8.00	5.67	4.80	20.46	11.56	56.06	92.46	145.65	+17	8	8	E
F	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	F
G	45.50	23.60	13.22	8.24	5.68	4.75	5.08	4.65	5.23	4.55	-17	0	0	G
H	81.01	48.08	106.63	81.55	59.59	37.32	51.51	74.94	195.29	265.72	+24	14	14	H
I	69.35	32.93	80.42	96.73	73.39	52.15	31.26	125.19	250.49	382.02	+29	20	20	I
J	73.70	34.44	32.98	18.32	11.16	17.50	55.78	100.85	179.01	298.88	+26	16	16	J
K	48.78	25.69	14.77	8.91	5.66	4.75	5.12	4.65	5.06	4.55	-17	0	0	K
L	35.98	19.08	10.89	6.78	4.80	5.08	4.70	6.53	4.61	8.23	-12 %	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	A-	C-	C	B	B	B-	B+	B+	A+	A+	Low	20	20	A
B	B	C-	C	C+	B-	C-	A	A	B+	C+	High	8	8	B
C	A-	C-	C-	C	C-	C	B+	C-	C-	C-	N/A	0	0	C
D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	D
E	B	C-	C-	C-	C-	C-	C-	C-	C+	C	High	4	4	E
F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	F
G	B+	C-	C-	C-	C-	C-	C-	C-	C-	C-	High	0	0	G
H	B+	B	B+	B	B	B	B	B-	A	A	Low	19	19	H
I	B	C-	C+	C+	C	C	C	B+	A	A+	Low	20	20	I
J	B+	C-	C-	C-	C-	C-	C-	C+	A-	A	Low	19	19	J
K	A	C	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	K
L	B+	C-	C-	C-	C-	C-	C	A+	A+	A+	Low	20	20	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	81	64	74	71	72	76	82	93	93	90	92	19	19	A
B	64	53	50	53	51	55	53	52	55	54	54	12	11	B
C	62	58	50	51	50	39	30	24	37	32	31	7	6	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	63	61	55	75	88	75	74	80	82	82	81	18	17	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	71	83	68	67	66	62	70	69	65	65	66	14	14	G
H	68	66	79	83	92	86	100	99	98	93	97	20	20	H
I	59	74	94	93	95	100	98	82	79	91	84	20	17	I
J	81	70	86	95	100	99	100	92	92	90	91	19	19	J
K	68	60	48	43	40	41	45	44	41	42	42	9	9	K
L	73	67	62	61	53	55	46	44	44	44	44	9	9	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	116	40	40	75	91	62	97	98	117			
B	82	23	34	77	78	24	99	98	87	41	64	Subpar	B
C	84	24	18	23	17	17	31	9	13	11	25	Subpar	C
D	0	0	0	0	0	0	0	0	0	0	0	N/A	D
E	80	36	20	30	25	61	30	87	102	98	57	Subpar	E
F	0	0	0	0	0	0	0	0	0	0	0	N/A	F
G	109	36	30	23	22	20	22	22	21	21	33	Subpar	G
H	111	104	113	107	104	86	97	100	119	115	106	Excellent	H
I	105	78	103	103	99	91	70	114	116	119	100	Excellent	I
J	114	41	80	55	34	54	91	103	117	118	81	Good	J
K	111	42	24	17	14	14	15	15	14	14	28	Subpar	K
L	103	30	24	20	17	18	19	51	39	51	37	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	20,111	0	77,122	29,078	126,311
– Pairs Rejected	1,056	0	3,971	1,867	6,894
Net Y20 Production (after rejects)	19,055	0	73,151	27,211	119,417
Superior Materials Usage	40.7%	0.0%	33.1%	17.2%	30.7%
Capacity Utilization (branded + P-L prod.)	91.0%	0.0%	107.6%	113.6%	105.8%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	+ 2.32	0.00	8.32
Superior Materials	12.00	- 1.16	0.00	10.84

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	3,791	2,598	3,106	3,163	12,658
– Pairs Cleared (inventory clearance)	383	456	399	312	1,550
Beginning Y20 Inventories	3,408	2,142	2,707	2,851	11,108
+ New Production (shipped from plants)	25,807	25,634	26,047	23,868	101,356
Pairs Available for Sale in Y20	29,215	27,776	28,754	26,719	112,464

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)	26,026	26,063	24,729	24,400	101,218
Actual Year 20 Demand	25,500	25,460	24,630	24,421	100,011
Branded Pairs Sold	25,032	25,290	24,621	24,266	99,209
Required Y20 Ending Inventories	1,765	1,820	1,667	1,635	6,887
Inventory Surplus (Shortfall)	1,644	-14	2,148	-14	3,764

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.5%
- Available for shipment to warehouses
- % usage down by 7.4 points from Y19
- % utilization down by 3.5 points from Y19

Lower than normal (30.7% industrywide) superior materials usage led to superior materials prices that were 9.7% below the base and standard materials prices that were 38.6% above the base.

- Average inventory clearance of 12.2%
- 12.5% higher than Y20 demand

Actual demand in Year 20 was 1.2% less than expected due to increases in industry average prices.

- Needed to achieve delivery times
- { Okay in N.A. Low in E-A
Okay 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)	26,520	27,581	28,684	29,831
Europe-Africa	26,478	27,537	28,638	29,784
Asia-Pacific	26,108	27,674	29,334	31,094
Latin America	25,886	27,439	29,085	30,830
Total	104,992	110,231	115,741	121,539
Private-Label — North America	4,720	4,720	4,720	4,720
Europe-Africa	4,710	4,710	4,710	4,710
Asia-Pacific	4,730	4,730	4,730	4,730
Latin America	4,700	4,700	4,700	4,700
Total	18,860	18,860	18,860	18,860

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	13,255
Potential Production (at max OT)	145,680
Potential Global Supply	158,935
Demand — Branded Sales Forecast (000s)	104,992
Private-Label Sales Forecast	18,860
Expected Global Demand	123,852
Conclusion:	Excess supply of 28.3% is likely to boost competitive pressures in Year 21 significantly. Additional production capacity will not be needed for several years.

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	7,000	4,000	0	0	2,000	0	0	0	9,000	4,000	13,000	0	A
B	0	0	8,700	0	0	0	0	0	0	0	8,700	0	8,700	2,000	B
C	2,300	0	3,300	0	0	0	0	0	2,300	0	3,300	0	5,600	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	5,000	0	8,000	1,000	0	0	1,000	0	5,000	0	9,000	1,000	15,000	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	1,700	0	4,600	2,000	0	0	-1,000	0	1,700	0	3,600	2,000	7,300	0	G
H	0	0	12,000	10,000	6,000	0	0	0	6,000	0	12,000	10,000	28,000	0	H
I	0	0	9,200	8,600	5,000	0	0	0	5,000	0	9,200	8,600	22,800	0	I
J	0	0	12,000	0	0	0	0	0	0	0	12,000	0	12,000	0	J
K	1,000	0	2,400	0	0	0	0	0	1,000	0	2,400	0	3,400	0	K
L	1,000	0	2,500	0	100	0	0	0	1,100	0	2,500	0	3,600	0	L
Total	11,000	0	69,700	25,600	11,100	0	2,000	0	22,100	0	71,700	25,600	119,400	2,000	

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	644,611	331,765	43,890	128,855	15,417	124,684	8,088	34,979	81,617	750	7,500	A
B	387,294	194,725	31,670	128,312	11,118	21,469	6,209	4,578	10,682	990	9,900	B
C	1,416	884	349	18,435	26,564	-44,816	10,774	0	-55,590	0	22,100	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	687,375	357,940	47,700	133,722	17,419	130,594	44,478	25,835	60,281	74,250	7,500	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	464,738	280,123	33,109	115,441	9,718	26,347	33,976	0	-7,629	0	15,850	G
H	1,067,515	636,555	66,380	142,749	30,420	191,411	23,646	50,330	117,435	16,360	8,180	H
I	919,827	446,401	57,630	144,307	25,220	246,269	19,438	68,049	158,782	0	7,500	I
J	697,582	343,000	40,257	121,962	14,419	177,944	18,342	47,881	111,721	11,250	7,500	J
K	182,450	112,743	20,167	38,690	5,819	5,031	35,102	0	-30,071	0	10,000	K
L	147,768	87,882	14,518	31,431	6,019	7,918	-1,243	31	9,130	0	13,000	L
	520,058	279,202	35,567	100,390	16,213	88,685	19,881	23,168	45,636	10,360	10,903	

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	193,484	569,759	36,676	28,000	424,216	0	80,867	505,083	0.10	4 / 2	A
B	0	117,057	460,821	115,848	20,000	315,280	0	9,693	324,973	0.10	2 / 2	B
C	0	522	98,852	94,224	23,500	40,077	0	-58,949	-18,872	0.00	2 / 2	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	32,354	211,970	580,179	97,892	332,700	163,556	0	-13,969	149,587	9.90	4 / 4	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	6,653	139,913	321,189	236,808	0	92,012	0	-7,630	84,381	0.00	1 / 2	G
H	14,690	316,431	1,116,418	100,754	221,500	693,088	0	101,076	794,164	2.00	3 / 2	H
I	85,204	360,434	1,023,848	68,083	225,000	571,984	0	158,781	730,765	0.00	1 / 2	I
J	3,233	216,934	540,793	59,245	56,500	342,736	-18,140	100,452	425,048	1.50	4 / 3	J
K	0	173,875	217,575	265,331	0	-17,684	0	-30,071	-47,756	0.00	0 / 1	K
L	45,813	85,649	160,639	6,960	0	144,551	0	9,128	153,679	0.00	0 / 1	L
	18,795	181,627	509,007	108,182	90,720	276,981	-1,814	34,938	310,105	1.36	2 / 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	51.5 %	6.8 %	20.0 %	2.4 %	19.3 %	12.7 %	5.28	36	15.42	0.06	13.18	Low	A
B	50.3	8.2	33.1	2.9	5.5	2.8	1.01	38	3.46	0.26	0.31	High	B
C	62.4	24.6	###	###	###	###	0.01	70	-4.16	1.19	0.00	N/A	C
D	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	D
E	52.1	6.9	19.5	2.5	19.0	8.8	2.17	9	2.94	0.69	0.29	High	E
F	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	F
G	60.3	7.1	24.8	2.1	5.7	-1.6	0.59	23	0.78	0.67	0.04	High	G
H	59.6	6.2	13.4	2.8	17.9	11.0	3.14	36	8.09	0.23	4.04	Low	H
I	48.5	6.3	15.7	2.7	26.8	17.3	5.29	47	12.67	0.24	8.26	Low	I
J	49.2	5.8	17.5	2.1	25.5	16.0	3.66	47	9.70	0.16	4.58	Low	J
K	61.8	11.1	21.2	3.2	2.8	###	0.66	407	0.14	1.18	0.00	N/A	K
L	59.5	9.8	21.3	4.1	5.4	6.2	12.31	13	100.00	0.00	10.00	Low	L
	53.7 %	6.8 %	19.3 %	3.1 %	17.1 %	8.8 %	1.68	73	14.90	0.47	4.07	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		6.36	7.17	8.74	8.67	10.29	10.30
	Private-Label Footwear		6.54	6.95	7.42	7.96	10.07	8.78
Labor	North America	Total Compensation (\$/year)	16,244	16,244	22,367	20,891	26,430	27,224
		Productivity (pairs/worker/year)	3,525	3,497	4,660	4,722	5,856	6,078
		Labor Cost (\$/pair produced)	0.00	0.00	3.85	4.12	6.12	6.12
	Europe Africa	Total Compensation (\$/year)	0	0	0	0	0	0
		Productivity (pairs/worker/year)	0	0	0	0	0	0
		Labor Cost (\$/pair produced)	0.00	0.00	0.00	0.00	0.00	0.00
	Asia Pacific	Total Compensation (\$/year)	3,852	3,026	4,899	4,703	6,814	6,603
		Productivity (pairs/worker/year)	2,346	2,334	2,881	2,969	3,652	3,723
		Labor Cost (\$/pair produced)	1.52	0.00	1.79	1.53	2.47	1.90
	Latin America	Total Compensation (\$/year)	4,005	4,154	4,763	4,665	5,544	5,528
		Productivity (pairs/worker/year)	2,856	2,834	2,991	2,987	3,228	3,162
		Labor Cost (\$/pair produced)	1.50	1.50	1.66	1.69	1.97	1.98
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20	0.00	0.00	0.91	0.79	1.65	1.82	
	Cumulative	0.27	0.25	0.96	0.91	1.72	1.69	
Reject Rates	Branded Production	2.3%	2.4%	5.3%	4.8%	8.8%	9.0%	
	Private-Label Production	2.0%	1.6%	2.7%	3.9%	3.8%	6.1%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	19.59	19.39	25.00	25.54	30.25	30.57
		E-A	0.00	0.00	0.00	0.00	0.00	0.00
		A-P	15.08	15.73	23.40	19.97	37.09	23.38
		L.A.	14.63	16.11	21.05	20.85	24.58	25.79
	Private-Label	N.A.	17.86	19.12	23.87	20.03	29.87	20.94
		E-A	0.00	0.00	0.00	0.00	0.00	0.00
		A-P	16.50	14.78	17.60	18.21	19.21	26.76
		L.A.	16.17	0.00	16.65	0.00	17.13	0.00

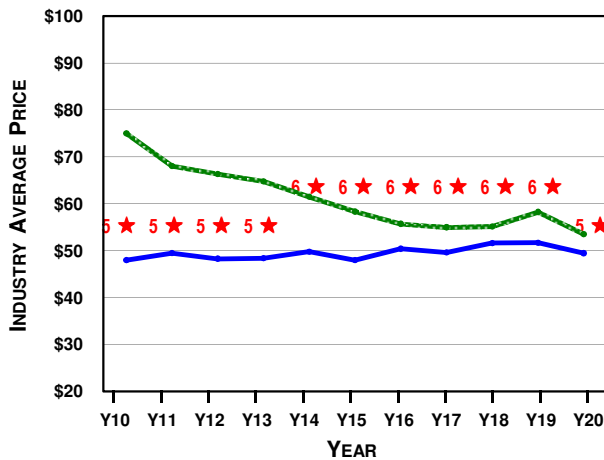
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High		
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	18.47	19.26	27.37	26.42	40.34	40.40	
		E-A	21.96	23.12	29.94	29.08	43.34	43.33	
		A-P	16.92	17.48	25.36	23.79	38.84	38.80	
		L.A.	16.64	17.78	29.53	27.87	45.61	45.60	
		Warehouse Expenses - Internet (\$ per pair sold)	Wholesale	10.25	10.26	11.20	11.30	13.95	16.62
			1.75	1.77	2.97	2.41	5.95	4.06	
	Marketing Expenses - Internet (\$ per pair sold)	Internet	8.56	8.11	17.37	88.81	42.61	774.29	
		Wholesale	7.74	7.66	13.13	10.10	30.02	16.23	
	Administrative Expenses (\$/pair sold)		1.00	1.00	2.69	127.75	15.04	#####	
Private-Label Market Segments	Operating Profit (\$ per pair sold)	Internet	N.A.	-25.44	#####	6.17	#####	27.61	20.29
			E-A	-26.53	#####	5.83	#####	29.07	16.60
			A-P	-30.58	#####	9.12	#####	32.37	21.53
			L.A.	-30.79	#####	6.63	#####	26.45	22.20
	Warehouse Expenses (\$ per pair sold)	Wholesale	N.A.	-16.20	-1.12	3.93	7.30	13.71	15.89
			E-A	-13.33	0.36	5.29	5.35	13.38	10.32
			A-P	-17.94	1.30	4.40	6.85	14.29	13.38
			L.A.	-16.35	2.20	3.68	8.70	15.83	14.93
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	19.76	20.87	25.69	21.78	31.62	22.69	
		E-A	23.73	22.45	24.33	25.44	24.93	28.42	
		A-P	18.25	17.97	19.61	24.78	20.96	28.51	
		L.A.	18.88	22.86	20.28	22.86	21.68	22.86	
		Warehouse Expenses (\$ per pair sold)		1.00	1.00	1.00	1.00	1.00	1.00
Private-Label Market Segments	Margin Over Direct Costs (\$ per pair sold)	N.A.	-9.62	-0.88	7.31	2.71	24.24	6.29	
		E-A	-0.09	-2.68	1.63	-1.22	3.34	0.24	
		A-P	1.82	0.46	11.80	1.32	21.78	2.41	
		L.A.	-0.49	-2.05	10.87	-2.05	22.22	0.00	

CELEBRITY ENDORSEMENTS

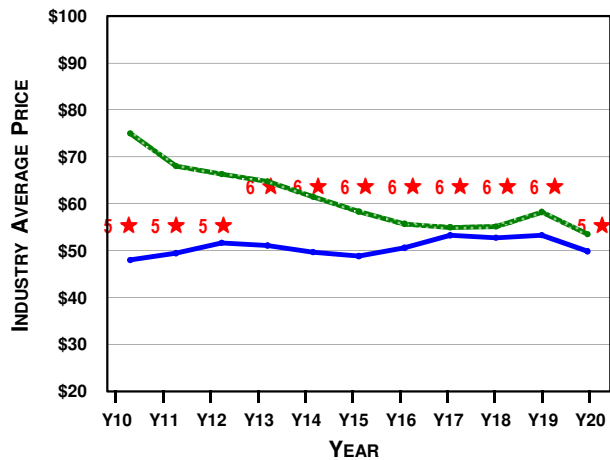
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company J	10,050	Y19	2 years	4	11,057	10,050	8,928	5,500
Oprah Letterman	100	70	65	75	[unsigned]	0	N/A	3 years	0	0	0	0	0
Fifa Beckham	70	100	70	55	[unsigned]	0	N/A	5 years	4	20,000	16,900	13,920	7,777
Tiger Green	95	80	85	75	[unsigned]	0	N/A	2 years	0	0	0	0	0
José Montaña	60	50	60	95	Company H	11,235	Y18	3 years	4	21,051	11,235	12,936	8,900
Kobioshi Jones	55	60	95	90	Company A	20,001	Y19	4 years	5	20,001	11,057	12,144	9,500
Ace Federar	50	90	50	85	Company B	11,057	Y20	1 year	1	11,057	0	11,057	11,057
Danica Andretti	70	65	55	60	Company J	10,050	Y19	3 years	4	11,057	10,050	9,187	6,535
LaBron Game	75	80	95	50	Company B	23,031	Y17	4 years	4	23,031	18,500	17,817	13,236
Lorena Lopez	45	85	60	100	Company B	19,057	Y19	2 years	5	19,057	15,001	12,496	8,756
Lance deFrance	80	85	75	70	[unsigned]	0	N/A	3 years	0	0	0	0	0
Yao KungPao	60	35	100	50	Company H	13,215	Y18	4 years	4	21,051	13,215	13,793	9,900

BRANDED PRICE AND S/Q RATING TRENDS

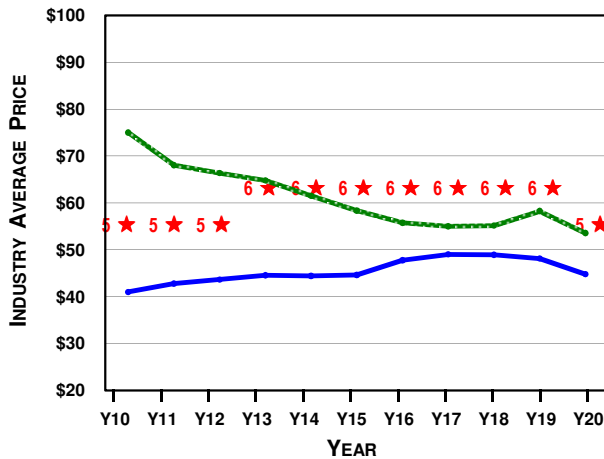
NORTH AMERICA



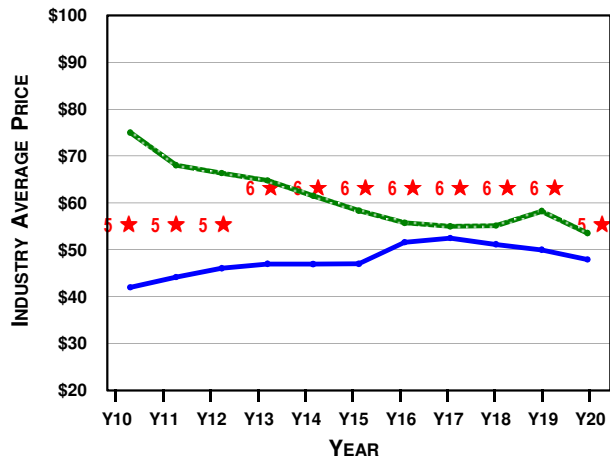
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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