

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 10

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
AAA-Plus	119	-1
I Heart Crocs	119	-1
Jesus	118	+1
Best	118	+5
Hosanna	117	-1
KLM	115	-4
Gear	114	-1
Flaming Footwear	105	-8
CMB	88	-1
D (deleted)	0	0
E (deleted)	0	0
L (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
AAA-Plus	115	+1
I Heart Crocs	115	+1
Gear	111	+1
Hosanna	109	+1
KLM	106	+1
Jesus	101	+2
Flaming Footwear	73	+3
CMB	63	+3
Best	59	+6
D (deleted)	0	0
E (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
I Heart Crocs	96	+10
AAA-Plus	92	-4
Gear	84	+2
Hosanna	82	0
KLM	74	-6
Best	72	+11
Jesus	71	+3
Flaming Footwear	51	-8
CMB	46	-1
D (deleted)	0	0
E (deleted)	0	0
L (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
AAA-Plus	96	-1
I Heart Crocs	92	+1
Gear	81	-1
Hosanna	80	-3
KLM	78	-8
Jesus	70	-1
Best	58	+8
Flaming Footwear	51	-2
CMB	40	0
D (deleted)	0	0
E (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	5.27	3.65	9.19	8.98	10.95	8.32	8.86	9.21	20.78	17.43	9.94	20	20	A
B	0.25	-2.72	-4.82	0.92	1.00	0.30	1.61	3.57	4.14	6.41	1.52	7	3	B
C	4.38	1.68	2.55	2.91	0.69	-4.34	-3.18	-1.27	2.92	2.82	0.92	3	2	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	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	3.27	0.24	2.81	2.89	3.48	0.94	-1.07	1.89	8.18	5.35	2.51	6	5	F
G	3.09	3.12	4.00	5.08	6.18	4.92	5.11	8.34	11.61	13.32	6.14	15	12	G
H	3.89	3.40	4.26	3.72	4.26	5.99	5.76	10.25	13.00	14.63	6.73	17	14	H
I	3.65	3.04	3.65	3.68	5.94	7.59	8.92	9.18	11.65	15.42	6.89	18	14	I
J	5.38	1.30	3.87	2.68	2.26	3.80	5.76	5.94	8.39	9.25	4.85	11	10	J
K	4.52	1.90	5.69	7.64	6.33	5.15	7.79	9.11	12.22	12.04	7.22	14	15	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	30.7	16.7	30.8	31.5	30.8	18.9	16.7	16.0	29.2	19.7	21.2	12	16	A
B	1.6	-19.3	-46.7	11.0	11.4	3.4	21.1	32.9	27.9	33.9	12.2	20	9	B
C	25.6	8.5	11.8	12.0	2.7	-18.5	-16.1	-7.3	16.0	13.5	4.3	8	3	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	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	19.5	1.3	15.1	13.9	16.2	4.0	-3.7	6.3	19.7	12.1	9.2	7	7	F
G	18.5	15.9	17.0	19.5	22.2	22.0	32.0	37.4	37.0	32.8	24.2	19	19	G
H	23.0	18.7	20.1	14.8	13.8	17.2	14.3	21.7	24.4	22.1	18.1	13	14	H
I	22.2	16.9	19.3	17.8	25.8	34.0	31.9	28.4	31.7	33.8	25.7	20	20	I
J	31.0	8.7	27.3	15.7	11.9	17.2	21.5	18.4	21.5	19.9	18.5	12	14	J
K	28.0	14.1	33.0	32.5	20.8	14.3	18.3	17.9	19.9	19.8	19.6	12	15	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	108.07	55.69	162.16	157.66	219.81	114.27	119.09	128.95	258.76	331.50	+27 %	20	20	A
B	16.24	9.81	6.62	9.26	10.69	6.72	18.89	52.20	72.86	128.73	+16	8	8	B
C	81.15	36.44	27.09	27.38	15.80	9.55	5.76	4.65	27.99	40.21	+3	2	2	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	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	46.06	23.94	30.61	29.89	43.28	23.08	13.25	16.00	76.36	72.22	+9	4	4	F
G	41.71	40.32	58.28	86.70	99.43	55.52	56.48	125.68	238.40	287.10	+25	17	17	G
H	65.05	41.66	54.16	39.31	46.75	76.83	92.36	195.11	253.96	256.92	+24	16	16	H
I	77.57	42.60	53.29	43.92	95.38	144.36	179.15	179.54	233.95	316.23	+27	19	19	I
J	97.48	40.89	45.22	24.43	23.82	45.95	95.58	104.72	151.98	167.22	+19	10	10	J
K	62.53	30.59	85.86	141.86	88.80	57.40	93.71	136.94	214.75	187.09	+20	11	11	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	A	A	A+	A	A+	A+	A+	A+	A+	A+	Low	20	20	A
B	C-	C-	C-	C-	C-	C-	C-	B+	A-	A	Low	19	19	B
C	A-	C+	B-	B-	C	C-	C-	C-	A+	A+	Low	20	20	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	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+	C-	C-	C-	C	C-	C-	C	B+	A-	Medium	18	18	F
G	B+	B+	A-	A	A	B+	B+	A	A+	A-	Low	20	20	G
H	B+	B-	B	B	B	A-	A+	A+	A+	A+	Low	20	20	H
I	A	B+	B	B	B+	A-	A	A	A+	A	Low	19	19	I
J	A-	C+	B	B	B+	A	A+	A+	A+	A+	Low	20	20	J
K	B	C-	C+	B	B	B	A-	A+	A+	B+	N/A	17	17	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	63	60	60	61	65	70	88	100	100	100	100	20	20	A
B	55	47	55	69	69	77	84	98	92	91	94	18	19	B
C	80	78	77	61	65	68	69	65	66	64	65	13	13	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	74	83	94	100	100	100	92	84	87	81	84	16	17	F
G	68	65	64	78	74	71	65	64	66	63	64	13	13	G
H	79	77	73	77	71	69	77	79	82	78	80	16	16	H
I	88	85	87	92	100	100	100	100	100	100	100	20	20	I
J	78	65	62	61	59	59	61	70	78	92	80	18	16	J
K	60	79	78	84	76	76	80	100	100	100	100	20	20	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	113	108	113	112	115	115	116	117	120			
B	30	19	20	46	46	31	62	107	113	118	59	Subpar	B
C	115	73	81	77	39	23	22	21	89	88	63	Subpar	C
D	0	0	0	0	0	0	0	0	0	0	0	N/A	D
E	0	0	0	0	0	0	0	0	0	0	0	N/A	E
F	110	40	78	76	89	44	29	50	113	105	73	Fair	F
G	106	103	108	115	116	110	108	113	115	114	111	Superior	G
H	113	99	107	98	97	111	112	117	118	117	109	Excellent	H
I	118	106	107	103	116	118	119	119	120	119	115	Superior	I
J	115	70	103	81	77	101	113	114	117	118	101	Excellent	J
K	105	71	101	110	109	103	113	118	119	115	106	Excellent	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	12,052	5,100	76,970	13,400	107,522
– Pairs Rejected	448	153	2,700	406	3,707
Net Y20 Production (after rejects)	11,604	4,947	74,270	12,994	103,815
Superior Materials Usage	50.5%	83.7%	69.7%	68.9%	68.1%
Capacity Utilization (branded + P-L prod.)	73.0%	113.3%	117.3%	111.7%	109.0%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	- 0.54	0.00	5.46
Superior Materials	12.00	+ 4.34	0.00	16.34

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	1,934	1,853	1,557	1,503	6,847
– Pairs Cleared (inventory clearance)	0	0	0	0	0
Beginning Y20 Inventories	1,934	1,853	1,557	1,503	6,847
+ New Production (shipped from plants)	23,713	22,940	21,780	20,623	89,056
Pairs Available for Sale in Y20	25,647	24,793	23,337	22,126	95,903

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)	23,319	22,603	21,266	20,948	88,136
Actual Year 20 Demand	23,073	22,807	21,347	21,213	88,441
Branded Pairs Sold	23,016	22,654	21,293	20,405	87,368
Required Y20 Ending Inventories	2,014	1,964	1,679	1,721	7,378
Inventory Surplus (Shortfall)	387	-265	80	-912	-710

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 3.4%
- Available for shipment to warehouses
- % usage up by 6.3 points over Y19
- % utilization down by 6.7 points from Y19

Higher than normal (68.1% industrywide) superior materials usage led to superior materials prices that were 36.2% above the base and standard materials prices that were 9.1% below the base.

- Average inventory clearance of 0.0%
- 8.4% higher than Y20 demand
- Actual demand in Year 20 was 0.3% greater than expected.
- 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 (internet + wholesale)				
— North America	23,996	24,956	25,954	26,992
— Europe-Africa	23,720	24,669	25,656	26,682
— Asia-Pacific	22,628	23,986	25,425	26,951
— Latin America	22,486	23,835	25,265	26,781
Total	92,830	97,446	102,300	107,406
Private-Label				
— North America	4,203	4,203	4,203	4,203
— Europe-Africa	4,275	4,275	4,275	4,275
— Asia-Pacific	4,212	4,212	4,212	4,212
— Latin America	4,230	4,230	4,230	4,230
Total	16,920	16,920	16,920	16,920

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	8,535
Potential Production (at max OT)	118,920
Potential Global Supply	127,455
Demand — Branded Sales Forecast (000s)	92,830
Private-Label Sales Forecast	16,920
Expected Global Demand	109,750
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	1,500	0	9,000	3,500	4,600	0	0	0	6,100	0	9,000	3,500	18,600	0	A
B	0	0	9,000	0	0	0	0	0	0	0	9,000	0	9,000	0	B
C	3,000	0	2,200	0	0	0	0	0	3,000	0	2,200	0	5,200	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	2,500	1,500	6,000	3,000	0	0	0	0	2,500	1,500	6,000	3,000	13,000	0	F
G	1,400	0	6,000	0	0	0	0	0	1,400	0	6,000	0	7,400	500	G
H	0	0	10,200	0	0	0	0	0	0	0	10,200	0	10,200	0	H
I	0	0	6,700	3,500	3,500	3,000	0	0	3,500	3,000	6,700	3,500	16,700	0	I
J	0	0	8,800	0	0	0	0	0	0	0	8,800	0	8,800	0	J
K	0	0	7,700	2,000	0	0	0	0	0	0	7,700	2,000	9,700	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	8,400	1,500	65,600	12,000	8,100	3,000	0	0	16,500	4,500	65,600	12,000	98,600	500	

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	899,431	492,452	48,614	146,767	21,016	190,582	3,839	56,023	130,720	11,250	7,500	A
B	617,695	313,102	41,040	110,167	11,417	141,969	11,113	39,257	91,599	14,300	14,300	B
C	322,961	200,051	20,818	66,414	7,620	28,058	-134	0	28,192	2,000	10,000	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	0	0	0	0	0	0	0	0	0	0	0	E
F	559,941	315,836	30,888	116,622	15,419	81,176	19,285	18,567	43,324	810	8,100	F
G	488,260	222,584	27,153	83,829	9,818	144,876	2,164	42,814	99,898	41,250	7,500	G
H	595,515	280,084	38,485	97,491	12,619	166,836	-350	50,156	117,030	6,000	8,000	H
I	742,844	371,925	41,051	132,008	25,728	172,132	6,924	49,562	115,646	33,750	7,500	I
J	516,402	314,934	38,080	49,600	11,220	102,568	3,448	29,736	69,384	10,275	7,500	J
K	595,061	303,200	32,119	120,082	12,119	127,541	-1,410	38,685	90,266	190,650	7,500	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	593,123	312,685	35,361	102,553	14,108	128,415	4,987	36,089	87,340	34,476	8,656	

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	17,890	297,629	858,183	61,444	72,000	605,273	0	119,466	724,739	1.50	1 / 0	A
B	5,916	204,974	457,354	51,748	144,000	279,074	-94,764	77,296	261,606	1.00	4 / 2	B
C	47,615	145,033	237,320	15,039	0	196,087	0	26,194	222,281	0.20	2 / 4	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	0	0	0	0	0	0	0	0	0	0.00	0 / 0	E
F	3,282	168,562	500,271	53,004	75,000	345,403	-15,650	42,514	372,267	0.10	3 / 3	F
G	28,570	167,933	354,735	20,809	0	275,303	0	58,623	333,926	5.50	5 / 3	G
H	144,062	327,541	609,481	23,500	0	474,950	0	111,031	585,981	0.75	2 / 2	H
I	0	193,859	652,893	73,939	198,000	304,311	0	76,643	380,954	4.50	10 / 0	I
J	33,432	200,118	446,637	40,355	40,500	329,926	-23,253	59,109	365,782	1.37	4 / 5	J
K	32,109	187,001	437,761	31,750	0	506,395	0	-100,384	406,011	25.42	9 / 1	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	34,764	210,295	506,071	41,288	58,833	368,525	-14,852	52,277	405,950	4.48	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	54.8 %	5.4 %	16.3 %	2.3 %	21.2 %	14.5 %	4.84	52	49.64	0.09	19.96	Low	A	
B	50.7	6.6	17.8	1.8	23.0	14.8	3.96	52	12.78	0.35	6.16	Low	B	
C	61.9	6.4	20.6	2.4	8.7	8.7	9.64	30	100.00	0.00	10.00	Low	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	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	56.4	5.5	20.8	2.8	14.5	7.7	3.18	40	4.21	0.20	2.96	Medium	F	
G	45.6	5.6	17.2	2.0	29.7	20.5	8.07	30	66.95	0.00	10.00	Low	G	
H	47.0	6.5	16.4	2.1	28.0	19.7	13.94	45	100.00	0.00	10.00	Low	H	
I	50.1	5.5	17.8	3.5	23.2	15.6	2.62	13	24.86	0.35	4.11	Low	I	
J	61.0	7.4	9.6	2.2	19.9	13.4	4.96	46	29.75	0.10	17.61	Low	J	
K	51.0	5.4	20.2	2.0	21.4	15.2	5.89	7	100.00	0.00	0.00	N/A	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	
	52.7 %	6.0 %	17.3 %	2.4 %	21.7 %	14.7 %	5.09	35	54.24	0.12	8.98	Low		

Bold = best in industry **Yellow** = 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		8.37	8.39	10.76	11.47	13.29	15.17
	Private-Label Footwear		5.69	7.00	7.49	10.09	10.82	12.91
Labor — North America	Total Compensation (\$/year)		18,003	18,590	22,771	22,315	28,760	27,243
	Productivity (pairs/worker/year)		5,032	5,161	5,264	5,350	5,545	5,627
	Labor Cost (\$/pair produced)		3.33	0.00	4.50	3.69	5.28	5.40
Europe Africa	Total Compensation (\$/year)		17,044	16,796	17,044	17,055	17,044	17,313
	Productivity (pairs/worker/year)		4,385	4,631	4,385	4,643	4,385	4,654
	Labor Cost (\$/pair produced)		3.34	3.74	3.34	3.89	3.34	4.04
Asia Pacific	Total Compensation (\$/year)		4,103	4,354	5,050	5,267	6,699	6,801
	Productivity (pairs/worker/year)		2,709	2,752	3,209	3,319	3,789	3,969
	Labor Cost (\$/pair produced)		1.20	1.25	1.57	1.65	2.20	2.18
Latin America	Total Compensation (\$/year)		4,174	3,941	4,871	4,936	5,956	6,027
	Productivity (pairs/worker/year)		2,635	2,617	2,933	2,972	3,346	3,400
	Labor Cost (\$/pair produced)		1.56	1.53	1.72	1.72	1.86	1.96
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.59	0.50	1.25	1.06	2.50	2.50
	Cumulative		0.69	0.62	1.15	1.15	2.39	2.40
Reject Rates	Branded Production		1.1%	1.1%	3.7%	3.7%	5.3%	5.3%
	Private-Label Production		1.1%	1.6%	1.9%	2.3%	2.6%	3.1%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		27.31	24.67	29.28	29.12	30.94	32.87
	E-A		26.45	23.98	26.45	26.18	26.45	28.37
	A-P		20.62	20.54	23.58	23.67	27.91	28.54
	L.A.		19.10	20.60	22.45	23.12	25.69	25.24
	Private-Label — N.A.		24.48	23.55	27.99	23.55	34.11	23.55
	E-A		21.56	22.99	21.56	22.99	21.56	22.99
	A-P		16.58	17.13	18.52	20.88	21.75	23.48
	L.A.		15.61	17.27	16.67	17.27	18.28	17.27

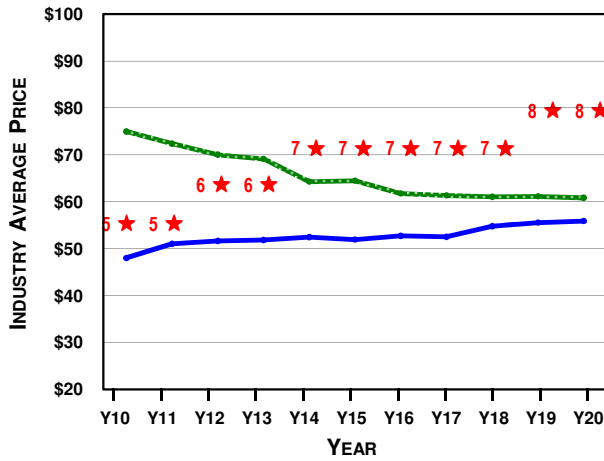
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.96	23.79	27.50	27.23	31.43	31.58
		E-A	27.46	25.77	30.32	30.92	35.00	36.06
		A-P	22.41	22.30	26.04	26.26	33.99	34.47
		L.A.	20.95	22.34	29.65	29.90	35.43	36.54
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.38	10.34	10.52	10.48	10.74	10.75
			2.08	2.00	2.30	2.22	2.58	2.57
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	6.64	5.69	12.66	12.16	17.23	17.04
			5.82	5.49	10.57	10.41	14.08	13.87
Administrative Expenses	(\$/pair sold)		1.11	1.05	1.34	1.46	1.85	2.67
Operating Profit (\$ per pair sold)	— Internet	N.A.	13.02	12.63	18.52	18.66	28.77	27.74
		E-A	11.72	8.36	18.01	15.18	27.63	22.94
		A-P	10.93	10.55	20.73	20.60	30.91	29.73
		L.A.	11.19	11.93	19.06	20.36	27.55	29.25
Wholesale	—	N.A.	6.10	6.05	12.90	13.45	17.35	20.35
		E-A	4.06	1.15	12.31	9.89	17.88	16.47
		A-P	1.62	1.20	9.73	10.31	16.28	18.50
		L.A.	3.32	4.79	11.33	12.76	15.77	17.15
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.41	20.37	24.53	22.84	27.12	25.30
		E-A	22.76	24.54	24.32	28.44	27.02	31.06
		A-P	18.33	18.88	18.61	20.05	19.05	21.21
		L.A.	17.35	24.82	22.13	24.82	27.23	24.82
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.	-1.78	-3.91	9.38	-1.90	22.75	0.11
		E-A	2.94	-3.97	12.15	4.00	21.28	7.89
		A-P	0.52	-0.23	0.87	0.05	1.56	0.33
		L.A.	7.48	5.33	16.22	5.33	21.69	5.33

CELEBRITY ENDORSEMENTS

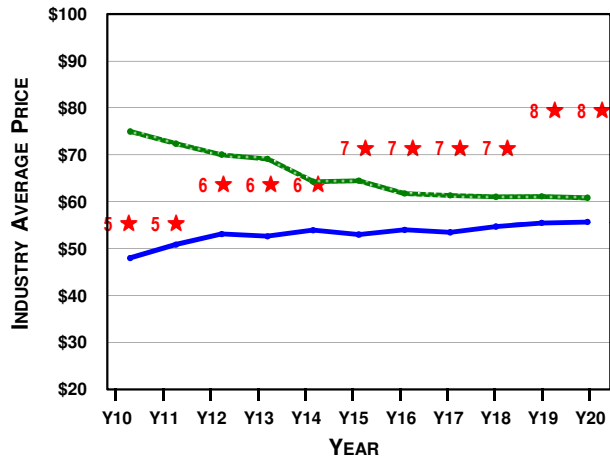
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company K	9,801	Y19	2 years	6	16,890	12,128	9,039	700
Oprah Letterman	100	70	65	75	Company I	10,001	Y20	3 years	3	16,500	10,001	9,167	1,000
Fifa Beckham	70	100	70	55	Company H	19,000	Y20	5 years	3	19,000	10,001	10,000	1,000
Tiger Green	95	80	85	75	Company I	10,001	Y20	2 years	3	15,500	10,001	8,834	1,000
José Montaña	60	50	60	95	Company I	15,310	Y18	3 years	5	15,310	14,377	12,022	5,605
Kobioshi Jones	55	60	95	90	Company I	10,001	Y20	4 years	3	18,000	10,001	9,667	1,000
Ace Federar	50	90	50	85	Company I	10,001	Y20	1 year	2	10,001	1,000	5,501	1,000
Danica Andretti	70	65	55	60	Company I	12,128	Y19	3 years	5	16,790	12,128	11,287	5,605
LaBron Game	75	80	95	50	Company K	15,300	Y17	4 years	4	15,300	14,126	12,009	5,500
Lorena Lopez	45	85	60	100	Company K	15,308	Y19	2 years	6	15,890	15,308	10,624	700
Lance deFrance	80	85	75	70	Company I	10,001	Y20	3 years	3	15,000	10,001	8,667	1,000
Yao KungPao	60	35	100	50	Company B	14,377	Y18	4 years	4	15,310	14,377	11,603	5,605

BRANDED PRICE AND S/Q RATING TRENDS

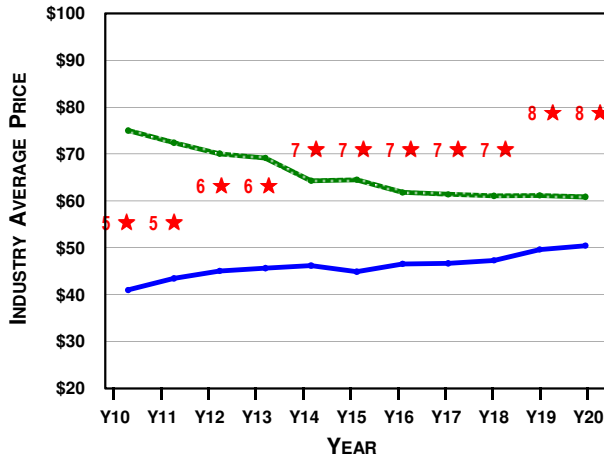
NORTH AMERICA



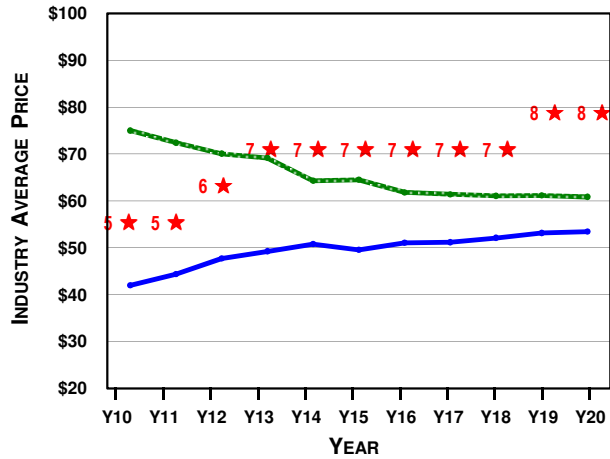
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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