

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 3

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	I Company	119	99	109	+1
2	His N Hers Footwear	117	83	100	+4
3	Biyikli Yabanci	114	83	99	-1
4	Cross Country	115	66	91	+4
5	Gold Shoe LLC	114	62	88	-8
6	Footwear Galaxy	106	52	79	+27
7	Love	71	35	53	-22
7	J Sportschoen	65	40	53	+18
9	A (deleted)	0	0	0	0
9	D (deleted)	0	0	0	0
9	E (deleted)	0	0	0	0
9	K (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	I Company	117	95	106	+1
2	Biyikli Yabanci	114	87	101	0
3	His N Hers Footwear	114	82	98	+1
4	Gold Shoe LLC	117	75	96	-3
5	Footwear Galaxy	112	66	89	+17
5	Cross Country	111	67	89	+3
7	Love	88	55	72	-15
8	J Sportschoen	55	37	46	+10
9	A (deleted)	0	0	0	0
9	D (deleted)	0	0	0	0
9	E (deleted)	0	0	0	0
9	K (deleted)	0	0	0	0

Investor Expectation Score (I.E.) — 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	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	A
B	2.54	7.92	4.86	3.53	2.68	6.86	8.97	7.75	17.67	15.47	7.76	24	17	24	20	B
C	2.78	3.89	1.45	0.81	1.66	3.78	4.29	7.45	6.46	8.97	3.99	24	10	21	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	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	E
F	3.59	6.45	4.41	3.43	3.05	6.82	5.64	8.25	3.63	6.47	5.16	24	7	24	13	F
G	2.87	6.18	4.22	2.98	3.32	3.95	6.03	9.06	9.55	7.17	5.42	24	8	24	14	G
H	4.55	4.55	3.94	2.59	5.86	9.43	11.06	9.69	11.81	13.67	7.17	24	15	24	18	H
I	2.71	5.52	1.45	7.56	3.76	5.77	9.75	15.06	16.40	18.51	7.45	24	20	24	19	I
J	1.95	2.89	0.09	0.25	-0.93	-0.41	0.70	0.89	0.56	1.46	0.66	7	2	4	2	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	0	0	K
L	2.62	6.66	5.91	6.06	4.17	9.69	6.16	6.66	6.45	3.89	5.73	18	4	24	15	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	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	A
B	16.3	50.5	23.4	14.6	9.7	22.4	23.2	16.3	25.0	24.9	22.5	24	19	24	20	B
C	17.3	20.6	6.6	3.3	6.0	12.9	12.9	19.1	14.0	16.8	13.5	21	13	18	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	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	E
F	21.8	36.6	23.3	17.4	13.4	25.6	17.7	21.3	8.1	13.2	18.8	18	10	23	17	F
G	17.9	34.4	21.2	13.3	13.4	16.6	22.0	27.0	24.2	17.0	21.5	21	13	24	19	G
H	27.1	22.0	12.8	7.0	11.6	19.0	20.9	19.3	21.7	24.8	18.1	24	19	22	16	H
I	16.8	24.7	5.1	16.4	10.6	10.9	18.3	27.6	26.4	26.2	18.6	24	20	22	17	I
J	12.1	14.9	0.5	1.5	-7.0	-3.0	5.0	6.1	3.7	8.9	4.5	12	7	6	4	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	0	0	K
L	15.9	31.3	23.0	19.2	11.7	23.1	13.7	13.1	11.3	6.3	15.7	8	5	20	14	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	A
B	29.78	127.51	85.50	40.68	25.06	83.11	123.40	104.16	208.73	286.69	24	15	24	15	B
C	39.66	59.13	29.91	16.80	16.09	48.78	65.10	127.13	86.14	122.62	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	E
F	45.03	110.33	54.03	37.77	29.60	123.08	66.77	113.67	45.65	81.31	24	4	24	4	F
G	45.37	126.91	63.96	34.66	34.99	46.29	102.52	172.49	196.51	122.27	24	6	24	6	G
H	73.80	70.98	50.16	26.20	78.97	193.83	227.23	170.52	206.78	253.32	24	13	24	13	H
I	34.79	102.48	41.08	140.61	56.77	92.70	147.14	294.59	320.07	379.87	24	20	24	20	I
J	18.81	34.38	18.72	11.29	7.28	4.75	6.03	9.44	6.39	17.85	7	1	7	1	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	0	K
L	28.90	116.75	92.19	97.42	48.16	157.38	75.56	84.96	66.47	37.04	14	2	14	2	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	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	A
B	B	B	C	C	C-	C-	C	A-	A	A-	Medium	22	18	22	18	B
C	B+	A	B	B	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	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	E
F	B	B+	B-	C+	C	B-	C+	B	C	B+	Medium	20	17	20	17	F
G	B+	A-	B+	B	B-	B	A	A+	A	A+	Low	24	20	24	20	G
H	B+	A	A	A-	A	A	A	A	A	A	Low	23	19	23	19	H
I	A-	A-	B	A-	B+	A	A	A	A	A	Low	23	19	23	19	I
J	B-	C+	C-	C	C-	C-	B	B+	B	A	Low	23	19	23	19	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	0	0	K
L	B	A-	A-	A-	A	A	A	A	B+	B-	Medium	12	11	12	11	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	80	84	97	89	72	69	69	70	72	71	71	20	14	20	14	B
C	84	93	96	65	81	84	96	100	100	87	96	22	17	24	19	C
D	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	E
F	66	87	78	80	77	80	73	75	74	72	74	20	14	21	15	F
G	95	87	85	87	53	81	79	76	77	77	77	21	15	21	16	G
H	81	83	82	86	81	80	77	70	76	84	77	22	17	21	16	H
I	82	95	96	94	89	100	84	100	96	100	99	24	20	24	20	I
J	66	70	72	71	62	57	58	54	51	55	53	16	11	15	11	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	64	64	64	63	67	60	64	62	64	66	64	19	13	18	13	L

CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP

	Industry 3 Expenditures for Corporate Social Responsibility and Citizenship						Image Rating Points Generated from CSRC Expenditures		
	Total (\$000s)			Per Pair Sold (\$ / pair)			High	Avg.	Low
	High	Avg.	Low	High	Avg.	Low			
Year 11	11050	1483	0	1.80	0.26	0.00	3	1	0
Year 12	13200	1423	0	1.54	0.19	0.00	5	1	0
Year 13	16200	2043	0	1.71	0.25	0.00	8	2	0
Year 14	16200	2139	0	1.36	0.22	0.00	10	3	0
Year 15	19250	3944	0	1.43	0.32	0.00	12	3	0
Year 16	19250	4309	0	1.34	0.37	0.00	11	3	0
Year 17	19250	6563	0	2.15	0.62	0.00	12	4	0
Year 18	19250	7143	0	2.37	0.68	0.00	12	5	0
Year 19	20200	8314	0	2.41	0.73	0.00	13	6	0
Year 20	22350	10951	0	2.47	0.87	0.00	15	8	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	I Company	J Sportschoen
Y15	Biyikli Yabanci	I Company
Y16	Biyikli Yabanci	I Company
Y17	Love	Biyikli Yabanci
Y18	Love	I Company
Y19	Love	Biyikli Yabanci
Y20	Love	His N Hers Footwear

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	12,443	17,881	55,672	18,043	104,039
- Pairs Rejected	398	856	2,615	740	4,609
Net Y20 Production (after rejects)	12,045	17,025	53,057	17,303	99,430
Superior Materials Usage	45.2%	51.2%	38.9%	21.8%	38.8%
Capacity Utilization (branded + P-L prod.)	119.6%	118.4%	117.2%	77.8%	108.1%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	+ 1.46	0.00	7.96
Superior Materials	14.00	- 0.78	0.00	13.22

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	2,960	2,897	2,873	3,408	12,138
- Pairs Cleared (inventory clearance)	1,303	1,287	1,178	1,186	4,954
Beginning Y20 Inventories	1,657	1,610	1,695	2,222	7,184
+ New Production (shipped from plants)	22,900	21,560	22,169	18,773	85,402
Pairs Available for Sale in Y20	24,557	23,170	23,864	20,995	92,586

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)	22,456	22,422	21,035	20,683	86,596
Actual Year 20 Demand	22,512	22,640	21,385	20,964	87,501
Branded Pairs Sold	22,506	21,581	21,384	19,357	84,828
Required Y20 Ending Inventories	1,629	1,589	1,610	1,638	6,466
Inventory Surplus (Shortfall)	246	-1,255	652	-1,640	-1,997

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.4%
- Available for shipment to warehouses
- % usage down by 12.1 points from Y19
- % utilization down by 4.4 points from Y19

Lower than normal (38.8% industrywide) superior materials usage led to superior materials prices that were 5.6% below the base and standard materials prices that were 22.4% above the base.

- Average inventory clearance of 40.8%
- 5.8% higher than Y20 demand

Actual demand in Year 20 was 1.0% greater than expected due to decreases 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	23,412	24,348	25,322	26,335
(internet + wholesale) Europe-Africa	23,546	24,488	25,468	26,487
Asia-Pacific	22,668	24,028	25,470	26,998
Latin America	22,222	23,555	24,968	26,466
Total	91,848	96,419	101,228	106,286
Private-Label — North America	3,776	3,776	3,776	3,776
Europe-Africa	3,784	3,784	3,784	3,784
Asia-Pacific	3,784	3,784	3,784	3,784
Latin America	3,752	3,752	3,752	3,752
Total	15,096	15,096	15,096	15,096

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	7,758
Potential Production (at max OT)	116,040
Potential Global Supply	123,798
Demand — Branded Sales Forecast (000s)	91,848
Private-Label Sales Forecast	15,096
Expected Global Demand	106,944
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	0	A
B	4,000	2,000	9,000	2,000	0	0	0	0	4,000	2,000	9,000	2,000	17,000	0	0	B
C	8,000	2,000	2,100	1,500	-5,600	0	0	0	2,400	2,000	2,100	1,500	8,000	0	0	C
D	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	E
F	0	0	9,000	8,200	0	0	0	0	0	0	9,000	8,200	17,200	0	0	F
G	2,000	2,000	5,500	0	0	0	0	0	2,000	2,000	5,500	0	9,500	0	0	G
H	0	3,400	5,400	2,900	0	0	0	0	0	3,400	5,400	2,900	11,700	0	0	H
I	0	4,500	8,500	4,100	0	0	0	0	0	4,500	8,500	4,100	17,100	0	0	I
J	2,000	1,200	3,000	0	0	0	0	0	2,000	1,200	3,000	0	6,200	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	0	0	5,000	4,500	0	0	0	0	0	0	5,000	4,500	9,500	500	0	L
Total	16,000	15,100	47,500	23,200	-5,600	0	0	0	10,400	15,100	47,500	23,200	96,200	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	0	0	0	0	0	0	0	0	0	0	0	A
B	872,702	467,478	61,680	130,445	20,767	192,332	26,586	49,724	116,022	37,500	7,500	B
C	524,136	265,908	47,663	90,456	11,768	108,341	7,065	30,383	70,893	79	7,900	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	691,069	429,954	46,996	95,728	19,620	98,771	29,402	20,811	48,558	6,000	7,500	F
G	636,433	298,407	37,245	209,704	11,919	79,158	2,386	23,032	53,740	41,625	7,500	G
H	614,049	371,083	48,082	21,318	15,319	158,247	11,753	43,948	102,546	82,500	7,500	H
I	912,795	491,337	53,609	124,496	20,719	222,634	24,263	59,511	138,860	37,500	7,500	I
J	322,744	175,024	23,707	84,136	9,369	30,508	3,944	7,969	18,595	0	12,700	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	386,380	231,680	26,829	54,251	12,968	60,652	18,364	12,504	29,177	3,750	7,500	L
	620,039	341,359	43,226	101,317	15,306	118,830	15,470	30,985	72,299	26,119	8,200	

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	0.00	0 / 0	A	
B	0	265,252	809,130	95,751	229,800	447,922	-42,860	78,517	483,579	5.00	2 / 2	B
C	10,661	157,647	413,806	26,921	0	458,045	-141,974	70,814	386,885	0.01	0 / 2	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	4,822	207,245	701,353	63,436	248,200	347,159	0	42,558	389,717	0.80	7 / 3	F
G	10,579	180,156	371,322	36,326	11,900	310,979	0	12,117	323,096	5.55	10 / 0	G
H	19,071	198,445	570,550	40,672	107,100	402,733	0	20,045	422,778	11.00	5 / 2	H
I	23,953	289,554	932,550	80,187	289,000	496,082	-34,078	101,359	563,363	5.00	9 / 1	I
J	13,131	101,955	250,751	23,573	10,000	198,583	0	18,595	217,178	0.00	1 / 3	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	402,227	529,643	899,280	64,335	360,000	449,520	0	25,425	474,945	0.50	6 / 1	L
	60,555	241,237	618,593	53,900	157,000	388,878	-27,364	46,179	407,693	3.48	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	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	53.6	7.1	14.9	2.4	22.0	13.3	2.77	37	7.23	0.36	2.16	Medium	B
C	50.7	9.1	17.3	2.2	20.7	13.5	5.86	26	15.33	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	62.2	6.8	13.9	2.8	14.3	7.0	3.27	37	3.36	0.40	2.50	Medium	F
G	46.9	5.9	32.9	1.9	12.4	8.4	4.96	14	33.18	0.04	7.49	Low	G
H	60.4	7.8	3.5	2.5	25.8	16.7	4.88	42	13.46	0.21	4.33	Low	H
I	53.8	5.9	13.6	2.3	24.4	15.2	3.61	37	9.18	0.35	3.63	Low	I
J	54.2	7.3	26.1	2.9	9.5	5.8	4.33	23	7.74	0.08	3.45	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	60.0	6.9	14.0	3.4	15.7	7.6	8.23	48	3.30	0.45	1.14	Medium	L
	55.1 %	7.0 %	16.3 %	2.5 %	19.2 %	11.7 %	4.48	33	11.60	0.24	4.34	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		6.53	7.81	9.99	9.63	12.79	11.55
	Private-Label Footwear		5.89	6.79	7.49	7.22	10.64	8.20
Labor — North America	Total Compensation (\$/year)		18,029	18,052	20,239	20,280	23,844	24,474
	Productivity (pairs/worker/year)		4,593	4,680	5,382	5,434	5,700	5,811
	Labor Cost (\$/pair produced)		3.52	3.47	4.08	4.07	5.41	5.46
Europe Africa	Total Compensation (\$/year)		15,754	15,692	18,039	18,567	20,217	22,913
	Productivity (pairs/worker/year)		4,469	4,637	5,132	5,361	5,688	5,929
	Labor Cost (\$/pair produced)		3.36	3.14	3.88	3.83	4.57	4.41
Asia Pacific	Total Compensation (\$/year)		6,618	6,852	7,962	7,973	11,467	11,584
	Productivity (pairs/worker/year)		2,485	2,457	3,120	3,153	4,008	4,067
	Labor Cost (\$/pair produced)		2.23	2.21	2.81	2.79	3.89	3.81
Latin America	Total Compensation (\$/year)		7,511	7,169	9,057	10,891	8,175	8,265
	Productivity (pairs/worker/year)		2,961	3,002	3,855	4,854	3,619	3,654
	Labor Cost (\$/pair produced)		2.34	2.27	3.11	3.80	2.80	2.79
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.08	0.86	0.90	1.59	1.59
	Cumulative		0.42	0.38	1.09	1.07	1.67	1.65
Reject Rates	Branded Production		1.8%	1.8%	4.6%	4.6%	8.0%	7.8%
	Private-Label Production		1.8%	1.8%	1.9%	2.6%	2.0%	3.6%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	20.65	22.12	23.48	23.62	25.39	24.46
		E-A	23.65	22.16	25.73	24.54	26.59	26.92
		A-P	17.82	19.56	22.45	22.96	25.95	25.54
		L.A.	22.03	23.48	25.72	25.57	28.77	29.28
	Private-Label	N.A.	21.49	26.84	21.49	26.84	21.49	26.84
		E-A	0.00	18.09	0.00	19.19	0.00	20.29
		A-P	20.15	18.90	20.15	20.65	20.15	22.55
		L.A.	18.45	19.51	19.04	22.74	19.63	29.14

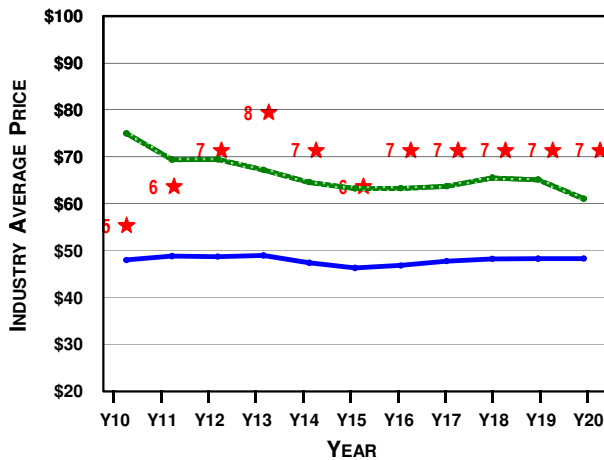
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	21.71	23.36	26.17	26.54	29.20	30.28
		E-A	27.15	26.14	29.77	28.78	33.56	33.66
		A-P	19.20	20.88	23.91	24.40	27.48	27.01
		L.A.	22.73	24.70	27.58	28.82	30.75	34.08
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.31	12.28	10.49	12.59	10.77	13.01
			1.84	1.75	2.23	2.32	2.73	2.88
Marketing Expenses - Internet	(\$ per pair sold)	Wholesale	8.35	6.03	12.19	11.85	20.61	18.66
			4.66	1.84	11.01	9.72	19.78	18.34
Administrative Expenses	(\$/pair sold)		1.11	1.04	1.53	1.54	2.23	2.01
Operating Profit (\$ per pair sold)	Internet	N.A.	7.10	6.01	23.33	18.61	31.15	25.46
		E-A	7.39	9.52	23.27	20.15	33.17	29.96
		A-P	6.29	6.99	26.55	22.36	33.52	29.21
		L.A.	13.66	12.46	29.13	19.16	37.55	27.82
Wholesale		N.A.	0.16	1.88	6.63	7.62	10.17	15.14
		E-A	-2.82	2.20	7.04	11.21	12.37	29.43
		A-P	2.31	1.23	8.78	9.32	12.77	18.55
		L.A.	1.80	-0.55	8.92	6.82	14.94	17.75
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.93	24.42	24.58	28.69	25.23	33.32
		E-A	31.47	19.59	31.47	26.89	31.47	39.29
		A-P	21.65	20.40	27.32	22.15	32.98	24.05
		L.A.	19.95	21.01	21.28	21.05	22.74	21.08
Warehouse Expenses	(\$ per pair sold)		1.00	1.00	1.00	1.05	1.00	1.20
Margin Over Direct Costs (\$ per pair sold)		N.A.	-4.07	-1.58	-3.16	3.25	0.00	5.66
		E-A	1.06	-6.58	1.06	2.80	1.06	9.72
		A-P	-1.62	0.25	0.43	3.74	2.47	10.67
		L.A.	1.72	-1.82	4.96	-1.78	7.73	0.00

CELEBRITY ENDORSEMENTS

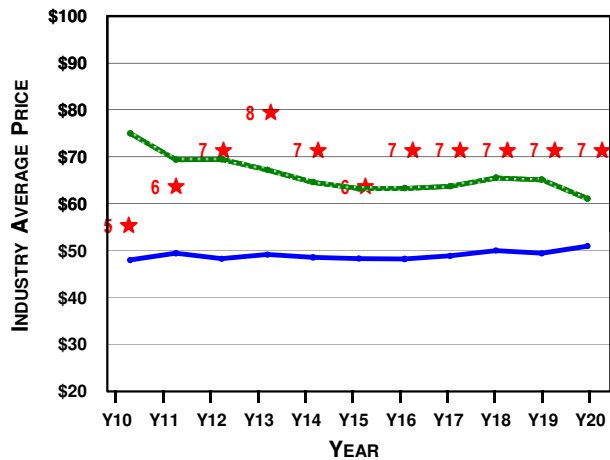
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company G	15,331	Y19	2 years	6	15,331	15,200	7,546	900
Oprah Letterman	100	70	65	75	Company I	5,300	Y20	3 years	2	5,300	5,111	5,206	5,111
Fifa Beckham	70	100	70	55	Company I	5,300	Y20	5 years	1	5,300	0	5,300	5,300
Tiger Green	95	80	85	75	[unsigned]	0	N/A	2 years	1	5,300	0	5,300	5,300
José Montaña	60	50	60	95	Company G	14,121	Y18	3 years	4	14,150	14,121	9,504	4,444
Kobioshi Jones	55	60	95	90	Company I	5,300	Y20	4 years	1	5,300	0	5,300	5,300
Ace Federar	50	90	50	85	Company L	5,111	Y20	1 year	2	5,300	5,111	5,206	5,111
Danica Andretti	70	65	55	60	Company G	15,331	Y19	3 years	5	15,331	15,200	8,615	900
LaBron Game	75	80	95	50	Company J	21,100	Y17	4 years	5	21,100	13,100	10,971	3,333
Lorena Lopez	45	85	60	100	Company G	15,331	Y19	2 years	6	15,331	15,200	7,731	900
Lance deFrance	80	85	75	70	Company L	5,111	Y20	3 years	2	5,300	5,111	5,206	5,111
Yao KungPao	60	35	100	50	Company G	13,022	Y17	4 years	6	13,022	10,000	6,828	3,333

BRANDED PRICE AND S/Q RATING TRENDS

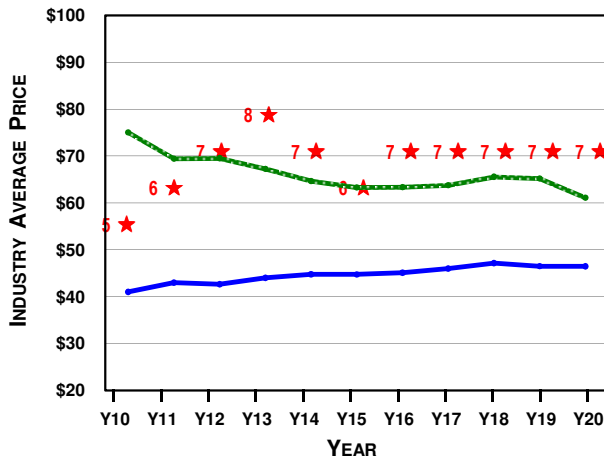
NORTH AMERICA



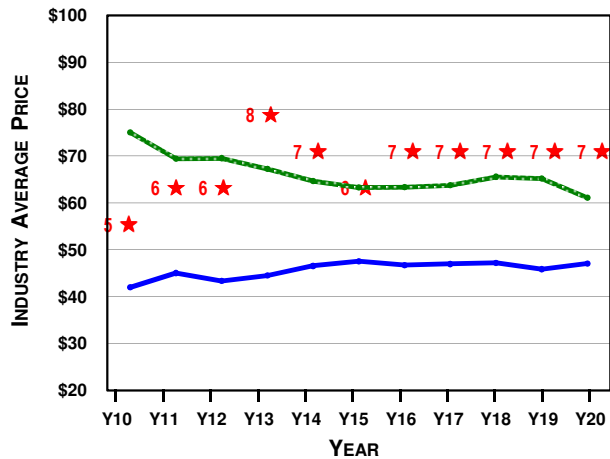
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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