

# THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 9

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	Dodge Shoes	119	99	109	+1
2	Let The Puppy Live	115	81	98	-8
3	GColombian Footwear	114	76	95	+4
4	Jacked by Jodscheidt	84	50	67	-9
5	Eohs Shoes	57	39	48	-29
6	A CorpInnova	36	25	31	-15
7	Hot cloggs inc	23	17	20	-1
8	Kustom Sneaks	18	13	16	-5
9	B (deleted)	0	0	0	0
9	C (deleted)	0	0	0	0
9	F (deleted)	0	0	0	0
9	I (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	Dodge Shoes	119	100	110	+1
2	Let The Puppy Live	117	84	101	-3
3	GColombian Footwear	117	83	100	+1
4	Eohs Shoes	89	57	73	-14
5	Jacked by Jodscheidt	83	51	67	-3
6	A CorpInnova	51	33	42	-9
7	Kustom Sneaks	46	29	38	-6
8	Hot cloggs inc	23	17	20	-1
9	B (deleted)	0	0	0	0
9	C (deleted)	0	0	0	0
9	F (deleted)	0	0	0	0
9	I (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	1.62	2.68	1.17	0.54	1.05	2.85	1.61	3.10	1.79	0.65	1.71	3	1	10	4	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	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	C
D	<b>2.77</b>	<b>4.93</b>	<b>5.08</b>	<b>4.84</b>	<b>5.31</b>	<b>8.11</b>	<b>9.03</b>	<b>13.33</b>	<b>12.51</b>	<b>14.20</b>	<b>7.61</b>	<b>24</b>	<b>20</b>	<b>24</b>	<b>20</b>	D
E	2.29	<b>3.32</b>	2.84	2.44	1.79	<b>5.49</b>	<b>6.15</b>	<b>9.32</b>	4.10	0.75	<b>3.72</b>	3	1	<b>20</b>	10	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	<b>3.83</b>	<b>5.61</b>	<b>4.57</b>	<b>4.47</b>	<b>4.30</b>	<b>8.21</b>	<b>7.46</b>	<b>11.05</b>	<b>8.22</b>	<b>10.52</b>	<b>6.77</b>	<b>24</b>	<b>15</b>	<b>24</b>	<b>18</b>	G
H	1.52	2.40	-1.34	0.17	-2.18	-1.31	0.44	0.03	-1.27	-2.01	-0.56	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	<b>3.24</b>	<b>3.83</b>	1.35	-0.54	0.78	2.48	0.54	3.50	3.51	3.21	2.19	14	5	12	6	J
K	2.25	<b>3.41</b>	<b>3.07</b>	<b>3.29</b>	0.64	<b>4.27</b>	2.76	1.66	0.30	-1.62	2.11	0	0	12	6	K
L	<b>3.26</b>	<b>3.70</b>	<b>3.93</b>	<b>3.74</b>	3.19	<b>5.16</b>	<b>7.75</b>	<b>12.24</b>	<b>11.74</b>	<b>9.88</b>	<b>6.17</b>	<b>24</b>	<b>14</b>	<b>24</b>	<b>16</b>	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	10.4	<b>15.6</b>	6.4	2.7	5.3	13.2	6.9	11.9	6.4	2.3	8.2	3	2	11	7	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	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	C
D	<b>16.7</b>	<b>24.1</b>	<b>20.8</b>	<b>18.3</b>	<b>18.9</b>	<b>27.5</b>	<b>25.6</b>	<b>28.7</b>	<b>21.2</b>	<b>21.2</b>	<b>23.1</b>	<b>24</b>	<b>20</b>	<b>24</b>	<b>20</b>	D
E	14.5	<b>19.0</b>	14.6	11.3	7.6	<b>18.2</b>	<b>18.4</b>	<b>23.4</b>	9.2	1.7	13.7	2	2	18	12	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	<b>24.3</b>	<b>36.1</b>	<b>22.3</b>	<b>18.5</b>	<b>16.6</b>	<b>25.7</b>	<b>18.8</b>	<b>22.7</b>	14.2	<b>15.8</b>	<b>20.4</b>	21	15	<b>24</b>	<b>18</b>	G
H	9.6	12.2	-9.3	1.2	-15.5	-12.8	4.7	0.4	-16.6	-34.2	-5.3	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	<b>19.4</b>	<b>20.1</b>	6.7	-2.8	4.2	12.6	2.6	14.5	13.2	10.7	10.8	14	10	14	9	J
K	14.3	<b>19.2</b>	<b>15.1</b>	13.3	3.9	<b>19.0</b>	10.9	5.3	1.0	-5.7	9.6	0	0	13	8	K
L	<b>19.5</b>	<b>18.4</b>	<b>16.6</b>	14.9	12.7	<b>17.7</b>	<b>23.1</b>	<b>28.3</b>	<b>22.3</b>	<b>17.2</b>	<b>20.2</b>	21	16	23	17	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	16.99	28.35	15.63	9.55	9.95	36.79	20.29	41.00	22.30	12.53	5	1	5	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	C
D	<b>35.29</b>	<b>89.46</b>	<b>79.72</b>	<b>65.19</b>	<b>65.09</b>	<b>122.14</b>	<b>149.11</b>	<b>246.95</b>	<b>225.32</b>	<b>284.39</b>	<b>24</b>	<b>20</b>	<b>24</b>	<b>20</b>	D
E	27.63	<b>55.39</b>	35.61	26.66	18.16	<b>83.01</b>	<b>117.78</b>	<b>182.62</b>	<b>73.72</b>	34.11	13	2	13	2	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	<b>71.15</b>	<b>93.38</b>	<b>59.86</b>	<b>50.83</b>	<b>47.47</b>	<b>136.30</b>	<b>104.95</b>	<b>199.75</b>	<b>105.23</b>	<b>144.18</b>	<b>24</b>	<b>10</b>	<b>24</b>	<b>10</b>	G
H	16.98	24.89	14.11	8.39	5.48	4.75	5.07	4.65	5.52	4.55	2	0	2	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	<b>43.29</b>	<b>47.81</b>	24.71	13.90	8.76	31.60	17.99	44.20	42.71	39.00	15	3	15	3	J
K	25.54	<b>47.12</b>	36.10	36.42	19.56	<b>52.83</b>	27.64	17.13	10.42	6.69	3	0	3	0	K
L	<b>49.42</b>	<b>46.48</b>	<b>51.16</b>	<b>45.43</b>	35.91	<b>67.74</b>	<b>136.55</b>	<b>239.03</b>	<b>234.95</b>	<b>173.16</b>	<b>24</b>	<b>12</b>	<b>24</b>	<b>12</b>	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	
<b>A</b>	B	<b>B+</b>	C+	C	C	B	B	B	C+	C	High	4	4	4	4	<b>A</b>
<b>B</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>B</b>
<b>C</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>D</b>	<b>A-</b>	<b>A</b>	<b>A</b>	<b>A-</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A+</b>	<b>A+</b>	Low	24	20	24	20	<b>D</b>
<b>E</b>	<b>B+</b>	<b>A</b>	<b>A-</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>A+</b>	<b>A</b>	<b>B+</b>	B	Medium	16	14	16	14	<b>E</b>
<b>F</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>F</b>
<b>G</b>	B	B	B	B	<b>B+</b>	<b>A-</b>	<b>A-</b>	<b>A</b>	<b>A-</b>	<b>A</b>	Medium	23	19	23	19	<b>G</b>
<b>H</b>	C	C-	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	1	0	1	<b>H</b>
<b>I</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>I</b>
<b>J</b>	<b>B+</b>	<b>A-</b>	C+	C-	C	B	C+	<b>A-</b>	<b>A</b>	<b>A-</b>	Medium	22	18	22	18	<b>J</b>
<b>K</b>	B-	B-	<b>B+</b>	B-	C	<b>A-</b>	<b>A</b>	<b>B+</b>	C	C	N/A	4	4	4	4	<b>K</b>
<b>L</b>	<b>A-</b>	<b>A-</b>	<b>A</b>	<b>A-</b>	<b>A-</b>	<b>A</b>	<b>A</b>	<b>A</b>	<b>B+</b>	<b>A</b>	Medium	23	19	23	19	<b>L</b>

**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	
<b>A</b>	60	59	62	<b>77</b>	<b>77</b>	<b>76</b>	<b>77</b>	<b>79</b>	<b>78</b>	<b>80</b>	<b>79</b>	21	17	21	17	<b>A</b>
<b>B</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<b>B</b>
<b>C</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<b>C</b>
<b>D</b>	<b>75</b>	<b>73</b>	<b>76</b>	<b>77</b>	<b>76</b>	<b>81</b>	<b>87</b>	<b>92</b>	<b>87</b>	<b>88</b>	<b>89</b>	23	19	23	20	<b>D</b>
<b>E</b>	<b>72</b>	<b>78</b>	<b>74</b>	<b>77</b>	<b>81</b>	<b>82</b>	<b>83</b>	<b>84</b>	<b>82</b>	<b>91</b>	<b>86</b>	23	20	22	19	<b>E</b>
<b>F</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<b>F</b>
<b>G</b>	67	<b>72</b>	<b>79</b>	<b>80</b>	<b>76</b>	<b>79</b>	<b>80</b>	<b>84</b>	<b>79</b>	<b>81</b>	<b>81</b>	22	17	22	18	<b>G</b>
<b>H</b>	<b>74</b>	<b>83</b>	<b>93</b>	<b>100</b>	<b>100</b>	<b>81</b>	<b>79</b>	<b>74</b>	<b>78</b>	<b>74</b>	<b>75</b>	21	16	21	16	<b>H</b>
<b>I</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<b>I</b>
<b>J</b>	<b>79</b>	67	61	65	63	<b>72</b>	<b>70</b>	<b>71</b>	<b>70</b>	67	<b>69</b>	19	14	20	15	<b>J</b>
<b>K</b>	65	67	<b>73</b>	68	68	63	58	55	51	40	<b>49</b>	11	9	14	11	<b>K</b>
<b>L</b>	<b>77</b>	68	<b>75</b>	<b>74</b>	<b>76</b>	<b>76</b>	<b>85</b>	<b>91</b>	<b>90</b>	<b>93</b>	<b>91</b>	23	20	23	20	<b>L</b>

**CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP**

	Industry 9 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			
<b>Year 11</b>	10170	2474	0	1.82	0.41	0.00	4	1	0
<b>Year 12</b>	18495	5277	0	2.94	0.89	0.00	8	3	0
<b>Year 13</b>	12281	3688	0	2.38	0.66	0.00	9	5	0
<b>Year 14</b>	12144	3687	0	2.71	0.67	0.00	11	6	2
<b>Year 15</b>	12230	3375	0	2.49	0.57	0.00	14	8	3
<b>Year 16</b>	13100	5057	0	1.55	0.71	0.00	17	8	3
<b>Year 17</b>	15535	5525	0	1.69	0.64	0.00	11	7	2
<b>Year 18</b>	18391	8049	0	2.34	0.85	0.00	13	8	0
<b>Year 19</b>	16650	6826	0	1.61	0.67	0.00	13	8	0
<b>Year 20</b>	18600	6073	0	1.24	0.50	0.00	14	9	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
<b>Y14</b>	<b>C Company</b>	GColombian Footwear
<b>Y15</b>	<b>C Company</b>	GColombian Footwear
<b>Y16</b>	<b>Dodge Shoes</b>	GColombian Footwear
<b>Y17</b>	<b>iColombian Footwear</b>	Dodge Shoes
<b>Y18</b>	<b>A Corpolnova</b>	GColombian Footwear
<b>Y19</b>	<b>iColombian Footwear</b>	Dodge Shoes
<b>Y20</b>	<b>Dodge Shoes</b>	GColombian Footwear

**FOOTWEAR PRODUCTION** (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	23,958	6,002	49,003	15,927	94,890
- Pairs Rejected	1,133	212	2,660	619	4,624
Net Y20 Production (after rejects)	22,825	5,790	46,343	15,308	90,266
Superior Materials Usage	47.1%	26.7%	41.9%	33.7%	40.9%
Capacity Utilization (branded + P-L prod.)	116.9%	120.0%	118.7%	118.0%	118.2%

**MATERIALS PRICES** (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	+ 1.18	+ 0.53	8.21
Superior Materials	14.00	- 0.64	+ 1.15	14.51

**BRANDED WAREHOUSES** (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	4,386	4,337	5,743	6,373	20,839
- Pairs Cleared (inventory clearance)	1,532	483	933	1,187	4,135
Beginning Y20 Inventories	2,854	3,854	4,810	5,186	16,704
+ New Production (shipped from plants)	19,593	19,895	18,799	18,959	77,246
Pairs Available for Sale in Y20	22,447	23,749	23,609	24,145	93,950

**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)	20,423	20,074	18,613	19,042	78,152
Actual Year 20 Demand	20,425	20,069	19,069	19,369	78,932
Branded Pairs Sold	20,177	20,067	19,068	19,370	78,682
Required Y20 Ending Inventories	1,794	1,667	1,747	1,620	6,828
Inventory Surplus (Shortfall)	-54	1,992	2,748	3,155	7,841

**COMMENTARY**

- Pairs produced before rejects
- Average reject rate = 4.9%
- Available for shipment to warehouses
- % usage up by 5.2 points over Y19
- % utilization down by 1.6 points from Y19

Lower than normal (40.9% industrywide) superior materials usage led to superior materials prices that were 4.6% below the base and standard materials prices that were 18.2% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 8.2% from the base.

- Average inventory clearance of 19.8%
- 19.0% higher than Y20 demand
- Actual demand in Year 20 was 1.0% greater than expected.
- Needed to achieve delivery times
  - Low in N.A. Okay in E-A
  - High in A-P High in L.A.

**DEMAND FORECAST** (000s of pair)

	Year 21	Year 22	Year 23	Year 24
<b>Branded</b> (internet + wholesale)				
North America	21,242	22,092	22,976	23,895
Europe-Africa	20,872	21,707	22,575	23,478
Asia-Pacific	20,213	21,426	22,712	24,075
Latin America	20,531	21,763	23,069	24,453
<b>Total</b>	82,858	86,988	91,332	95,901
<b>Private-Label</b>				
North America	3,776	3,776	3,776	3,776
Europe-Africa	3,792	3,792	3,792	3,792
Asia-Pacific	3,736	3,736	3,736	3,736
Latin America	3,744	3,744	3,744	3,744
<b>Total</b>	15,048	15,048	15,048	15,048

**GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21**

<b>Supply</b> (000s)	Beginning Year 21 Inventory	15,268
	Potential Production (at max OT)	96,360
	<b>Potential Global Supply</b>	111,628
<b>Demand</b> (000s)	Branded Sales Forecast	82,858
	Private-Label Sales Forecast	15,048
	<b>Expected Global Demand</b>	97,906
<b>Conclusion:</b>	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	2,000	1,000	3,800	1,600	0	0	0	0	2,000	1,000	3,800	1,600	8,400	0	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	3,600	0	8,000	0	-2,000	0	0	0	1,600	0	8,000	0	9,600	0	D
E	2,400	0	5,300	3,800	0	0	0	0	2,400	0	5,300	3,800	11,500	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	2,800	0	5,400	2,200	1,700	0	600	1,900	4,500	0	6,000	4,100	14,600	0	G
H	4,000	4,000	3,000	4,000	0	0	0	0	4,000	4,000	3,000	4,000	15,000	0	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	0	J
K	0	0	5,400	0	0	0	-3,500	0	0	0	1,900	0	1,900	0	K
L	4,000	0	9,300	0	0	0	0	0	4,000	0	9,300	0	13,300	0	L
	20,800	5,000	44,200	11,600	-300	0	-2,900	1,900	20,500	5,000	41,300	13,500	80,300	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	524,666	319,716	38,062	133,647	11,320	21,921	13,360	2,503	5,839	2,685	8,950	A
B	0	0	0	0	0	0	0	0	0	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	690,438	342,874	43,867	130,290	13,067	160,340	8,157	45,655	106,528	75,000	7,500	D
E	674,759	449,590	42,385	151,750	14,671	16,363	7,827	2,561	5,975	0	7,950	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	944,399	516,459	61,883	226,568	17,018	122,471	9,721	33,825	78,925	750	7,500	G
H	599,456	398,426	46,723	122,785	17,420	14,102	48,542	0	-34,440	0	17,150	H
I	0	0	0	0	0	0	0	0	0	0	0	I
J	289,253	169,781	26,526	44,375	9,468	39,103	4,760	10,303	24,040	750	7,500	J
K	201,774	104,015	19,129	83,990	4,317	-9,677	2,477	0	-12,154	0	7,500	K
L	879,116	485,537	53,771	203,345	16,769	119,694	13,861	31,750	74,083	52,500	7,500	L
	600,483	348,300	41,543	137,094	13,006	60,540	13,588	15,825	31,100	16,461	8,944	

**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	196,294	423,617	68,975	95,500	255,987	0	3,155	259,142	0.30	4 / 4	A
B	0	0	0	0	0	0	0	0	0	0.00	0 / 0	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	37,037	252,881	551,919	25,211	9,000	486,180	0	31,528	517,708	10.00	2 / 1	D
E	10,371	214,779	463,886	53,818	48,900	351,528	3,663	5,977	361,168	0.00	5 / 2	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	45,262	345,748	802,865	79,528	185,000	460,165	0	78,172	538,337	0.10	8 / 2	G
H	0	247,167	585,885	475,833	24,000	115,290	5,200	-34,438	86,052	0.00	2 / 3	H
I	0	0	0	0	0	0	0	0	0	0.00	0 / 0	I
J	165,831	276,971	401,594	28,127	137,938	212,240	0	23,289	235,529	0.10	5 / 1	J
K	107,055	173,719	213,127	4,585	0	220,698	0	-12,156	208,542	0.00	2 / 3	K
L	10,830	312,819	640,394	60,683	137,800	420,302	0	21,609	441,911	7.00	9 / 1	L
	47,048	252,547	510,411	99,595	79,767	315,299	1,108	14,642	331,049	2.19	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	60.9 %	7.3 %	25.5 %	2.2 %	4.2 %	1.1 %	2.85	86	1.64	0.32	0.61	High	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	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	C
D	49.7	6.4	18.9	1.9	23.2	15.4	10.03	50	19.66	0.02	57.42	Low	D
E	66.6	6.3	22.5	2.2	2.4	0.9	3.99	42	2.09	0.14	2.16	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	54.7	6.6	24.0	1.8	13.0	8.4	4.35	50	12.60	0.28	2.65	Medium	G
H	66.5	7.8	20.5	2.9	2.4	-5.7	0.52	143	0.29	0.80	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	58.7	9.2	15.3	3.3	13.5	8.3	9.85	151	8.21	0.38	2.48	Medium	J
K	51.6	9.5	41.6	2.1	-4.8	-6.0	37.89	56	-3.91	0.00	0.00	N/A	K
L	55.2	6.1	23.1	1.9	13.6	8.4	5.15	62	8.64	0.24	2.73	Medium	L
	58.0 %	6.9 %	22.8 %	2.2 %	10.1 %	5.2 %	2.54	80	6.15	0.27	8.51	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		8.28	<b>7.68</b>	10.04	<b>9.80</b>	12.49	<b>12.29</b>
	Private-Label Footwear		8.27	<b>7.56</b>	8.36	<b>8.54</b>	8.45	<b>10.90</b>
Labor — North America	Total Compensation (\$/year)		16,399	<b>16,444</b>	26,325	<b>26,504</b>	31,242	<b>30,737</b>
	Productivity (pairs/worker/year)		4,027	<b>4,158</b>	5,989	<b>6,169</b>	6,447	<b>6,598</b>
	Labor Cost (\$/pair produced)		3.98	<b>3.87</b>	5.58	<b>5.44</b>	5.73	<b>5.68</b>
Europe Africa	Total Compensation (\$/year)		16,594	<b>16,547</b>	17,283	<b>17,519</b>	17,972	<b>18,491</b>
	Productivity (pairs/worker/year)		4,602	<b>4,469</b>	4,621	<b>4,517</b>	4,639	<b>4,565</b>
	Labor Cost (\$/pair produced)		3.97	<b>4.08</b>	4.07	<b>4.21</b>	4.16	<b>4.34</b>
Asia Pacific	Total Compensation (\$/year)		6,121	<b>6,121</b>	8,977	<b>9,226</b>	14,092	<b>15,471</b>
	Productivity (pairs/worker/year)		2,217	<b>2,195</b>	3,026	<b>3,088</b>	4,605	<b>4,877</b>
	Labor Cost (\$/pair produced)		2.93	<b>2.87</b>	3.22	<b>3.22</b>	3.85	<b>3.87</b>
Latin America	Total Compensation (\$/year)		7,758	<b>7,679</b>	11,616	<b>11,809</b>	14,061	<b>14,624</b>
	Productivity (pairs/worker/year)		2,540	<b>2,577</b>	2,885	<b>2,964</b>	3,400	<b>3,424</b>
	Labor Cost (\$/pair produced)		3.26	<b>3.17</b>	4.27	<b>4.21</b>	5.02	<b>5.02</b>
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.20	<b>0.20</b>	1.62	<b>1.59</b>	2.50	<b>2.50</b>
	Cumulative		0.59	<b>0.57</b>	1.60	<b>1.61</b>	2.30	<b>2.33</b>
Reject Rates	Branded Production		3.7%	<b>3.7%</b>	5.3%	<b>5.2%</b>	7.5%	<b>7.7%</b>
	Private-Label Production		2.4%	<b>2.4%</b>	2.6%	<b>3.1%</b>	2.7%	<b>3.5%</b>
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	27.04	<b>25.53</b>	30.11	<b>29.95</b>	34.97	<b>34.88</b>
		E-A	24.54	<b>24.27</b>	25.22	<b>25.32</b>	25.90	<b>26.36</b>
		A-P	21.28	<b>23.03</b>	24.83	<b>24.96</b>	30.38	<b>30.38</b>
		L.A.	23.39	<b>23.08</b>	26.04	<b>25.03</b>	28.23	<b>26.90</b>
	Private-Label	N.A.	22.12	<b>21.50</b>	22.90	<b>25.47</b>	23.68	<b>28.96</b>
		E-A	22.28	<b>22.06</b>	22.28	<b>22.06</b>	22.28	<b>22.06</b>
		A-P	21.82	<b>21.36</b>	22.57	<b>23.26</b>	23.32	<b>27.31</b>
		L.A.	22.58	<b>23.28</b>	22.58	<b>23.54</b>	22.58	<b>23.79</b>

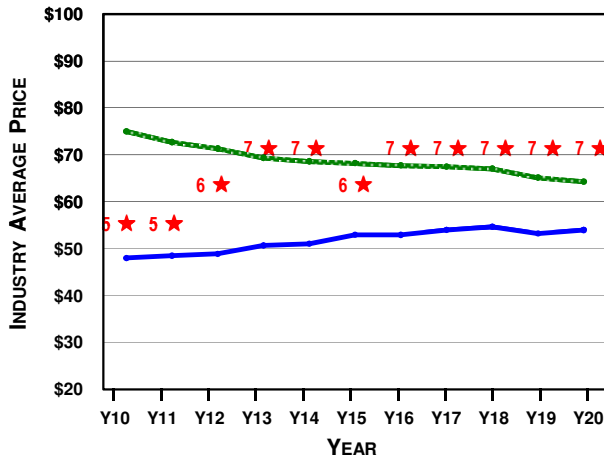
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	26.20	<b>26.94</b>	29.49	<b>29.58</b>	36.42	<b>36.38</b>
		E-A	25.98	<b>25.80</b>	32.99	<b>33.16</b>	35.71	<b>35.91</b>
		A-P	22.94	<b>23.65</b>	26.30	<b>26.39</b>	31.72	<b>31.86</b>
		L.A.	24.87	<b>24.89</b>	28.70	<b>29.20</b>	31.03	<b>32.70</b>
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.46	<b>12.42</b>	10.77	<b>12.89</b>	11.51	<b>13.63</b>
			2.10	<b>1.98</b>	2.52	<b>2.62</b>	3.36	<b>3.60</b>
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	11.93	<b>11.87</b>	15.80	<b>16.71</b>	21.60	<b>29.76</b>
			11.33	<b>11.14</b>	14.50	<b>14.18</b>	20.45	<b>21.30</b>
Administrative Expenses	(\$/pair sold)		1.15	<b>1.00</b>	1.59	<b>1.50</b>	3.21	<b>2.99</b>
Operating Profit (\$ per pair sold)	Internet	N.A.	1.57	<b>0.61</b>	15.47	<b>14.56</b>	26.18	<b>24.88</b>
		E-A	2.89	<b>-1.41</b>	14.97	<b>13.98</b>	23.84	<b>22.03</b>
		A-P	2.02	<b>-0.17</b>	18.37	<b>18.34</b>	29.75	<b>29.16</b>
		L.A.	10.88	<b>2.26</b>	22.54	<b>16.04</b>	36.55	<b>28.09</b>
Wholesale	N.A.	-1.58	<b>-4.14</b>	4.89	<b>5.49</b>	18.07	<b>19.28</b>	
	E-A	1.51	<b>-2.80</b>	6.82	<b>5.63</b>	20.51	<b>21.07</b>	
	A-P	-1.35	<b>-3.33</b>	6.36	<b>6.18</b>	24.34	<b>26.30</b>	
	L.A.	0.33	<b>-6.48</b>	9.44	<b>3.56</b>	27.17	<b>20.84</b>	
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.62	<b>23.00</b>	24.40	<b>26.97</b>	25.18	<b>30.46</b>
		E-A	23.78	<b>23.56</b>	28.64	<b>29.47</b>	33.49	<b>33.03</b>
		A-P	23.32	<b>22.86</b>	24.07	<b>24.76</b>	24.82	<b>28.81</b>
		L.A.	24.08	<b>24.78</b>	24.39	<b>26.31</b>	24.70	<b>28.85</b>
Warehouse Expenses	(\$ per pair sold)		1.00	<b>1.00</b>	1.00	<b>1.05</b>	1.00	<b>1.20</b>
Margin Over Direct Costs (\$ per pair sold)	N.A.	-1.93	<b>-7.67</b>	-1.28	<b>-3.95</b>	0.00	<b>0.00</b>	
	E-A	-1.16	<b>-0.50</b>	-0.92	<b>3.55</b>	0.00	<b>11.46</b>	
	A-P	-1.10	<b>-5.79</b>	-0.83	<b>3.20</b>	0.00	<b>18.82</b>	
	L.A.	-1.62	<b>-7.59</b>	-1.12	<b>-4.98</b>	0.00	<b>0.00</b>	

**CELEBRITY ENDORSEMENTS**

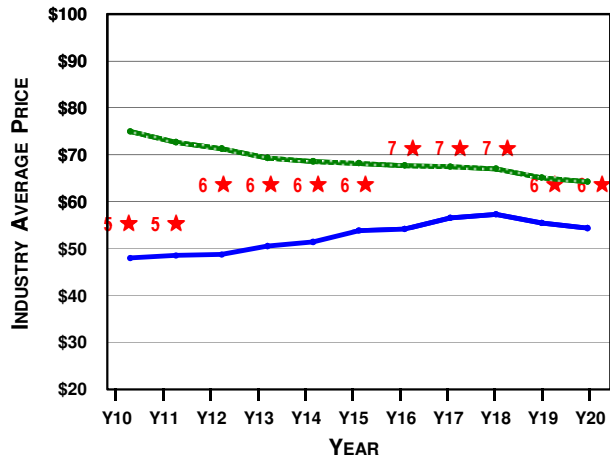
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company G	16,145	Y19	2 years	5	16,145	11,000	11,100	9,002
Oprah Letterman	100	70	65	75	Company G	17,150	Y20	3 years	1	17,150	0	17,150	17,150
Fifa Beckham	70	100	70	55	Company A	14,000	Y16	5 years	5	14,000	13,250	8,471	3,000
Tiger Green	95	80	85	75	[unsigned]	0	N/A	2 years	1	16,150	0	16,150	16,150
José Montaña	60	50	60	95	Company G	16,050	Y18	3 years	5	16,050	15,000	11,032	6,856
Kobioshi Jones	55	60	95	90	[unsigned]	0	N/A	4 years	1	15,150	0	15,150	15,150
Ace Federar	50	90	50	85	[unsigned]	0	N/A	1 year	1	15,150	0	15,150	15,150
Danica Andretti	70	65	55	60	Company A	11,000	Y19	3 years	6	15,850	11,000	9,953	5,000
LaBron Game	75	80	95	50	Company G	12,150	Y17	4 years	5	12,150	12,000	8,037	3,401
Lorena Lopez	45	85	60	100	Company K	18,978	Y19	2 years	5	18,978	16,150	12,299	7,002
Lance deFrance	80	85	75	70	[unsigned]	0	N/A	3 years	1	16,150	0	16,150	16,150
Yao KungPao	60	35	100	50	Company L	9,005	Y18	4 years	5	16,000	13,150	10,652	6,856

**BRANDED PRICE AND S/Q RATING TRENDS**

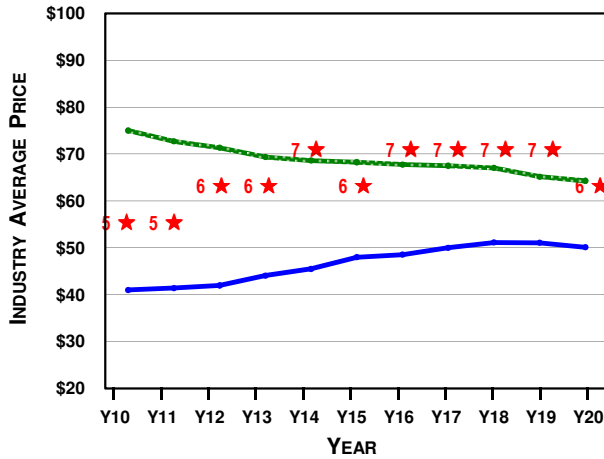
**NORTH AMERICA**



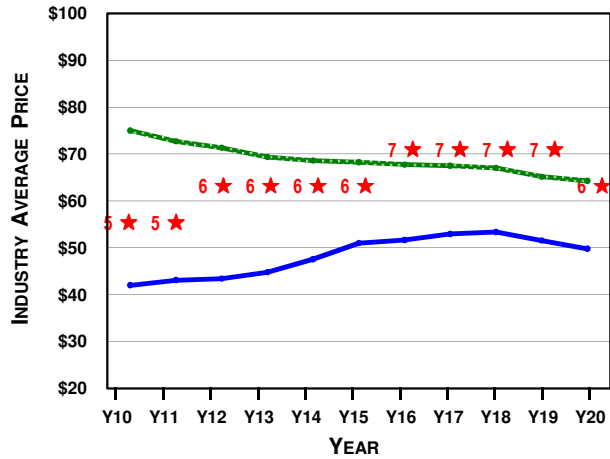
**EUROPE-AFRICA**



**ASIA-PACIFIC**



**LATIN AMERICA**



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