

THE FOOTWEAR INDUSTRY REPORT

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

INDUSTRY 1

Friday, August 21, 2009

YEAR 20

YEAR 20 SCOREBOARD

Rank	Company Name	Investor Expectation Score	Best-In-Industry Score	Overall Score	Change from Y19
1	KISMET	118	95	107	+7
2	Foxtrot	118	91	105	-5
3	D Company	116	92	104	+1
4	Lander	117	86	102	+5
5	BraVura	117	74	96	+3
6	A UTCC	110	71	91	-5
7	Iota Difference	113	67	90	-2
8	C (deleted)	0	0	0	0
8	E (deleted)	0	0	0	0
8	G (deleted)	0	0	0	0
8	H (deleted)	0	0	0	0
8	J (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	Foxtrot	119	94	107	-3
2	KISMET	117	90	104	+3
3	D Company	114	85	100	+3
4	Lander	111	75	93	+3
5	A UTCC	111	71	91	-4
6	BraVura	107	68	88	+4
7	Iota Difference	105	62	84	0
8	C (deleted)	0	0	0	0
8	E (deleted)	0	0	0	0
8	G (deleted)	0	0	0	0
8	H (deleted)	0	0	0	0
8	J (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	2.15	3.57	3.16	6.75	5.89	7.00	2.57	5.84	10.11	9.04	5.43	24	14	24	15	A
B	2.34	1.95	1.21	3.85	3.74	4.19	1.95	1.37	5.80	6.68	3.29	24	10	19	9	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	2.54	1.76	2.62	4.45	4.12	7.03	4.90	6.25	12.17	12.87	5.82	24	20	24	16	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	3.36	3.99	4.88	8.38	9.20	9.40	6.47	7.36	11.42	10.78	7.30	24	17	24	20	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	2.38	2.43	2.69	3.42	2.63	3.34	1.11	3.89	6.05	5.77	3.26	23	9	18	9	I
J	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	J
K	3.93	3.90	4.26	4.69	4.70	5.64	5.39	7.60	9.82	12.55	6.16	24	20	24	17	K
L	2.46	1.50	2.49	4.06	3.83	2.80	2.54	4.47	7.50	9.79	4.05	24	15	21	11	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	13.2	18.2	14.7	26.3	18.4	19.3	7.4	12.1	17.3	15.5	16.1	20	12	21	12	A
B	14.5	10.7	6.2	17.7	15.0	14.9	6.5	4.4	16.9	18.0	13.0	22	14	17	10	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	15.5	9.0	12.1	17.6	14.0	20.0	11.9	13.4	21.9	20.5	16.9	24	16	21	13	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	19.9	20.3	23.7	35.7	33.4	29.3	18.2	19.3	28.2	26.2	26.2	24	20	24	20	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	15.0	13.8	13.8	17.2	12.5	15.4	4.9	15.3	22.3	20.7	15.8	24	16	21	12	I
J	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	J
K	23.5	22.7	20.5	18.9	16.8	17.0	14.6	17.5	18.9	21.0	19.4	24	16	23	15	K
L	15.5	8.9	13.9	20.1	16.7	11.2	9.4	15.6	22.3	25.4	17.2	24	19	21	13	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	22.81	45.71	35.38	125.76	81.27	101.78	41.70	66.14	134.82	117.93	24	9	24	9	A
B	25.15	19.03	11.66	59.13	60.48	69.97	33.62	18.49	88.45	137.58	24	10	24	10	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	30.53	17.24	25.96	61.29	53.96	105.56	54.62	75.10	188.34	264.33	24	20	24	20	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	53.04	56.76	75.73	155.64	175.01	160.14	94.32	118.12	223.23	200.26	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	28.03	27.35	36.89	55.27	33.55	43.48	23.57	49.24	112.51	110.32	24	8	24	8	I
J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	J
K	57.01	55.40	58.56	65.97	55.86	68.02	66.17	104.12	167.29	263.77	24	20	24	20	K
L	28.52	15.79	28.88	61.73	57.58	33.13	28.03	59.63	139.07	186.56	24	14	24	14	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-	C+	C	B-	C+	C	C	B+	A-	B+	Medium	20	17	20	17	A
B	B	B+	B	A	A	A+	A	A	A+	A+	Low	24	20	24	20	B
C	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	C
D	A-	B-	C+	B-	B-	B	B	B+	A+	A+	Low	24	20	24	20	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	A-	A-	A	A	A+	A+	A	A+	A+	A	Medium	23	19	23	19	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	B+	A	A	A	A	A	B+	A+	A+	A+	Low	24	20	24	20	I
J	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	J
K	B	B	B+	A-	B+	B+	B	B+	A	A	Low	23	19	23	19	K
L	B	B-	A-	A	A	A	A	A	A+	A+	Low	24	20	24	20	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	72	74	84	96	94	98	91	88	85	86	86	22	19	22	18	A
B	69	70	82	79	81	83	82	91	92	89	91	23	20	23	19	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	67	67	73	81	92	68	72	82	77	70	76	20	16	21	16	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	89	81	85	92	100	89	97	99	96	89	95	23	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	63	67	69	65	65	69	67	63	63	63	63	18	14	18	13	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	70	77	85	80	82	83	91	96	89	88	91	23	20	23	19	K
L	70	62	78	78	83	68	74	77	80	80	79	21	18	21	17	L

CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP

Industry 1 Expenditures for Corporate Social Responsibility and Citizenship

	Total (\$000s)			Per Pair Sold (\$ / pair)		
	High	Avg.	Low	High	Avg.	Low
	Year 11	10000	1098	0	1.54	0.17
Year 12	12000	1375	0	1.37	0.16	0.00
Year 13	12500	2627	0	1.41	0.31	0.00
Year 14	16693	5054	0	1.53	0.57	0.00
Year 15	16584	7105	0	1.70	0.78	0.00
Year 16	22132	7748	0	1.64	0.80	0.00
Year 17	11450	4594	0	1.71	0.54	0.00
Year 18	23837	8632	1200	2.00	0.80	0.13
Year 19	14189	5620	1050	2.08	0.62	0.07
Year 20	16590	6583	0	1.84	0.64	0.00

Image Rating Points Generated from CSRC Expenditures

High	Avg.	Low
3	1	0
5	1	0
6	2	0
7	4	0
9	5	0
9	6	0
11	8	0
12	9	4
14	10	6
15	10	5

★ 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	KISMET	A UTCC
Y15	Iota Difference	BraVura
Y16	Iota Difference	A UTCC
Y17	Iota Difference	KISMET
Y18	Iota Difference	D Company
Y19	Iota Difference	KISMET
Y20	Iota Difference	KISMET

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	20,280	4,680	52,347	11,520	88,827
- Pairs Rejected	645	71	1,909	566	3,191
Net Y20 Production (after rejects)	19,635	4,609	50,438	10,954	85,636
Superior Materials Usage	48.4%	35.1%	32.2%	39.4%	37.0%
Capacity Utilization (branded + P-L prod.)	120.0%	120.0%	117.9%	120.0%	118.8%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	7.00	+ 1.82	+ 0.62	9.44
Superior Materials	16.00	- 1.04	+ 1.41	16.37

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	1,746	1,290	1,524	1,226	5,786
- Pairs Cleared (inventory clearance)	404	187	356	214	1,161
Beginning Y20 Inventories	1,342	1,103	1,168	1,012	4,625
+ New Production (shipped from plants)	20,645	20,954	18,965	19,144	79,708
Pairs Available for Sale in Y20	21,987	22,057	20,133	20,156	84,333

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)	20,048	18,839	18,326	17,697	74,910
Actual Year 20 Demand	20,154	19,143	18,711	18,152	76,161
Branded Pairs Sold	20,157	19,145	18,711	18,153	76,166
Required Y20 Ending Inventories	1,099	1,060	993	976	4,128
Inventory Surplus (Shortfall)	731	1,852	396	1,012	3,991

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 3.6%
- Available for shipment to warehouses
- % usage down by 3.7 points from Y19
- % utilization up by 4.3 points over Y19

Lower than normal (37.0% industrywide) superior materials usage led to superior materials prices that were 6.5% below the base and standard materials prices that were 26.0% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 8.8% from the base.

- Average inventory clearance of 20.1%
- 10.7% higher than Y20 demand

Actual demand in Year 20 was 1.7% 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	20,961	21,799	22,671	23,578
(internet + wholesale) Europe-Africa	19,909	20,705	21,533	22,394
Asia-Pacific	19,834	21,024	22,285	23,622
Latin America	19,241	20,395	21,619	22,916
Total	79,945	83,923	88,108	92,510
Private-Label — North America	3,339	3,339	3,339	3,339
Europe-Africa	3,276	3,276	3,276	3,276
Asia-Pacific	3,283	3,283	3,283	3,283
Latin America	3,248	3,248	3,248	3,248
Total	13,146	13,146	13,146	13,146

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	8,167
Potential Production (at max OT)	89,760
Potential Global Supply	97,927
Demand — Branded Sales Forecast (000s)	79,945
Private-Label Sales Forecast	13,146
Expected Global Demand	93,091
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	9,000	3,000	0	0	0	0	0	0	9,000	3,000	12,000	0	A
B	3,600	0	5,600	0	300	0	300	0	3,900	0	5,900	0	9,800	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	3,600	0	12,000	0	0	0	0	0	3,600	0	12,000	0	15,600	0	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	3,000	1,000	4,500	0	0	0	0	0	3,000	1,000	4,500	0	8,500	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	1,500	0	3,700	0	0	0	0	0	1,500	0	3,700	0	5,200	0	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	2,000	0	6,300	5,300	0	0	0	0	2,000	0	6,300	5,300	13,600	0	K
L	2,200	2,600	3,000	1,300	700	300	0	0	2,900	2,900	3,000	1,300	10,100	0	L
Total	15,900	3,600	44,100	9,600	1,000	300	300	0	16,900	3,900	44,400	9,600	74,800	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	753,759	363,374	40,475	219,280	15,471	115,159	16,031	29,048	67,777	675	7,500	A
B	603,510	358,951	36,595	104,067	12,470	91,427	754	27,202	63,471	52,250	9,500	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	802,375	438,941	43,666	108,543	18,021	193,204	9,412	55,138	128,654	40,000	10,000	D
E	0	0	0	0	0	0	0	0	0	0	0	E
F	502,727	252,076	23,794	96,669	12,119	118,069	2,620	34,635	80,814	90,000	7,500	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	338,034	213,763	29,167	22,083	8,668	64,353	1,856	18,749	43,748	37,885	7,577	I
J	0	0	0	0	0	0	0	0	0	0	0	J
K	895,006	467,062	63,249	201,794	16,770	146,131	11,624	40,352	94,155	45,900	7,500	K
L	622,126	273,807	35,654	170,826	13,870	127,969	4,840	36,939	86,190	9,240	8,800	L
	645,362	338,282	38,943	131,895	13,913	122,330	6,734	34,580	80,687	39,421	8,340	

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	3,878	222,878	654,901	103,037	157,000	480,561	-152,800	67,103	394,864	0.09	8 / 1	A
B	0	189,567	413,683	48,071	10,500	349,230	-5,341	11,223	355,112	5.50	6 / 3	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	0	264,374	746,482	68,850	88,000	663,682	-162,728	88,678	589,632	4.00	2 / 1	D
E	0	0	0	0	0	0	0	0	0	0.00	0 / 0	E
F	38,045	200,161	377,218	34,274	39,552	312,579	0	-9,187	303,392	12.00	4 / 1	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	15,756	114,337	244,674	24,747	11,826	213,635	-11,399	5,865	208,101	5.00	5 / 2	I
J	0	0	0	0	0	0	0	0	0	0.00	0 / 0	J
K	3,627	262,583	669,476	73,235	123,900	424,086	0	48,255	472,341	6.12	6 / 1	K
L	1,461	175,003	455,142	41,183	65,120	330,043	-58,156	76,952	348,839	1.05	2 / 1	L
	8,967	204,129	508,797	56,200	70,843	396,259	-55,775	41,270	381,754	4.82	5 / 1	

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	48.2 %	5.4 %	29.1 %	2.1 %	15.3 %	9.0 %	2.16	37	7.18	0.35	1.40	Medium	A
B	59.5	6.1	17.2	2.1	15.1	10.5	3.94	43	121.26	0.04	5.74	Low	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	54.7	5.4	13.5	2.2	24.1	16.0	3.84	53	20.53	0.15	4.78	Low	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	50.1	4.7	19.2	2.4	23.5	16.1	5.84	59	45.06	0.12	2.62	Medium	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	63.2	8.6	6.5	2.6	19.0	12.9	4.62	25	34.67	0.07	3.54	Low	I
J	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	J
K	52.2	7.1	22.5	1.9	16.3	10.5	3.59	28	12.57	0.22	3.16	Low	K
L	44.0	5.7	27.5	2.2	20.6	13.9	4.25	26	26.44	0.17	8.27	Low	L
	52.4 %	6.0 %	20.4 %	2.2 %	19.0 %	12.5 %	3.63	39	38.24	0.16	4.22	Low	

Bold = best in industry **Yellow** = needs management attention

PLANT AND PRODUCTION BENCHMARKS			Industry Low		Industry Average		Industry High		
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	
Materials Costs (\$ per pair produced)	Branded Footwear		7.33	8.01	11.08	11.37	14.38	14.89	
	Private-Label Footwear		7.05	7.76	8.57	9.35	10.89	11.47	
Labor — North America	Total Compensation (\$/year)		18,053	18,584	21,367	21,568	25,036	25,374	
	Productivity (pairs/worker/year)		4,368	4,614	5,311	5,380	5,972	6,107	
	Labor Cost (\$/pair produced)		3.73	3.68	4.32	4.31	4.86	4.87	
Europe Africa	Total Compensation (\$/year)		18,923	18,974	20,417	20,581	21,910	22,187	
	Productivity (pairs/worker/year)		5,069	5,105	5,135	5,204	5,201	5,303	
	Labor Cost (\$/pair produced)		3.99	3.97	4.16	4.14	4.33	4.30	
Asia Pacific	Total Compensation (\$/year)		6,451	6,566	7,868	8,027	9,466	9,886	
	Productivity (pairs/worker/year)		2,695	2,748	3,270	3,318	4,072	4,180	
	Labor Cost (\$/pair produced)		2.11	2.15	2.55	2.60	2.82	2.82	
Latin America	Total Compensation (\$/year)		6,090	7,782	7,384	8,522	8,159	9,817	
	Productivity (pairs/worker/year)		2,910	3,031	3,019	3,067	3,124	3,103	
	Labor Cost (\$/pair produced)		2.37	2.75	2.67	2.93	2.90	3.18	
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.50	0.50	1.48	1.45	2.50	2.50	
	Cumulative		0.53	0.52	1.32	1.33	2.31	2.33	
Reject Rates	Branded Production		1.1%	1.1%	3.4%	3.4%	7.2%	7.3%	
	Private-Label Production		1.0%	1.1%	2.0%	1.9%	4.2%	2.7%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	22.92	22.74	28.51	29.13	33.32	35.62	
		E-A	21.33	21.91	23.14	23.69	24.95	25.47	
		A-P	20.93	21.95	24.71	24.49	27.65	27.96	
		L.A.	20.96	21.11	24.17	24.46	27.76	27.73	
		Private-Label	N.A.	24.11	24.50	24.23	25.52	24.34	26.71
		E-A	0.00	0.00	0.00	0.00	0.00	0.00	
		A-P	19.73	21.49	22.82	24.25	24.32	29.26	
		L.A.	22.29	23.49	22.29	23.49	22.29	23.49	

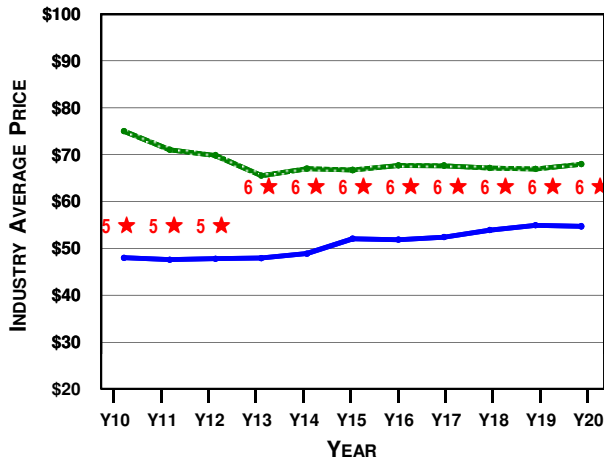
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High		
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.19	24.00	30.07	30.12	34.57	35.32	
		E-A	22.58	23.50	30.42	29.80	35.51	33.87	
		A-P	22.18	23.22	25.93	25.76	28.90	29.21	
		L.A.	22.21	23.92	29.39	29.97	35.36	34.72	
		Wholesale	10.32	10.30	10.57	10.55	11.12	11.00	
	Warehouse Expenses - Internet (\$ per pair sold)	Wholesale	1.89	1.86	2.30	2.27	3.07	2.90	
		Marketing Expenses - Internet (\$ per pair sold)	4.84	3.98	12.37	12.34	16.57	20.29	
	Marketing Expenses - Wholesale (\$ per pair sold)	Wholesale	3.10	3.43	11.42	11.72	16.60	19.58	
		Administrative Expenses (\$/pair sold)	1.24	1.14	1.36	1.31	1.58	1.51	
Private-Label Market Segments	Operating Profit (\$ per pair sold)	Internet	7.83	7.08	18.23	19.32	37.52	36.99	
		E-A	5.14	9.98	18.54	21.33	36.90	37.61	
		A-P	14.63	13.87	23.52	23.53	40.97	38.62	
		L.A.	11.68	10.02	23.05	21.73	38.21	34.49	
		Wholesale	5.84	5.77	9.40	9.07	13.37	13.05	
		Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	25.36	25.75	27.55	27.68	31.71	30.41
			E-A	29.91	28.82	30.82	29.23	31.30	29.64
			A-P	20.98	22.74	20.98	25.50	20.98	30.51
			L.A.	23.55	24.74	24.73	27.86	25.91	31.89
			Wholesale	1.00	1.00	1.03	1.07	1.20	1.20
	Margin Over Direct Costs (\$ per pair sold)	N.A.	5.62	2.59	9.75	5.02	16.22	6.40	
		E-A	1.64	4.51	7.96	5.42	18.93	6.33	
		A-P	2.27	3.85	2.27	6.72	2.27	13.10	
		L.A.	5.63	3.76	6.20	4.15	6.77	4.76	

CELEBRITY ENDORSEMENTS

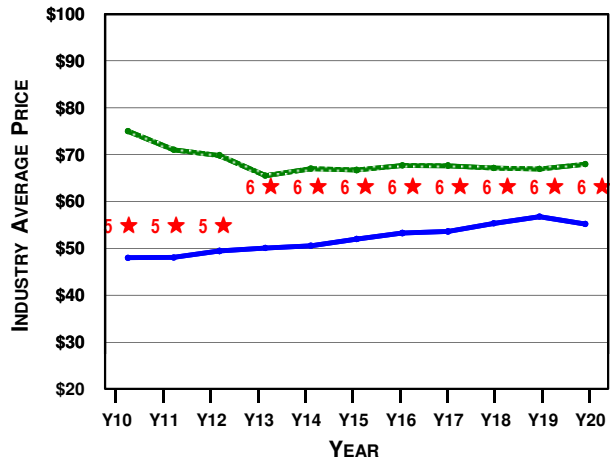
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company A	24,500	Y19	2 years	4	24,500	10,000	10,290	607
Oprah Letterman	100	70	65	75	Company B	27,125	Y20	3 years	2	27,125	10,000	18,563	10,000
Fifa Beckham	70	100	70	55	Company L	22,000	Y16	5 years	5	22,000	20,000	13,511	6,208
Tiger Green	95	80	85	75	Company B	26,000	Y20	2 years	2	26,000	10,000	18,000	10,000
José Montaña	60	50	60	95	Company L	22,000	Y18	3 years	2	22,000	6,002	14,001	6,002
Kobioshi Jones	55	60	95	90	Company L	10,000	Y20	4 years	1	10,000	0	10,000	10,000
Ace Federar	50	90	50	85	Company L	10,000	Y20	1 year	1	10,000	0	10,000	10,000
Danica Andretti	70	65	55	60	Company A	24,500	Y19	3 years	5	24,500	20,000	12,233	613
LaBron Game	75	80	95	50	Company L	22,000	Y17	4 years	4	22,000	17,084	12,552	5,123
Lorena Lopez	45	85	60	100	Company A	24,500	Y19	2 years	3	24,500	10,000	13,518	6,053
Lance deFrance	80	85	75	70	[unsigned]	0	N/A	3 years	1	10,000	0	10,000	10,000
Yao KungPao	60	35	100	50	Company F	6,002	Y18	4 years	2	22,100	6,002	14,051	6,002

BRANDED PRICE AND S/Q RATING TRENDS

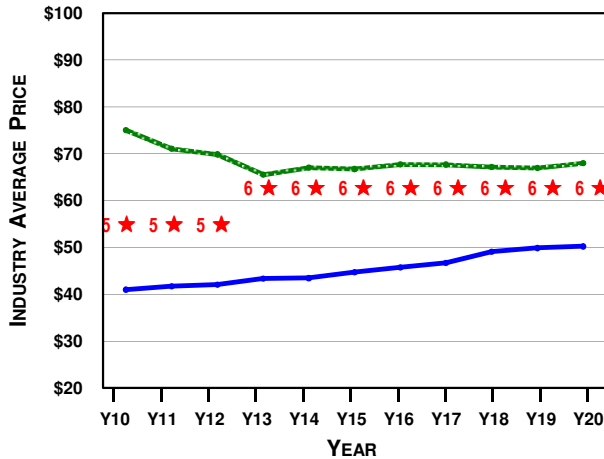
NORTH AMERICA



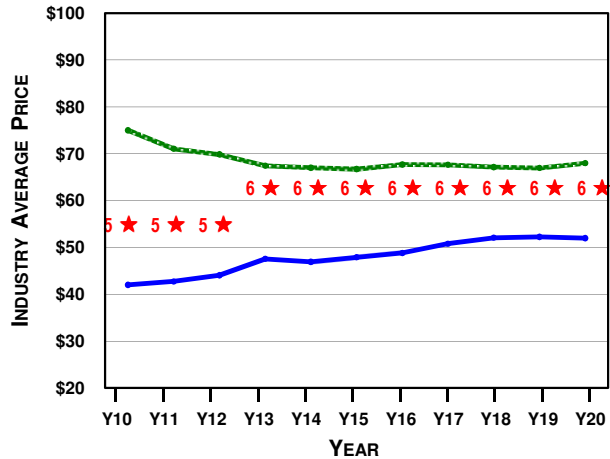
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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