

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 6

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	Cool Kicks	113	96	105	0
2	Fancy and Fabulous	113	90	102	-2
3	Just One Grad Inc.	107	80	94	0
4	Dominator Footware	54	38	46	-33
5	Kloggs	49	33	41	-39
6	A Sweet Feet	38	29	34	-9
7	EKIN	23	16	20	-21
8	B (deleted)	0	0	0	0
8	G (deleted)	0	0	0	0
8	H (deleted)	0	0	0	0
8	I (deleted)	0	0	0	0
8	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	Fancy and Fabulous	113	89	101	0
2	Just One Grad Inc.	109	85	97	-3
3	Cool Kicks	96	76	86	+4
4	Dominator Footware	69	50	60	-15
4	Kloggs	69	50	60	-12
6	A Sweet Feet	38	30	34	-5
7	EKIN	35	27	31	-22
8	B (deleted)	0	0	0	0
8	G (deleted)	0	0	0	0
8	H (deleted)	0	0	0	0
8	I (deleted)	0	0	0	0
8	L (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	1.21	1.07	-0.01	-0.32	-0.86	0.36	0.09	0.72	0.63	0.19	0.24	1	0	1	1	A
B	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	B
C	2.85	6.19	3.10	-1.39	-2.00	-0.50	0.72	5.90	9.76	9.68	3.02	24	20	17	10	C
D	2.61	4.53	1.89	0.81	-0.28	1.82	1.51	3.24	3.58	1.21	2.12	5	3	12	7	D
E	2.20	3.14	1.57	1.01	0.51	0.58	1.36	1.75	0.43	-2.12	0.90	0	0	5	3	E
F	4.02	4.89	3.13	3.63	2.80	3.42	5.89	7.61	9.00	8.88	5.17	24	18	24	17	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	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	H
I	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	I
J	4.05	7.41	7.02	4.18	2.38	1.67	8.43	8.09	7.60	8.78	5.94	24	18	24	20	J
K	2.96	3.55	1.18	0.20	0.48	1.43	1.65	2.56	3.66	-0.05	1.74	0	0	10	6	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	7.7	7.5	-0.1	-2.5	-6.7	2.9	0.7	5.4	4.5	1.3	1.8	2	2	2	2	A
B	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	B
C	17.8	31.9	10.3	-3.2	-4.7	-1.1	1.6	12.5	16.5	14.9	7.4	20	20	10	10	C
D	15.8	22.6	8.1	3.3	-1.1	7.2	6.7	12.2	12.0	3.7	8.8	5	5	12	12	D
E	13.8	16.6	7.8	5.0	2.4	2.7	8.5	10.3	2.3	-11.7	5.0	0	0	7	7	E
F	23.4	22.7	11.8	10.4	7.1	8.9	13.6	15.3	16.4	14.6	13.9	19	19	19	19	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	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	H
I	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	I
J	26.0	50.6	32.1	13.0	5.2	3.5	15.9	13.2	11.0	11.4	13.1	15	15	17	17	J
K	17.8	17.8	5.3	0.9	2.1	6.0	6.4	8.0	11.8	-0.2	7.4	0	0	10	10	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	16.27	10.00	6.66	4.85	5.02	4.75	4.77	9.01	7.80	5.44	2	1	2	1	A
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	B
C	40.11	133.13	53.26	27.38	15.51	9.80	7.08	37.64	141.22	165.32	24	20	24	20	C
D	30.96	70.39	32.60	17.84	10.52	18.17	20.04	46.17	48.03	25.10	9	3	9	3	D
E	22.97	43.87	22.89	13.79	8.34	5.56	16.33	23.45	13.84	8.56	3	1	3	1	E
F	64.90	73.87	36.96	47.40	29.54	40.94	80.81	125.62	130.95	121.66	24	15	24	15	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	H
I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	I
J	65.66	126.01	116.45	49.29	25.54	16.21	77.41	118.23	110.49	108.13	24	13	24	13	J
K	37.62	44.87	24.21	14.03	8.90	15.21	19.80	32.77	49.68	26.12	10	3	10	3	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	B-	B+	C	B+	C	A+	A+	A	B+	B	Medium	16	14	16	14	A
B	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	B
C	B	B+	B+	C-	C-	C	B-	A	A	A	Low	23	19	23	19	C
D	A-	A-	B+	B-	C-	B	A+	A+	A	B	Medium	16	14	16	14	D
E	B	B+	B-	B-	C+	B	A	A	B	C-	N/A	0	1	0	1	E
F	B	B	B+	A	B	B+	A-	B+	B+	A-	Low	22	18	22	18	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	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	H
I	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	I
J	B-	C+	C	C	C-	C	A-	A	A+	A+	Low	24	20	24	20	J
K	A-	A	B+	C+	B	A	A+	A+	A+	B+	N/A	20	17	20	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	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	62	61	60	58	56	56	61	56	60	59	58	17	12	17	12	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	79	90	94	82	88	80	81	88	84	83	85	22	17	22	17	C
D	69	63	70	63	66	64	68	70	69	67	69	19	13	20	14	D
E	69	76	84	80	80	80	82	74	75	71	73	20	14	20	15	E
F	78	85	96	100	100	100	100	100	100	100	100	24	20	24	20	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	71	79	88	84	78	80	79	73	76	70	73	20	14	20	15	J
K	70	69	68	72	64	65	70	66	70	67	68	19	13	19	14	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L

CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP

Industry 6 Expenditures for Corporate Social Responsibility and Citizenship

	Total (\$000s)			Per Pair Sold (\$ / pair)		
	High	Avg.	Low	High	Avg.	Low
	Year 11	10890	2767	0	2.17	0.52
Year 12	10907	3264	0	1.89	0.48	0.00
Year 13	10876	4177	0	1.81	0.59	0.00
Year 14	12000	4123	0	1.92	0.54	0.00
Year 15	19562	3970	0	1.51	0.49	0.00
Year 16	22600	4055	0	1.50	0.46	0.00
Year 17	27273	4895	0	1.42	0.45	0.00
Year 18	26400	5968	0	2.10	0.58	0.00
Year 19	26400	6541	0	1.82	0.54	0.00
Year 20	23900	9340	0	3.36	0.98	0.00

Image Rating Points Generated from CSRC Expenditures

High	Avg.	Low
3	1	0
6	2	0
9	4	0
11	5	0
13	6	0
12	6	0
14	6	0
14	6	0
16	7	0
17	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	BAMA Footwear	Fancy and Fabulous
Y15	Fancy and Fabulous	Kloggs
Y16	Fancy and Fabulous	Kloggs
Y17	Fancy and Fabulous	Kloggs
Y18	Kloggs	Fancy and Fabulous
Y19	Kloggs	Fancy and Fabulous
Y20	Kloggs	Fancy and Fabulous

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	28,401	15,720	52,381	5,000	101,502
- Pairs Rejected	1,099	657	2,017	320	4,093
Net Y20 Production (after rejects)	27,302	15,063	50,364	4,680	97,409
Superior Materials Usage	41.4%	64.1%	60.7%	71.4%	56.3%
Capacity Utilization (branded + P-L prod.)	109.2%	120.0%	116.9%	111.1%	114.8%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	- 0.20	+ 0.31	6.61
Superior Materials	14.00	+ 1.76	+ 0.67	16.43

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	1,920	2,115	3,862	1,364	9,261
- Pairs Cleared (inventory clearance)	858	948	1,366	635	3,807
Beginning Y20 Inventories	1,062	1,167	2,496	729	5,454
+ New Production (shipped from plants)	20,800	24,223	21,044	21,442	87,509
Pairs Available for Sale in Y20	21,862	25,390	23,540	22,171	92,963

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)	21,157	21,100	19,664	19,604	81,525
Actual Year 20 Demand	19,926	19,843	19,190	18,542	77,501
Branded Pairs Sold	19,883	19,845	19,190	18,544	77,462
Required Y20 Ending Inventories	1,514	1,619	1,485	1,264	5,882
Inventory Surplus (Shortfall)	175	3,926	2,851	2,363	9,315

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.0%
- Available for shipment to warehouses
- % usage up by 2.4 points over Y19
- % utilization up by 3.6 points over Y19

Higher than normal (56.3% industrywide) superior materials usage led to superior materials prices that were 12.6% above the base and standard materials prices that were 3.2% below the base. Industrywide capacity utilization above 110% resulted in materials price increases of 4.8% from the base.

- Average inventory clearance of 41.1%
- 20.0% higher than Y20 demand

Actual demand in Year 20 was 4.9% less than expected due to increases in industry average prices.

- Needed to achieve delivery times
- { Okay in N.A. High in E-A High in A-P High in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America (internet + wholesale)	20,723	21,552	22,414	23,311
Europe-Africa	20,637	21,462	22,320	23,213
Asia-Pacific	20,342	21,563	22,857	24,228
Latin America	19,654	20,833	22,083	23,408
Total	81,356	85,410	89,674	94,160
Private-Label — North America	3,276	3,276	3,276	3,276
Europe-Africa	3,297	3,297	3,297	3,297
Asia-Pacific	3,283	3,283	3,283	3,283
Latin America	3,290	3,290	3,290	3,290
Total	13,146	13,146	13,146	13,146

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	15,501
Potential Production (at max OT)	106,920
Potential Global Supply	122,421
Demand — Branded Sales Forecast (000s)	81,356
Private-Label Sales Forecast	13,146
Expected Global Demand	94,502
Conclusion:	Excess supply of 29.5% 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	2,500	0	5,100	2,000	0	0	0	0	2,500	0	5,100	2,000	9,600	0	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	7,100	6,000	4,500	0	700	0	0	0	7,800	6,000	4,500	0	18,300	700	C
D	2,000	1,500	9,500	1,500	0	0	0	0	2,000	1,500	9,500	1,500	14,500	0	D
E	3,000	1,500	4,600	1,000	0	0	0	0	3,000	1,500	4,600	1,000	10,100	0	E
F	7,700	3,100	10,400	0	1,000	0	-2,300	0	8,700	3,100	8,100	0	19,900	0	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	0	0	12,000	0	0	0	0	0	0	0	12,000	0	12,000	0	J
K	2,000	1,000	1,000	0	0	0	0	0	2,000	1,000	1,000	0	4,000	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	24,300	13,100	47,100	4,500	1,700	0	-2,300	0	26,000	13,100	44,800	4,500	88,400	700	

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	391,146	198,708	29,638	138,868	13,221	10,711	3,771	1,782	4,158	0	22,000	A
B	0	0	0	0	0	0	0	0	0	0	0	B
C	1,004,753	532,699	75,277	219,642	21,919	155,216	16,361	41,057	95,798	3,465	9,900	C
D	765,497	459,170	45,799	211,688	16,919	31,921	9,513	6,722	15,686	0	13,000	D
E	631,448	361,101	52,190	236,459	12,519	-30,821	5,360	0	-36,181	1,705	17,050	E
F	1,017,614	617,708	52,371	183,493	22,319	141,723	29,458	33,680	78,585	3,540	8,850	F
G	0	0	0	0	0	0	0	0	0	0	0	G
H	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	0	0	0	0	0	0	0	0	0	I
J	633,631	333,743	36,212	128,581	15,319	119,776	-8,095	37,643	87,832	900	10,000	J
K	218,381	121,740	16,889	73,109	7,618	-975	-3,633	0	-342	37,500	7,500	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	666,067	374,981	44,054	170,263	15,691	61,079	7,534	17,269	35,077	6,730	12,614	

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	17,970	157,528	400,016	39,057	43,100	313,697	0	4,163	317,859	0.00	0 / 1	A
B	0	0	0	0	0	0	0	0	0	0.00	0 / 0	B
C	3,603	344,158	920,459	84,662	145,000	598,466	0	92,331	690,797	0.35	7 / 2	C
D	0	254,090	587,514	80,055	80,000	411,773	0	15,685	427,459	0.00	1 / 2	D
E	0	218,385	420,695	95,718	35,800	327,065	0	-37,888	289,177	0.10	2 / 3	E
F	0	303,406	899,343	89,731	254,000	521,184	-40,617	75,045	555,612	0.40	6 / 2	F
G	0	0	0	0	0	0	0	0	0	0.00	0 / 0	G
H	0	0	0	0	0	0	0	0	0	0.00	0 / 0	H
I	0	0	0	0	0	0	0	0	0	0.00	0 / 0	I
J	232,555	511,358	856,977	41,390	0	728,658	0	86,929	815,587	0.09	9 / 1	J
K	54,349	143,733	222,931	14,475	0	246,301	0	-37,845	208,456	5.00	1 / 1	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	44,068	276,094	615,419	63,584	79,700	449,592	-5,802	28,346	472,135	0.85	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	50.8 %	7.6 %	35.5 %	3.4 %	2.7 %	1.1 %	4.03	79	2.84	0.15	1.59	Medium	A
B	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	B
C	53.0	7.5	21.9	2.2	15.4	9.5	4.07	61	9.49	0.19	4.04	Low	C
D	60.0	6.0	27.7	2.2	4.2	2.0	3.17	51	3.36	0.18	1.76	Medium	D
E	57.2	8.3	37.4	2.0	-4.9	-5.7	2.28	71	-5.75	0.20	0.00	N/A	E
F	60.7	5.1	18.0	2.2	13.9	7.7	3.38	44	4.81	0.32	3.39	Low	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	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	H
I	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	I
J	52.7	5.7	20.3	2.4	18.9	13.9	12.35	152	100.00	0.00	10.00	Low	J
K	55.7	7.7	33.5	3.5	-0.4	-0.2	9.93	101	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
	56.3 %	6.6 %	25.6 %	2.4 %	9.2 %	5.3 %	4.34	80	30.68	0.15	2.97	Medium	

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		9.01	9.69	11.60	12.50	15.24	16.38
	Private-Label Footwear		6.19	6.62	8.59	10.56	10.22	14.25
Labor — North America	Total Compensation (\$/year)		20,173	20,460	26,253	26,990	25,224	27,657
	Productivity (pairs/worker/year)		4,022	4,133	5,881	6,089	5,335	5,507
	Labor Cost (\$/pair produced)		4.20	4.12	5.70	5.63	5.61	5.52
Europe Africa	Total Compensation (\$/year)		18,498	18,655	21,759	22,136	26,961	28,161
	Productivity (pairs/worker/year)		5,040	5,045	5,673	5,766	6,734	6,978
	Labor Cost (\$/pair produced)		3.71	3.67	4.07	4.07	4.40	4.42
Asia Pacific	Total Compensation (\$/year)		7,023	7,080	7,839	8,109	9,361	9,404
	Productivity (pairs/worker/year)		2,034	2,449	2,579	2,677	2,904	2,954
	Labor Cost (\$/pair produced)		2.78	2.78	3.26	3.23	3.81	3.81
Latin America	Total Compensation (\$/year)		6,000	6,000	7,000	7,041	7,504	7,565
	Productivity (pairs/worker/year)		2,188	2,133	2,376	2,358	2,470	2,470
	Labor Cost (\$/pair produced)		2.91	2.98	3.23	3.27	3.39	3.42
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.32	0.32	1.01	0.82	2.23	2.23
	Cumulative		0.39	0.38	0.81	0.80	1.42	1.48
Reject Rates	Branded Production		2.6%	2.2%	4.4%	3.7%	8.6%	4.6%
	Private-Label Production		2.4%	1.9%	3.5%	3.7%	4.8%	5.6%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	26.15	25.75	29.61	29.50	35.12	33.10
		E-A	23.46	22.59	27.33	28.00	32.75	34.30
		A-P	21.86	21.48	24.50	24.97	27.11	28.21
		L.A.	24.91	25.67	25.79	26.77	26.85	28.08
	Private-Label	N.A.	17.58	18.04	17.58	24.25	17.58	30.46
		E-A	0.00	0.00	0.00	0.00	0.00	0.00
		A-P	18.68	32.56	23.77	32.56	30.17	32.56
		L.A.	0.00	0.00	0.00	0.00	0.00	0.00

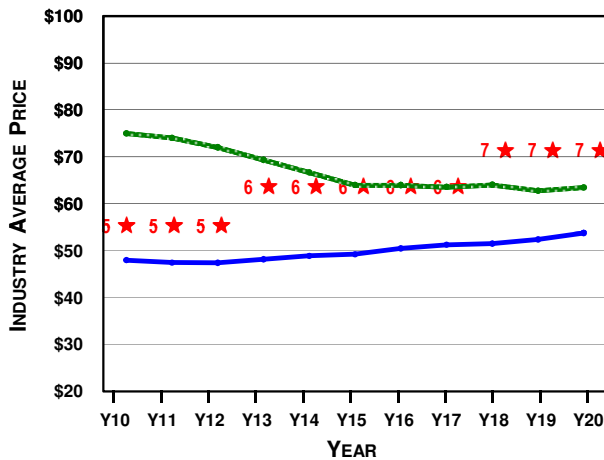
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	27.54	27.29	29.55	29.60	32.21	32.74
		E-A	25.00	24.17	32.19	32.01	36.68	35.72
		A-P	23.23	22.99	26.16	26.51	29.89	30.03
		L.A.	27.03	28.51	30.33	32.12	33.66	35.45
Warehouse Expenses - Internet (\$ per pair sold)	Internet		10.37	12.34	10.71	12.64	11.54	13.35
	Wholesale		1.97	1.92	2.47	2.37	3.50	3.35
Marketing Expenses — Internet (\$ per pair sold)	Internet		9.80	9.08	15.39	19.25	20.95	26.37
	Wholesale		7.11	11.16	13.97	16.55	22.43	24.58
Administrative Expenses (\$/pair sold)			1.05	1.08	1.60	1.56	2.44	2.03
Operating Profit (\$ per pair sold)	Internet	N.A.	2.37	-2.47	14.81	13.84	24.69	24.11
		E-A	2.35	-4.02	16.40	11.71	27.92	21.60
		A-P	3.69	-1.48	19.72	18.15	30.31	26.68
		L.A.	8.80	-3.19	22.84	11.70	34.88	18.64
Wholesale	N.A.		-4.39	-1.43	3.07	3.94	8.86	12.57
	E-A		-0.60	-3.73	6.05	1.83	16.68	8.01
	A-P		-3.88	-5.10	3.12	2.19	8.18	10.65
	L.A.		3.44	-5.21	10.56	2.30	19.78	8.40
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	19.08	19.54	26.55	19.54	34.02	19.54
		E-A	27.75	28.07	33.50	33.94	40.09	39.81
		A-P	20.18	29.17	22.07	31.62	23.95	34.06
		L.A.	19.24	21.12	19.24	21.12	19.24	21.12
Warehouse Expenses (\$ per pair sold)			1.00	1.00	1.00	1.07	1.00	1.20
Margin Over Direct Costs (\$ per pair sold)		N.A.	-5.02	3.46	-2.16	3.46	0.71	3.46
		E-A	-6.92	-6.47	-3.93	-3.12	0.00	0.24
		A-P	-5.82	-12.82	-4.49	-6.69	0.00	0.00
		L.A.	5.17	5.09	5.17	5.09	5.17	5.09

CELEBRITY ENDORSEMENTS

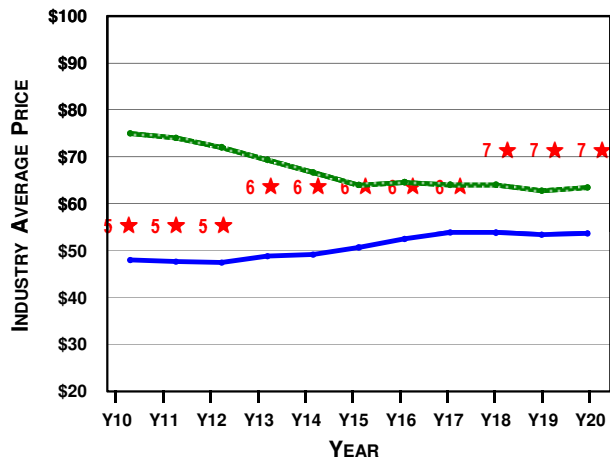
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company E	25,001	Y19	2 years	4	25,001	22,000	15,626	500
Oprah Letterman	100	70	65	75	Company C	27,058	Y20	3 years	2	27,058	500	13,779	500
Fifa Beckham	70	100	70	55	Company F	25,890	Y16	5 years	7	25,890	25,000	15,627	500
Tiger Green	95	80	85	75	Company C	28,011	Y20	2 years	2	28,011	500	14,256	500
José Montaña	60	50	60	95	Company E	25,001	Y18	3 years	5	25,001	25,000	19,026	500
Kobioshi Jones	55	60	95	90	Company C	555	Y20	4 years	2	555	500	528	500
Ace Federar	50	90	50	85	Company C	555	Y20	1 year	2	555	500	528	500
Danica Andretti	70	65	55	60	Company E	25,001	Y19	3 years	5	25,001	18,000	14,901	500
LaBron Game	75	80	95	50	Company D	20,000	Y17	4 years	5	21,119	20,000	11,619	500
Lorena Lopez	45	85	60	100	Company E	25,001	Y19	2 years	4	25,001	23,000	16,502	500
Lance deFrance	80	85	75	70	Company A	20,000	Y20	3 years	3	21,651	20,000	14,050	500
Yao KungPao	60	35	100	50	Company E	25,001	Y18	4 years	6	25,001	25,000	14,987	500

BRANDED PRICE AND S/Q RATING TRENDS

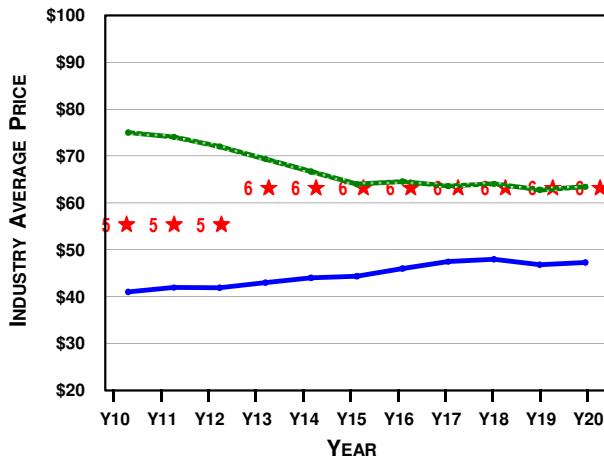
NORTH AMERICA



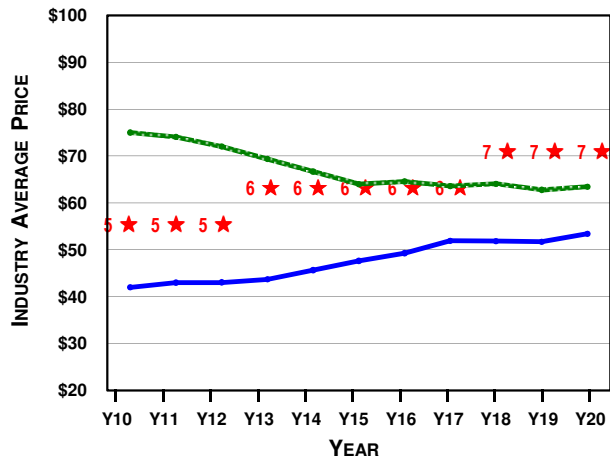
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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