

THE FOOTWEAR INDUSTRY REPORT

The Business Strategy Game © 2009 GLO-BUS Software, Inc. All rights reserved.

INDUSTRY 2

Friday, May 22, 2009

YEAR 20

YEAR 20 SCOREBOARD

Rank	Company Name	Investor Expectation Score	Best-In-Industry Score	Overall Score	Change from Y19
1	K Company	117	78	98	-9
2	H Company	119	69	94	+1
3	JumpOn Pappaja	116	69	93	-5
4	Bootleggers	113	54	84	-12
5	Conqueror Inc.	109	50	80	-12
6	Ascendant	100	44	72	-14
7	Ednalyn Holdings	86	40	63	-15
8	I Company	55	41	48	+12
9	D (deleted)	0	0	0	0
9	F (deleted)	0	0	0	0
9	G (deleted)	0	0	0	0
9	L (deleted)	0	0	0	0

GAME-TO-DATE SCOREBOARD

Rank	Company Name	Investor Expectation Score	Best-In-Industry Score	Overall Score	Change from Y19
1	K Company	118	98	108	+1
2	JumpOn Pappaja	109	80	95	+6
3	Bootleggers	107	69	88	-3
4	H Company	99	73	86	+9
5	Conqueror Inc.	101	63	82	-1
6	Ascendant	82	50	66	-3
6	Ednalyn Holdings	79	52	66	-5
8	I Company	28	20	24	-2
9	D (deleted)	0	0	0	0
9	F (deleted)	0	0	0	0
9	G (deleted)	0	0	0	0
9	L (deleted)	0	0	0	0

Investor Expectation Score (I.E.I) — 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). Pages 2 and 3 of this report show the investor expectation targets (in parenthesis just under the column heads for each year). 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 Expectation Score ranges from 0 to a max of 120 (if all targets are exceeded by 40% or more).

Best-In-Industry Score (B-I-I) — This scoring standard is based on how well each company performs relative to the best-performing company in the industry on EPS (20 points max), ROE (20 points max), Stock Price (20 points max), Credit Rating (20 points max), and Image Rating (20 points max). In order to get a score of 100, a company must be the best performing company in the industry on all 5 measures, achieve no lower than the investor expectation on EPS, ROE, Stock Price, and Image Rating, and have an A+ Credit Rating.

Overall Score — This measure is used to determine each company's ranking in the Year 20 Scoreboard and Game-To-Date Scoreboard above. The overall score is determined by combining the Investor Expectation Score and the Best-In-Industry Score into a single score using the 50%-50% weighting that was specified by your instructor.

EARNINGS PER SHARE (\$)

Scores are based on a 20% or 20-point weighting. Bold numbers indicate achievement of the investor-expected EPS target shown below each yearly column head. Best-In-Industry performers earn the top score, and scores of other companies are a percentage of the industry-leading EPS performance. Game-To-Date scores are based on weighted average annual EPS performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Wgt. Avg.	Y20 Score		G-T-D Score		
	(2.67)	(2.85)	(3.05)	(3.26)	(3.49)	(3.66)	(3.84)	(4.03)	(4.23)	(4.44)	(3.55)	I. E.	B-I-I	I. E.	B-I-I	
A	3.33	3.76	1.35	1.01	0.21	1.34	2.08	6.50	8.39	7.23	2.76	24	11	16	9	A
B	2.49	3.48	2.14	2.10	1.11	3.95	2.34	3.57	8.44	6.35	3.59	24	9	20	11	B
C	2.86	3.35	0.29	-0.09	1.76	2.96	2.49	4.87	7.48	5.50	3.05	22	8	17	10	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	0	0	D
E	2.24	3.33	0.83	0.02	0.36	1.23	1.21	3.21	3.67	2.91	1.86	13	4	10	6	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	0	0	F
G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	G
H	1.30	2.85	1.13	-2.91	0.83	1.87	2.97	5.98	5.68	8.96	2.34	24	13	13	7	H
I	2.80	3.40	1.34	-3.08	-4.21	-0.79	-11.33	-8.85	2.86	0.68	-1.60	3	1	0	0	I
J	3.20	4.43	2.22	-1.39	2.39	2.58	3.76	5.90	9.27	10.66	3.99	24	16	21	13	J
K	4.34	5.92	3.91	-0.29	2.19	6.48	7.60	9.27	14.28	13.39	6.34	24	20	24	20	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	0	0	L

RETURN ON EQUITY (%)

Scores are based on a 20% or 20-point weighting. Bold numbers indicate achievement of the investor-expected 15% ROE target. Best-In-Industry performers earn the top score, and other companies earn scores based on their ROE as a % of the industry-leading ROE performance. Game-To-Date scores are based on weighted average annual ROE performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Wgt. Avg.	Y20 Score		G-T-D Score		
	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	I. E.	B-I-I	I. E.	B-I-I	
A	20.3	17.4	4.9	4.1	0.6	4.4	6.5	15.2	35.7	23.5	10.2	24	2	14	10	A
B	15.2	18.0	9.8	9.3	4.9	15.8	8.7	10.6	20.8	14.9	13.7	20	1	18	14	B
C	17.2	16.7	1.3	-0.4	7.6	11.6	8.8	14.7	20.7	13.7	11.9	18	1	16	12	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	0	0	D
E	14.2	18.9	4.5	0.1	2.1	7.3	6.7	17.3	17.7	13.4	10.7	18	1	14	11	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	0	0	F
G	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	G
H	9.3	14.6	5.2	-14.1	4.2	8.9	11.9	22.3	26.4	31.7	11.3	24	2	15	12	H
I	17.1	17.7	6.3	-15.5	-26.3	-5.8	-152.5	0.0	0.0	306.2	-17.2	24	20	0	0	I
J	19.1	21.5	9.2	-5.4	7.5	8.6	11.3	15.6	20.4	19.4	13.4	23	1	18	14	J
K	25.0	26.4	14.3	-1.0	7.2	18.4	19.1	23.3	31.3	25.2	19.6	24	2	23	20	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	0	0	L

STOCK PRICE (\$ per share)

Scores are based on a 20% or 20-point weighting. Bold numbers indicate achievement of the investor-expected stock price shown below each yearly column head. Best-In-Industry performers earn the top score, and other companies earn scores based on their stock price as a % of the industry-leading stock price. Game-To-Date scores are based solely on the most recent year's stock price.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Y20 Score		G-T-D Score		
	(32.00)	(34.25)	(36.75)	(39.25)	(42.00)	(44.25)	(46.25)	(48.75)	(51.25)	(53.50)	I. E.	B-I-I	I. E.	B-I-I	
A	45.19	52.00	26.82	15.18	9.08	14.70	26.63	89.40	130.82	108.55	24	9	24	9	A
B	28.34	40.51	21.50	20.93	12.46	51.31	26.31	47.63	144.44	89.89	24	8	24	8	B
C	37.09	38.94	20.82	12.57	17.72	40.72	33.42	76.25	149.84	72.29	24	6	24	6	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	0	D
E	27.59	44.15	23.71	13.94	9.04	15.86	15.51	49.93	59.31	38.70	14	3	14	3	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	0	F
G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	G
H	16.93	32.94	18.35	11.14	7.58	18.57	39.47	101.85	94.28	170.93	24	15	24	15	H
I	32.08	45.70	24.24	14.19	9.22	5.56	4.70	4.95	24.32	14.22	5	1	5	1	I
J	41.11	60.00	28.85	16.44	21.71	25.68	48.43	97.70	171.51	192.24	24	16	24	16	J
K	78.22	104.11	45.67	23.87	22.67	102.72	133.27	171.88	271.35	235.08	24	20	24	20	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	0	L

CREDIT RATING

Scores are based on a 20% or 20-point weighting. Bolded credit ratings indicate meeting or beating the B+ investor-expectation. For the Best-In-Industry scoring, companies with an A+ credit rating earn a score of 20 points and lesser credit ratings earn lower scores. Game-To-Date scores are based solely on the most recent year's credit rating.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Default Risk	Y20 Score		G-T-D Score		
	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)		I. E.	B-I-I	I. E.	B-I-I	
A	A	A+	B	A-	C+	B	B+	B	B-	C+	Medium	8	8	8	8	A
B	B+	B	B-	B-	C+	B-	B	A-	A	A-	Medium	22	18	22	18	B
C	A-	B+	C	C	A	A	A	A+	A+	A+	Low	24	20	24	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	0	0	D
E	B+	B	C	C-	C+	A+	A	A+	A+	A	Medium	23	19	23	19	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	0	0	F
G	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0	G
H	B+	B+	B-	C-	C+	A-	A	A	A-	A	Low	23	19	23	19	H
I	B	B+	C	C-	C-	C-	C-	C-	C-	C-	High	0	1	0	1	I
J	B+	B	C+	C-	C+	B-	B+	A	A	A	Low	23	19	23	19	J
K	A-	A-	B	C-	B+	A+	A	A	A	A+	Low	24	20	24	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	0	0	L

IMAGE RATING

Scores are based on a 20% or 20-point weighting. Bolded image ratings indicate meeting or beating the yearly target of 70. Best-In-Industry performers earn the top score, and scores of other companies are based on their image rating as a % of the leading image rating. Game-To-Date scores are based on the average of image ratings in Y18, Y19, and Y20.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Y18-Y20 Average	Y20 Score		G-T-D Score		
	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)		I. E.	B-I-I	I. E.	B-I-I	
A	60	72	79	73	85	79	81	75	71	69	72	20	14	20	14	A
B	79	72	82	91	94	93	91	91	93	91	92	23	18	23	18	B
C	78	69	68	70	64	69	73	71	72	75	73	21	15	20	15	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	68	63	66	61	63	56	60	63	64	63	63	18	13	18	13	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	76	84	86	93	99	99	100	100	100	100	100	24	20	24	20	H
I	68	89	88	81	84	99	77	90	89	88	89	23	18	23	18	I
J	68	80	86	75	76	77	79	81	99	83	88	22	17	23	18	J
K	72	76	71	73	95	87	80	93	91	80	88	21	16	23	18	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L

CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP

Industry 2 Expenditures for Corporate Social Responsibility and Citizenship

	Total (\$000s)			Per Pair Sold (\$ / pair)		
	High	Avg.	Low	High	Avg.	Low
	Year 11	19693	5980	0	4.77	1.20
Year 12	25467	9454	0	4.57	1.60	0.00
Year 13	24319	11764	0	4.17	1.87	0.00
Year 14	19223	6783	0	3.80	1.29	0.00
Year 15	18015	7573	0	2.25	1.05	0.00
Year 16	18948	7962	0	2.05	1.05	0.00
Year 17	23284	9296	0	2.64	1.10	0.00
Year 18	24067	8909	0	2.63	1.01	0.00
Year 19	27653	12343	0	3.09	1.29	0.00
Year 20	34826	14445	0	3.24	1.45	0.00

Image Rating Points Generated from CSRC Expenditures

	High	Avg.	Low
	Year 11	5	2
Year 12	11	5	0
Year 13	16	8	0
Year 14	18	11	2
Year 15	20	12	3
Year 16	19	11	5
Year 17	19	11	4
Year 18	20	11	0
Year 19	20	12	0
Year 20	20	13	0

★ GOLD STAR AWARD ★

for Corporate Citizenship

Beginning in Year 14, the World Council for Exemplary Corporate Citizenship presents a Gold Star Award to the company spending the highest % of its revenues for social responsibility and citizenship initiatives.

	Award Winner	2nd Place
Y14	H Company	G Company
Y15	H Company	JumpOn Pappaja
Y16	I Company	H Company
Y17	H Company	JumpOn Pappaja
Y18	H Company	JumpOn Pappaja
Y19	H Company	Ednaly Holdings
Y20	I Company	H Company

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	25,440	8,400	63,960	2,400	100,200
– Pairs Rejected	1,589	380	2,797	128	4,894
Net Y20 Production (after rejects)	23,851	8,020	61,163	2,272	95,306
Superior Materials Usage	41.9%	27.3%	46.5%	27.0%	43.3%
Capacity Utilization (branded + P-L prod.)	120.0%	120.0%	120.0%	120.0%	120.0%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	+ 0.87	+ 0.65	8.02
Superior Materials	14.00	- 0.47	+ 1.40	14.93

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	2,027	2,957	2,074	1,738	8,796
– Pairs Cleared (inventory clearance)	799	1,049	1,053	626	3,527
Beginning Y20 Inventories	1,228	1,908	1,021	1,112	5,269
+ New Production (shipped from plants)	23,092	22,902	21,573	21,489	89,056
Pairs Available for Sale in Y20	24,320	24,810	22,594	22,601	94,325

BRANDED DEMAND & SALES (000s of pair)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Projected Y20 Demand (see Y19 FIR)	21,133	21,423	20,061	20,128	82,745
Actual Year 20 Demand	21,360	21,584	20,385	20,584	83,913
Branded Pairs Sold	21,353	21,582	20,285	20,469	83,689
Required Y20 Ending Inventories	1,863	1,668	1,550	1,539	6,620
Inventory Surplus (Shortfall)	848	1,539	398	218	3,003

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.9%
- Available for shipment to warehouses
- % usage down by 3.8 points from Y19
- % utilization up by 1.1 points over Y19

Lower than normal (43.3% industrywide) superior materials usage led to superior materials prices that were 3.4% below the base and standard materials prices that were 13.4% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 10.0% from the base.

- Average inventory clearance of 40.1%
- 12.4% higher than Y20 demand

Actual demand in Year 20 was 1.4% greater than expected due to decreases 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	22,214	23,103	24,027	24,988
(internet + wholesale) Europe-Africa	22,447	23,345	24,279	25,250
Asia-Pacific	21,608	22,904	24,278	25,735
Latin America	21,819	23,128	24,516	25,987
Total	88,088	92,480	97,100	101,960
Private-Label — North America	3,768	3,768	3,768	3,768
Europe-Africa	3,760	3,760	3,760	3,760
Asia-Pacific	3,752	3,752	3,752	3,752
Latin America	3,784	3,784	3,784	3,784
Total	15,064	15,064	15,064	15,064

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory	10,636
(000s) Potential Production (at max OT)	100,200
Potential Global Supply	110,836
Demand — Branded Sales Forecast	88,088
(000s) Private-Label Sales Forecast	15,064
Expected Global Demand	103,152
Conclusion:	Even at full overtime production, capacity is shy of what's needed to meet future demand. Opportunistic companies should consider building new capacity or purchasing used capacity.

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	12,000	1,000	0	0	0	0	0	0	12,000	1,000	13,000	0	A
B	3,800	2,000	5,500	0	0	100	300	0	3,800	2,100	5,800	0	11,700	0	B
C	0	0	8,900	0	0	0	1,000	0	0	0	9,900	0	9,900	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	2,400	0	2,500	0	0	0	0	0	2,400	0	2,500	0	4,900	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	1,000	1,100	7,000	0	0	0	600	0	1,000	1,100	7,600	0	9,700	0	H
I	8,500	0	0	1,000	0	0	0	0	8,500	0	0	1,000	9,500	0	I
J	0	0	12,000	0	0	0	0	0	0	0	12,000	0	12,000	0	J
K	5,500	4,500	3,500	0	0	-700	0	0	5,500	3,800	3,500	0	12,800	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	21,200	7,600	51,400	2,000	0	-600	1,900	0	21,200	7,000	53,300	2,000	83,500	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	698,579	403,096	48,024	118,849	15,418	113,192	35,705	23,246	54,241	7,500	7,500	A
B	691,174	422,257	35,946	126,945	15,318	90,708	13,578	23,139	53,991	1,700	8,500	B
C	586,048	342,083	43,844	109,646	13,070	77,405	1,544	22,526	52,561	0	9,556	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	309,904	182,680	26,436	56,731	8,369	35,688	825	10,459	24,404	8,380	8,380	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	0	0	0	0	0	0	0	0	0	0	0	G
H	586,127	365,799	36,544	27,970	13,319	142,495	16,188	35,327	82,430	2,760	9,200	H
I	518,053	349,257	43,138	45,943	12,970	66,745	46,488	0	10,257	0	15,000	I
J	634,454	320,707	50,034	116,877	14,419	132,417	18,152	34,280	79,985	1,500	7,500	J
K	674,961	315,927	47,347	128,040	16,419	167,228	15,209	45,606	106,413	2,145	7,945	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	587,413	337,726	41,414	91,375	13,663	103,235	18,461	24,323	58,035	2,998	9,198	

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	229,882	624,349	115,983	254,000	207,607	0	46,760	254,367	1.00	9 / 1	A
B	6,920	223,679	572,008	76,140	144,400	375,646	-76,470	52,292	351,468	0.20	9 / 1	B
C	19,695	202,190	444,574	44,939	0	367,151	-20,052	52,536	399,635	0.00	1 / 2	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	0	119,970	213,502	31,154	0	181,593	-15,270	16,025	182,348	1.00	3 / 3	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	0	0	0	0	0	0	0	0	0	0.00	0 / 0	G
H	25,263	203,800	488,755	53,541	140,000	225,075	-9,530	79,669	295,214	0.30	3 / 1	H
I	0	167,154	377,021	266,017	62,000	-42,304	81,050	10,258	49,004	0.00	2 / 4	I
J	70,449	300,886	686,588	50,277	184,000	373,824	0	78,487	452,311	0.20	2 / 2	J
K	17,585	191,578	593,076	48,635	110,000	408,829	-78,655	104,267	434,441	0.27	7 / 2	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	17,489	204,892	499,984	85,836	111,800	262,178	-14,866	55,037	302,348	0.37	5 / 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	57.7 %	6.9 %	17.0 %	2.2 %	16.2 %	7.8 %	1.98	60	3.17	0.53	1.04	Medium	A
B	61.1	5.2	18.4	2.2	13.1	7.8	2.94	39	6.68	0.31	2.49	Medium	B
C	58.4	7.5	18.7	2.2	13.2	9.0	4.50	39	50.13	0.03	5.72	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	58.9	8.5	18.3	2.7	11.5	7.9	3.85	84	43.26	0.08	1.63	Medium	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	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	G
H	62.4	6.2	4.8	2.3	24.3	14.1	3.81	52	8.80	0.33	5.21	Low	H
I	67.4	8.3	8.9	2.5	12.9	2.0	0.63	43	1.44	0.79	0.12	High	I
J	50.5	7.9	18.4	2.3	20.9	12.6	5.98	85	7.29	0.30	4.70	Low	J
K	46.8	7.0	19.0	2.4	24.8	15.8	3.94	6	11.00	0.22	6.20	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
	57.5 %	7.1 %	15.6 %	2.3 %	17.6 %	9.9 %	2.39	51	16.47	0.32	3.39	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		6.81	7.24	10.67	10.71	13.90	13.80
	Private-Label Footwear		6.29	7.87	8.22	9.33	11.46	11.77
Labor — North America	Total Compensation (\$/year)		18,922	18,652	25,563	25,702	24,422	24,498
	Productivity (pairs/worker/year)		4,422	4,521	6,386	6,469	5,979	6,097
	Labor Cost (\$/pair produced)		3.76	3.70	6.00	5.96	6.06	6.07
Europe Africa	Total Compensation (\$/year)		18,401	17,965	27,561	27,380	21,418	21,492
	Productivity (pairs/worker/year)		4,466	4,531	7,106	7,212	5,315	5,397
	Labor Cost (\$/pair produced)		3.82	3.73	6.81	6.72	5.24	5.18
Asia Pacific	Total Compensation (\$/year)		7,060	6,935	8,992	8,995	13,933	14,008
	Productivity (pairs/worker/year)		2,456	2,458	3,048	3,061	4,698	4,771
	Labor Cost (\$/pair produced)		2.90	2.89	3.18	3.18	3.62	3.65
Latin America	Total Compensation (\$/year)		0	0	0	0	6,000	6,000
	Productivity (pairs/worker/year)		0	0	0	0	3,067	3,064
	Labor Cost (\$/pair produced)		0.00	0.00	0.00	0.00	2.97	2.97
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.00	1.32	1.29	2.50	2.50
	Cumulative		0.31	0.27	1.21	1.23	2.38	2.40
Reject Rates	Branded Production		2.1%	2.2%	5.4%	5.4%	10.4%	10.5%
	Private-Label Production		1.5%	1.5%	3.5%	4.1%	8.5%	8.4%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	18.66	19.29	27.44	28.04	32.11	32.96
		E-A	16.64	17.57	24.03	24.27	31.41	30.96
		A-P	17.49	18.42	24.48	24.43	29.56	29.12
		L.A.	0.00	0.00	0.00	0.00	0.00	0.00
	Private-Label	N.A.	22.55	23.19	22.55	23.19	22.55	23.19
		E-A	20.39	20.67	22.56	20.67	24.73	20.67
		A-P	19.33	22.17	22.73	22.17	27.46	22.17
		L.A.	18.63	19.25	21.09	20.83	23.54	22.41

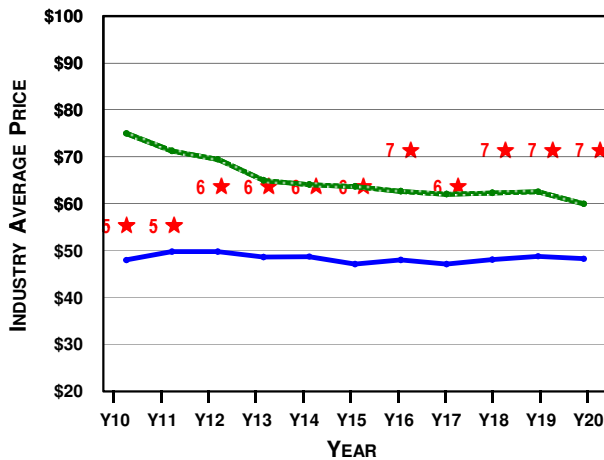
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	20.17	21.19	28.42	28.66	33.41	34.27
		E-A	18.14	18.97	33.71	33.72	41.28	42.00
		A-P	18.99	19.87	27.54	27.61	38.82	39.56
		L.A.	20.21	22.28	30.23	32.31	36.32	38.11
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.33	12.32	10.60	12.61	11.10	13.15
			1.97	1.89	2.35	2.35	3.07	3.09
Marketing Expenses - Internet	(\$ per pair sold)	Wholesale	7.96	8.12	11.80	12.38	17.22	18.80
			3.49	3.26	8.60	7.88	12.24	9.99
Administrative Expenses	(\$/pair sold)		1.18	1.06	1.43	1.38	2.02	2.08
Operating Profit (\$ per pair sold)	Internet	N.A.	5.93	3.29	19.24	16.03	31.10	24.27
		E-A	8.28	5.73	18.46	15.45	37.53	30.87
		A-P	5.66	5.47	22.46	19.77	32.20	26.18
		L.A.	19.25	8.76	25.86	15.25	38.14	25.21
Wholesale		N.A.	1.97	3.54	6.24	6.53	12.32	13.42
		E-A	3.60	3.66	9.27	8.37	15.39	12.03
		A-P	1.54	3.82	8.49	8.69	14.51	15.70
		L.A.	8.14	3.98	11.38	6.01	16.22	10.61
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.05	24.69	26.25	25.56	29.55	26.43
		E-A	21.89	22.17	28.00	27.46	35.89	32.75
		A-P	20.83	0.00	24.23	#####	28.96	0.00
		L.A.	20.13	20.75	22.59	25.42	25.04	31.60
Warehouse Expenses	(\$ per pair sold)		1.00	1.00	1.08	1.13	1.20	1.20
Margin Over Direct Costs (\$ per pair sold)		N.A.	-4.19	12.34	2.43	13.75	12.04	15.15
		E-A	-2.13	11.15	2.67	14.04	7.74	16.92
		A-P	-5.67	0.00	-2.31	#####	1.44	0.00
		L.A.	17.40	6.64	19.26	13.74	21.11	18.68

CELEBRITY ENDORSEMENTS

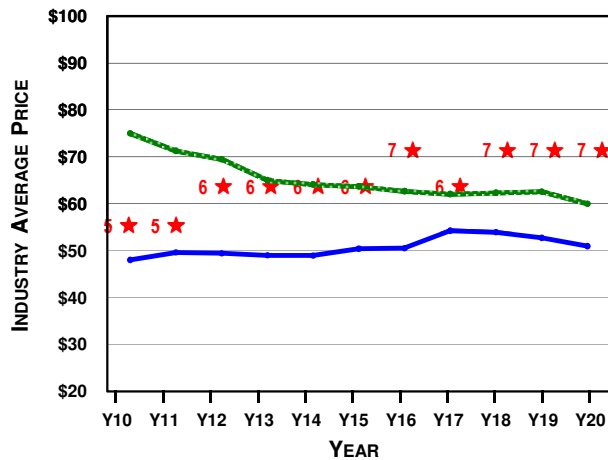
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company A	16,666	Y19	2 years	6	20,103	17,510	12,997	3,695
Oprah Letterman	100	70	65	75	Company A	21,111	Y20	3 years	3	21,111	20,002	18,227	13,567
Fifa Beckham	70	100	70	55	Company C	21,033	Y16	5 years	9	21,033	17,608	15,395	11,789
Tiger Green	95	80	85	75	Company A	22,222	Y20	2 years	3	22,222	20,002	18,597	13,567
José Montaña	60	50	60	95	Company I	19,002	Y18	3 years	6	19,002	18,666	13,808	4,567
Kobioshi Jones	55	60	95	90	Company J	20,002	Y20	4 years	3	20,002	18,888	17,486	13,567
Ace Federar	50	90	50	85	Company A	21,111	Y20	1 year	3	21,111	20,002	18,227	13,567
Danica Andretti	70	65	55	60	Company K	17,510	Y19	3 years	6	20,103	17,510	14,839	4,002
LaBron Game	75	80	95	50	Company E	18,006	Y17	4 years	6	18,006	16,305	12,869	500
Lorena Lopez	45	85	60	100	Company K	17,510	Y19	2 years	6	20,103	17,510	13,469	3,526
Lance deFrance	80	85	75	70	Company J	20,002	Y20	3 years	3	20,002	18,888	17,486	13,567
Yao KungPao	60	35	100	50	Company J	17,007	Y18	4 years	6	17,007	16,505	14,917	13,333

BRANDED PRICE AND S/Q RATING TRENDS

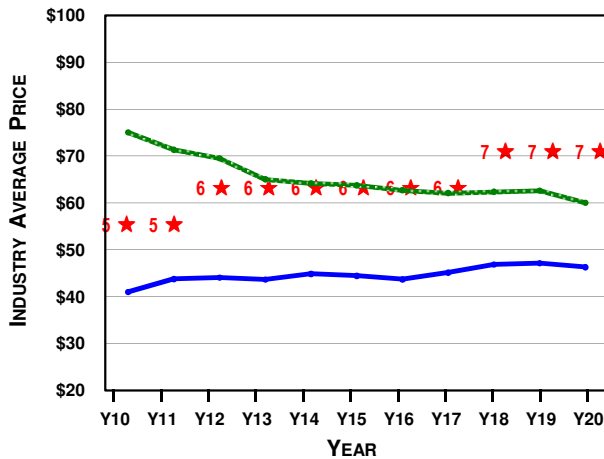
NORTH AMERICA



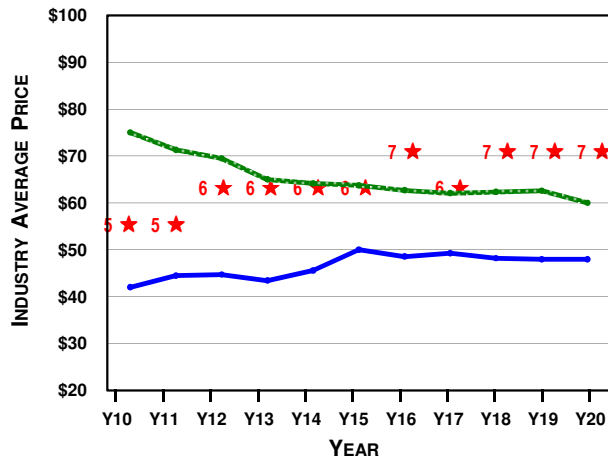
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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