

# THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 9

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	Gentry Inc.	114	96	105	+25
2	E-Drazen	108	78	93	-10
3	I shoe	107	76	92	+16
4	Chevalier	105	74	90	-13
5	Just Win It	98	66	82	-12
6	LAZE	54	37	46	-11
7	DURU	33	25	29	-1
8	Hell On Heels	21	16	19	-11
9	A (deleted)	0	0	0	0
9	B (deleted)	0	0	0	0
9	F (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	Gentry Inc.	112	95	104	+13
2	E-Drazen	112	87	100	-2
3	Chevalier	111	85	98	-5
4	Just Win It	108	81	95	-4
5	I shoe	106	80	93	+9
6	LAZE	51	37	44	-3
7	Hell On Heels	36	29	33	-7
8	DURU	32	24	28	-2
9	A (deleted)	0	0	0	0
9	B (deleted)	0	0	0	0
9	F (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	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	<b>4.49</b>	<b>3.55</b>	<b>4.67</b>	<b>4.20</b>	<b>6.30</b>	<b>5.79</b>	<b>4.20</b>	<b>4.83</b>	<b>9.18</b>	<b>5.68</b>	<b>5.21</b>	<b>23</b>	14	<b>24</b>	19	C
D	1.86	1.51	-0.61	1.30	0.84	0.02	-1.16	0.60	1.02	1.06	0.64	5	3	4	2	D
E	1.84	<b>4.20</b>	<b>4.18</b>	<b>4.75</b>	2.75	<b>6.91</b>	<b>6.55</b>	<b>4.50</b>	<b>10.24</b>	<b>6.86</b>	<b>5.12</b>	<b>24</b>	17	<b>24</b>	19	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>2.90</b>	<b>4.45</b>	<b>5.26</b>	<b>5.11</b>	<b>7.22</b>	<b>8.39</b>	<b>4.70</b>	3.02	<b>5.11</b>	<b>8.24</b>	<b>5.40</b>	<b>24</b>	<b>20</b>	<b>24</b>	<b>20</b>	G
H	2.27	0.97	0.31	1.26	<b>3.84</b>	<b>3.89</b>	0.39	-0.37	0.85	-1.03	1.26	0	0	7	5	H
I	<b>3.51</b>	<b>3.12</b>	<b>4.42</b>	<b>4.16</b>	<b>5.59</b>	3.01	3.17	1.29	3.90	<b>5.82</b>	<b>3.77</b>	<b>23</b>	14	<b>21</b>	14	I
J	<b>5.53</b>	<b>3.31</b>	<b>6.03</b>	<b>4.04</b>	<b>5.17</b>	<b>6.11</b>	<b>6.83</b>	1.31	<b>7.77</b>	<b>4.89</b>	<b>5.06</b>	<b>21</b>	12	<b>24</b>	19	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	1.46	1.95	1.60	0.46	0.98	1.87	2.90	1.06	3.46	2.63	1.75	12	6	10	6	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	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	<b>25.8</b>	<b>16.6</b>	<b>18.4</b>	14.9	<b>18.9</b>	14.9	9.9	12.2	<b>19.8</b>	11.0	<b>16.0</b>	15	12	21	18	C
D	11.7	8.8	-3.4	7.2	4.4	0.1	-6.2	3.2	5.3	5.3	3.7	7	6	5	4	D
E	11.6	<b>23.9</b>	<b>20.4</b>	<b>19.8</b>	10.6	<b>23.3</b>	<b>19.2</b>	11.5	<b>22.2</b>	12.7	<b>17.7</b>	17	13	<b>22</b>	<b>20</b>	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>17.5</b>	<b>22.0</b>	<b>20.3</b>	<b>15.4</b>	<b>19.3</b>	<b>20.9</b>	11.6	8.1	13.0	<b>18.9</b>	<b>17.0</b>	<b>23</b>	<b>20</b>	21	19	G
H	13.9	5.4	1.6	6.5	<b>17.6</b>	<b>15.3</b>	1.4	-1.4	3.2	-3.9	5.8	0	0	8	7	H
I	<b>20.8</b>	<b>16.0</b>	<b>19.8</b>	<b>15.7</b>	<b>17.8</b>	8.4	7.8	3.0	8.5	11.3	11.6	15	12	15	13	I
J	<b>33.5</b>	<b>20.0</b>	<b>25.1</b>	14.0	13.2	14.7	13.7	2.4	12.2	7.3	12.7	10	8	17	14	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	9.5	11.1	9.4	2.7	5.3	9.4	11.5	4.8	14.1	9.5	9.1	13	10	12	10	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	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	<b>88.01</b>	<b>48.25</b>	<b>72.79</b>	<b>53.01</b>	<b>95.50</b>	<b>84.14</b>	44.04	<b>51.18</b>	<b>126.47</b>	<b>78.07</b>	<b>24</b>	11	<b>24</b>	11	C
D	17.90	13.14	7.88	12.10	7.98	5.13	4.70	6.53	11.73	11.34	4	2	4	2	D
E	18.51	<b>76.34</b>	<b>56.00</b>	<b>60.77</b>	29.64	<b>88.75</b>	<b>87.63</b>	<b>50.31</b>	<b>151.71</b>	<b>88.01</b>	<b>24</b>	13	<b>24</b>	13	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>38.58</b>	<b>74.19</b>	<b>87.00</b>	<b>74.60</b>	<b>123.49</b>	<b>126.53</b>	<b>55.42</b>	31.64	<b>57.16</b>	<b>136.67</b>	<b>24</b>	<b>20</b>	<b>24</b>	<b>20</b>	G
H	23.01	12.89	8.22	11.10	<b>56.07</b>	<b>53.94</b>	27.07	15.42	9.59	5.76	2	1	2	1	H
I	<b>53.15</b>	<b>36.60</b>	<b>60.90</b>	<b>49.42</b>	<b>75.22</b>	33.87	31.72	17.32	45.54	<b>96.46</b>	<b>24</b>	14	<b>24</b>	14	I
J	<b>89.42</b>	<b>39.16</b>	<b>91.39</b>	<b>45.36</b>	<b>65.19</b>	<b>70.80</b>	<b>91.81</b>	38.72	<b>94.06</b>	<b>56.42</b>	21	8	21	8	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	17.05	19.24	13.81	8.05	8.63	18.95	32.96	17.81	39.28	25.16	9	4	9	4	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>	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>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>	<b>A</b>	<b>A-</b>	<b>A</b>	<b>A-</b>	<b>A</b>	<b>A</b>	<b>B+</b>	<b>B+</b>	<b>A</b>	<b>B+</b>	Medium	<b>20</b>	17	<b>20</b>	17	<b>C</b>
<b>D</b>	B	B-	C-	C-	C-	C-	C-	C-	C-	C-	High	0	1	0	1	<b>D</b>
<b>E</b>	C+	C+	B-	B-	C+	B	<b>B+</b>	B	<b>A-</b>	<b>A-</b>	Medium	<b>22</b>	18	<b>22</b>	18	<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>A-</b>	<b>A-</b>	<b>B+</b>	<b>A</b>	<b>A-</b>	B	C+	B	<b>A-</b>	Medium	<b>22</b>	18	<b>22</b>	18	<b>G</b>
<b>H</b>	<b>B+</b>	C+	C	C	C+	B-	C	C	C	C-	High	0	1	0	1	<b>H</b>
<b>I</b>	<b>A-</b>	<b>B+</b>	<b>B+</b>	B	<b>B+</b>	B	<b>A-</b>	B	<b>A</b>	<b>A+</b>	Low	<b>24</b>	<b>20</b>	<b>24</b>	<b>20</b>	<b>I</b>
<b>J</b>	B	C+	B	<b>B+</b>	<b>B+</b>	B	<b>B+</b>	C+	<b>A</b>	<b>A+</b>	Low	<b>24</b>	<b>20</b>	<b>24</b>	<b>20</b>	<b>J</b>
<b>K</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>K</b>
<b>L</b>	B-	B-	C	C-	C-	C-	C	C-	C-	C-	High	0	1	0	1	<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>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<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>	<b>80</b>	<b>79</b>	<b>89</b>	<b>91</b>	<b>96</b>	<b>93</b>	<b>78</b>	<b>90</b>	<b>82</b>	<b>90</b>	<b>87</b>	<b>23</b>	<b>20</b>	<b>22</b>	<b>20</b>	<b>C</b>
<b>D</b>	65	69	<b>85</b>	<b>79</b>	<b>86</b>	<b>79</b>	<b>84</b>	<b>79</b>	64	59	67	17	13	19	15	<b>D</b>
<b>E</b>	<b>74</b>	<b>86</b>	<b>85</b>	<b>76</b>	<b>77</b>	63	65	<b>70</b>	68	<b>77</b>	<b>72</b>	<b>21</b>	17	<b>20</b>	17	<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>	<b>76</b>	<b>81</b>	<b>89</b>	<b>91</b>	<b>93</b>	<b>91</b>	<b>87</b>	<b>76</b>	<b>80</b>	<b>80</b>	<b>79</b>	<b>21</b>	18	<b>21</b>	18	<b>G</b>
<b>H</b>	<b>76</b>	<b>80</b>	<b>87</b>	<b>83</b>	<b>86</b>	<b>72</b>	<b>77</b>	67	67	65	66	19	14	19	15	<b>H</b>
<b>I</b>	<b>80</b>	69	<b>76</b>	<b>83</b>	<b>93</b>	<b>88</b>	<b>82</b>	<b>84</b>	<b>85</b>	<b>74</b>	<b>81</b>	<b>21</b>	16	<b>22</b>	19	<b>I</b>
<b>J</b>	66	68	<b>79</b>	<b>91</b>	<b>89</b>	<b>100</b>	<b>100</b>	<b>90</b>	<b>89</b>	<b>83</b>	<b>87</b>	<b>22</b>	18	<b>22</b>	<b>20</b>	<b>J</b>
<b>K</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<b>K</b>
<b>L</b>	62	<b>73</b>	<b>71</b>	<b>83</b>	<b>85</b>	<b>70</b>	69	67	<b>76</b>	<b>70</b>	<b>71</b>	<b>20</b>	16	<b>20</b>	16	<b>L</b>

**CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP**

**Industry 9 Expenditures for Corporate Social Responsibility and Citizenship**

	Total (\$000s)			Per Pair Sold (\$ / pair)		
	High	Avg.	Low	High	Avg.	Low
	Year 11	9030	3744	0	1.52	0.67
Year 12	9750	4365	0	1.73	0.72	0.00
Year 13	9046	4108	0	1.20	0.55	0.00
Year 14	10963	4335	0	1.36	0.56	0.00
Year 15	8401	3043	0	1.27	0.37	0.00
Year 16	7994	4106	1020	1.15	0.46	0.11
Year 17	11577	4221	0	1.19	0.41	0.00
Year 18	16232	6752	0	1.16	0.54	0.00
Year 19	18434	8326	0	1.55	0.69	0.00
Year 20	27204	9191	0	1.72	0.66	0.00

**Image Rating Points Generated from CSRC Expenditures**

	High	Avg.	Low
	Year 11	4	2
Year 12	6	4	0
Year 13	10	6	3
Year 14	11	7	3
Year 15	13	9	4
Year 16	12	8	3
Year 17	14	9	1
Year 18	15	10	5
Year 19	16	11	5
Year 20	17	12	2

**★ 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>Chevalier</b>	I shoe
<b>Y15</b>	<b>DURU</b>	E-Drazen
<b>Y16</b>	<b>E-Drazen</b>	DURU
<b>Y17</b>	<b>Chevalier</b>	E-Drazen
<b>Y18</b>	<b>Chevalier</b>	Gentry Inc.
<b>Y19</b>	<b>Chevalier</b>	Gentry Inc.
<b>Y20</b>	<b>E-Drazen</b>	Just Win It

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

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	39,864	5,400	55,541	4,232	105,037
- Pairs Rejected	1,902	215	2,876	369	5,362
Net Y20 Production (after rejects)	37,962	5,185	52,665	3,863	99,675
Superior Materials Usage	23.8%	8.6%	21.6%	66.4%	23.6%
Capacity Utilization (branded + P-L prod.)	111.7%	120.0%	116.9%	76.9%	112.7%

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

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	7.00	+ 3.70	+ 0.19	10.89
Superior Materials	16.00	- 2.11	+ 0.43	14.32

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

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	5,951	4,264	4,602	5,854	20,671
- Pairs Cleared (inventory clearance)	598	560	791	505	2,454
Beginning Y20 Inventories	5,353	3,704	3,811	5,349	18,217
+ New Production (shipped from plants)	21,477	23,845	20,878	20,027	86,227
Pairs Available for Sale in Y20	26,830	27,549	24,689	25,376	104,444

**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)	22,273	21,701	21,186	19,939	85,099
Actual Year 20 Demand	22,232	21,654	21,492	20,675	86,054
Branded Pairs Sold	22,219	21,655	21,253	20,663	85,790
Required Y20 Ending Inventories	2,481	2,426	2,417	2,258	9,582
Inventory Surplus (Shortfall)	1,925	3,468	326	2,350	8,069

**COMMENTARY**

- Pairs produced before rejects
- Average reject rate = 5.1%
- Available for shipment to warehouses
- % usage down by 24.7 points from Y19
- % utilization down by 3.0 points from Y19

Lower than normal (23.6% industrywide) superior materials usage led to superior materials prices that were 13.2% below the base and standard materials prices that were 52.8% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 2.7% from the base.

- Average inventory clearance of 11.9%
- 21.4% higher than Y20 demand

Actual demand in Year 20 was 1.1% greater than expected due to decreases in industry average prices.

- Needed to achieve delivery times

{ Okay in N.A. High in E-A  
 { Okay in A-P High in L.A.

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

	Year 21	Year 22	Year 23	Year 24
<b>Branded</b> — North America	23,121	24,046	25,008	26,008
(internet + wholesale) Europe-Africa	22,521	23,422	24,359	25,333
Asia-Pacific	22,782	24,149	25,598	27,134
Latin America	21,915	23,230	24,624	26,101
<b>Total</b>	90,339	94,847	99,589	104,576
<b>Private-Label</b> — North America	3,768	3,768	3,768	3,768
Europe-Africa	3,720	3,720	3,720	3,720
Asia-Pacific	3,768	3,768	3,768	3,768
Latin America	3,776	3,776	3,776	3,776
<b>Total</b>	15,032	15,032	15,032	15,032

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

<b>Supply</b> — Beginning Year 21 Inventory (000s)	18,654
Potential Production (at max OT)	114,240
<b>Potential Global Supply</b>	132,894
<b>Demand</b> — Branded Sales Forecast (000s)	90,339
Private-Label Sales Forecast	15,032
<b>Expected Global Demand</b>	105,371
<b>Conclusion:</b>	Excess supply of 26.1% is likely to intensify competition in Year 21 until market growth absorbs the excess.

**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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	5,400	0	5,400	2,500	0	1,500	0	0	5,400	1,500	5,400	2,500	14,800	0	0	C
D	4,500	0	4,000	0	0	0	0	0	4,500	0	4,000	0	8,500	0	0	D
E	5,500	3,000	4,400	0	0	0	0	0	5,500	3,000	4,400	0	12,900	0	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	7,000	0	4,000	0	0	0	0	0	7,000	0	4,000	0	11,000	0	0	G
H	3,000	0	4,000	3,000	0	0	0	0	3,000	0	4,000	3,000	10,000	0	0	H
I	2,000	0	8,100	0	0	0	0	0	2,000	0	8,100	0	10,100	0	0	I
J	5,000	0	9,200	0	0	0	0	0	5,000	0	9,200	0	14,200	2,000	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	3,300	0	8,400	0	0	0	0	0	3,300	0	8,400	0	11,700	0	0	L
<b>Total</b>	35,700	3,000	47,500	5,500	0	1,500	0	0	35,700	4,500	47,500	5,500	93,200	2,000	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	0	0	0	0	0	0	0	0	0	0	0	B
C	702,933	424,933	42,985	140,339	18,571	76,105	13,614	18,747	43,744	23,100	7,700	C
D	561,036	316,771	35,052	153,237	10,919	45,057	29,889	4,550	10,618	0	10,000	D
E	738,118	424,263	54,991	151,125	16,068	91,671	18,203	22,040	51,428	5,700	7,500	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	694,972	365,429	45,835	169,671	14,470	99,567	11,289	26,483	61,795	15,000	7,500	G
H	488,938	300,289	31,672	137,165	13,620	6,192	15,983	0	-9,791	0	9,500	H
I	463,889	311,129	30,418	28,642	13,569	80,131	2,872	23,178	54,081	18,600	9,300	I
J	744,183	461,956	49,399	144,762	17,670	70,396	6,260	18,641	43,495	4,450	8,900	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	631,842	359,182	47,151	145,253	15,169	65,087	36,874	8,464	19,749	0	7,500	L
	628,239	370,494	42,188	133,774	15,007	66,776	16,873	15,263	34,390	8,356	8,488	

**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	0.00	0 / 0	A
B	0	0	0	0	0	0	0	0	0	0.00	0 / 0	B
C	0	221,002	607,550	64,035	136,500	386,369	0	20,646	407,015	3.00	3 / 3	C
D	0	213,575	395,704	157,013	32,000	196,074	0	10,617	206,691	0.00	3 / 5	D
E	2,058	236,884	620,853	71,530	120,000	383,595	0	45,729	429,323	0.76	5 / 5	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	0	250,367	524,636	85,459	88,500	303,883	0	46,795	350,678	2.00	9 / 1	G
H	0	277,926	501,152	148,557	107,000	255,384	0	-9,789	245,595	0.00	4 / 3	H
I	31,385	214,405	504,663	27,327	0	476,134	-34,279	35,481	477,336	2.00	1 / 2	I
J	6,035	232,687	677,648	40,603	0	549,461	48,538	39,046	637,045	0.50	4 / 4	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	228,152	534,227	188,549	128,100	197,829	0	19,749	217,578	0.00	0 / 2	L
	4,935	234,375	545,804	97,884	76,513	343,591	1,782	26,034	371,408	1.03	4 / 3	

**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	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	60.5	6.1	20.0	2.6	10.8	6.2	3.45	50	5.59	0.27	1.85	Medium	C
D	56.5	6.2	27.3	1.9	8.0	1.9	1.36	96	1.51	0.42	0.23	High	D
E	57.5	7.5	20.5	2.2	12.4	7.0	3.31	48	5.04	0.24	2.69	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	52.6	6.6	24.4	2.1	14.3	8.9	2.93	76	8.82	0.27	1.44	Medium	G
H	61.4	6.5	28.1	2.8	1.3	-2.0	1.87	188	0.39	0.43	0.12	High	H
I	67.1	6.6	6.2	2.9	17.3	11.7	7.85	99	27.90	0.00	10.00	Low	I
J	62.1	6.6	19.5	2.4	9.5	5.8	5.73	47	11.25	0.00	10.00	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	56.8	7.5	23.0	2.4	10.3	3.1	1.21	75	1.77	0.53	0.30	High	L
	59.0 %	6.7 %	21.3 %	2.4 %	10.6 %	5.5 %	2.39	85	7.78	0.27	3.33	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		7.80	<b>9.68</b>	11.52	<b>11.15</b>	16.21	<b>14.57</b>
	Private-Label Footwear		6.34	<b>9.11</b>	7.43	<b>10.51</b>	9.97	<b>11.46</b>
Labor — North America	Total Compensation (\$/year)		15,000	<b>15,000</b>	19,295	<b>19,395</b>	24,696	<b>24,768</b>
	Productivity (pairs/worker/year)		4,029	<b>4,041</b>	4,841	<b>4,887</b>	5,760	<b>5,816</b>
	Labor Cost (\$/pair produced)		3.66	<b>3.65</b>	4.58	<b>4.52</b>	5.51	<b>5.46</b>
Europe Africa	Total Compensation (\$/year)		17,389	<b>15,455</b>	17,389	<b>16,747</b>	17,389	<b>18,039</b>
	Productivity (pairs/worker/year)		3,636	<b>4,386</b>	3,636	<b>4,416</b>	3,636	<b>4,445</b>
	Labor Cost (\$/pair produced)		5.27	<b>4.26</b>	5.27	<b>4.33</b>	5.27	<b>4.39</b>
Asia Pacific	Total Compensation (\$/year)		6,363	<b>6,467</b>	7,527	<b>7,577</b>	8,777	<b>8,726</b>
	Productivity (pairs/worker/year)		2,430	<b>2,384</b>	2,809	<b>2,839</b>	3,094	<b>3,174</b>
	Labor Cost (\$/pair produced)		2.62	<b>2.60</b>	2.91	<b>2.93</b>	3.81	<b>3.86</b>
Latin America	Total Compensation (\$/year)		6,365	<b>6,556</b>	7,896	<b>7,965</b>	9,426	<b>9,374</b>
	Productivity (pairs/worker/year)		2,530	<b>2,494</b>	2,641	<b>2,673</b>	2,751	<b>2,851</b>
	Labor Cost (\$/pair produced)		2.97	<b>2.76</b>	3.54	<b>3.45</b>	4.10	<b>4.14</b>
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	<b>0.00</b>	0.83	<b>0.79</b>	2.50	<b>2.50</b>
	Cumulative		0.78	<b>0.78</b>	1.39	<b>1.31</b>	1.95	<b>2.01</b>
Reject Rates	Branded Production		3.5%	<b>3.7%</b>	5.3%	<b>5.4%</b>	7.6%	<b>7.8%</b>
	Private-Label Production		2.1%	<b>1.8%</b>	2.4%	<b>2.6%</b>	2.7%	<b>4.1%</b>
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		22.51	<b>25.55</b>	28.52	<b>29.27</b>	33.27	<b>33.70</b>
	E-A		23.96	<b>27.34</b>	23.96	<b>27.34</b>	23.96	<b>27.34</b>
	A-P		21.25	<b>21.58</b>	26.57	<b>25.82</b>	32.07	<b>28.88</b>
	L.A.		33.14	<b>31.72</b>	33.14	<b>31.72</b>	33.14	<b>31.72</b>
	Private-Label — N.A.		20.62	<b>21.10</b>	20.62	<b>23.33</b>	20.62	<b>25.56</b>
	E-A		0.00	<b>22.22</b>	0.00	<b>22.97</b>	0.00	<b>23.71</b>
	A-P		21.68	<b>22.58</b>	22.19	<b>28.45</b>	22.70	<b>37.70</b>
	L.A.		16.03	<b>41.29</b>	16.03	<b>41.29</b>	16.03	<b>41.29</b>

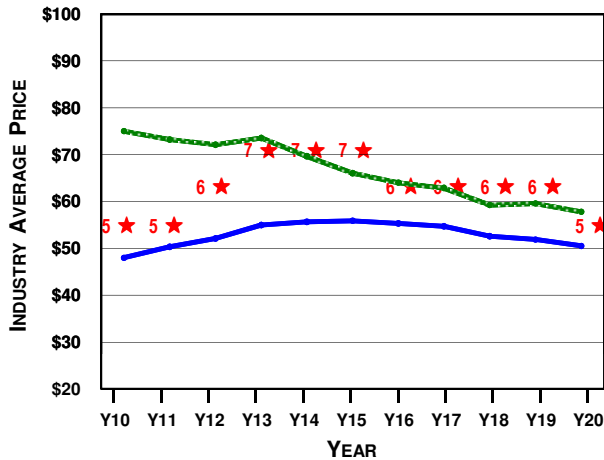
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	25.55	<b>26.57</b>	30.55	<b>30.30</b>	34.63	<b>34.88</b>
		E-A	25.83	<b>28.07</b>	33.05	<b>32.04</b>	37.54	<b>36.24</b>
		A-P	22.74	<b>23.17</b>	27.86	<b>27.54</b>	32.46	<b>32.35</b>
		L.A.	25.29	<b>27.31</b>	30.88	<b>31.10</b>	34.11	<b>35.70</b>
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.45	<b>10.46</b>	10.71	<b>10.75</b>	11.14	<b>10.98</b>
			2.14	<b>2.12</b>	2.44	<b>2.46</b>	2.98	<b>2.75</b>
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	9.03	<b>10.70</b>	15.33	<b>15.26</b>	21.62	<b>21.66</b>
			2.68	<b>2.94</b>	11.61	<b>11.97</b>	16.48	<b>17.58</b>
Administrative Expenses	(\$/pair sold)		1.13	<b>1.14</b>	1.44	<b>1.43</b>	1.94	<b>1.82</b>
Operating Profit (\$ per pair sold)	— Internet	N.A.	5.80	<b>5.04</b>	10.76	<b>9.99</b>	18.30	<b>14.72</b>
		E-A	3.86	<b>4.17</b>	10.37	<b>10.26</b>	15.76	<b>15.30</b>
		A-P	9.56	<b>4.96</b>	15.30	<b>12.43</b>	21.99	<b>17.61</b>
		L.A.	11.45	<b>7.70</b>	14.57	<b>10.88</b>	22.67	<b>17.08</b>
Wholesale	—	N.A.	1.17	<b>-0.21</b>	4.94	<b>3.71</b>	8.31	<b>7.60</b>
		E-A	2.60	<b>0.41</b>	6.60	<b>5.94</b>	10.81	<b>10.96</b>
		A-P	-1.45	<b>-3.51</b>	5.08	<b>5.01</b>	9.84	<b>13.60</b>
		L.A.	6.29	<b>2.91</b>	8.79	<b>5.99</b>	12.53	<b>11.76</b>
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	21.87	<b>22.35</b>	25.45	<b>24.58</b>	29.02	<b>26.81</b>
		E-A	0.00	<b>24.86</b>	#####	<b>24.91</b>	0.00	<b>24.96</b>
		A-P	22.93	<b>23.83</b>	23.44	<b>25.08</b>	23.95	<b>26.32</b>
		L.A.	17.28	<b>23.61</b>	19.94	<b>33.08</b>	22.60	<b>42.54</b>
Warehouse Expenses	(\$ per pair sold)		1.00	<b>1.00</b>	1.15	<b>1.16</b>	1.20	<b>1.20</b>
Margin Over Direct Costs (\$ per pair sold)	—	N.A.	0.27	<b>-3.07</b>	1.34	<b>-1.58</b>	2.40	<b>0.00</b>
		E-A	0.00	<b>2.73</b>	#####	<b>3.81</b>	0.00	<b>4.89</b>
		A-P	1.25	<b>-2.69</b>	2.83	<b>3.64</b>	4.41	<b>9.97</b>
		L.A.	4.01	<b>-18.22</b>	6.39	<b>-9.31</b>	8.77	<b>0.00</b>

**CELEBRITY ENDORSEMENTS**

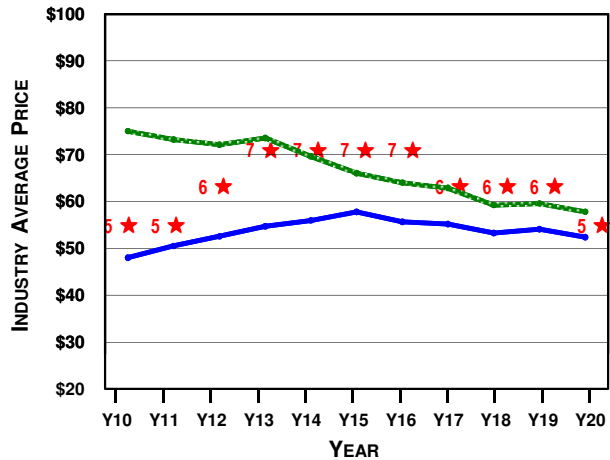
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company H	14,799	Y19	2 years	5	14,799	11,900	10,155	6,060
Oprah Letterman	100	70	65	75	Company C	5,006	Y20	3 years	1	5,006	0	5,006	5,006
Fifa Beckham	70	100	70	55	Company G	12,185	Y16	5 years	8	12,185	12,012	8,992	6,000
Tiger Green	95	80	85	75	Company C	5,006	Y20	2 years	1	5,006	0	5,006	5,006
José Montaña	60	50	60	95	Company H	7,555	Y18	3 years	4	7,555	6,006	5,765	4,500
Kobioshi Jones	55	60	95	90	Company C	5,006	Y20	4 years	1	5,006	0	5,006	5,006
Ace Federar	50	90	50	85	Company C	5,006	Y20	1 year	1	5,006	0	5,006	5,006
Danica Andretti	70	65	55	60	Company D	15,010	Y19	3 years	5	15,010	14,900	11,943	7,000
LaBron Game	75	80	95	50	Company C	12,013	Y17	4 years	7	12,013	12,000	9,538	4,000
Lorena Lopez	45	85	60	100	Company G	12,482	Y19	2 years	5	15,900	12,482	10,880	8,000
Lance deFrance	80	85	75	70	Company C	5,006	Y20	3 years	1	5,006	0	5,006	5,006
Yao KungPao	60	35	100	50	Company I	4,500	Y18	4 years	3	6,006	5,000	5,169	4,500

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

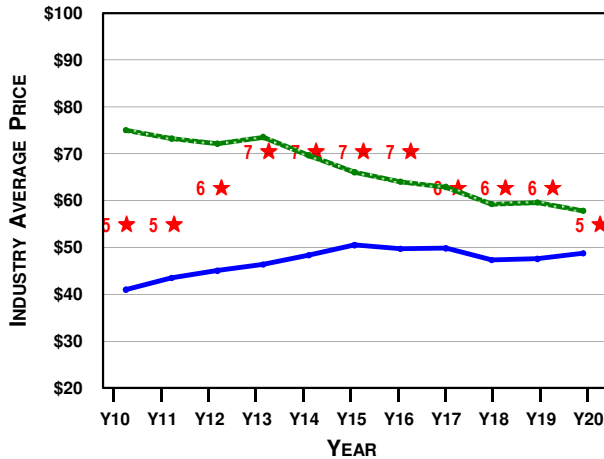
**NORTH AMERICA**



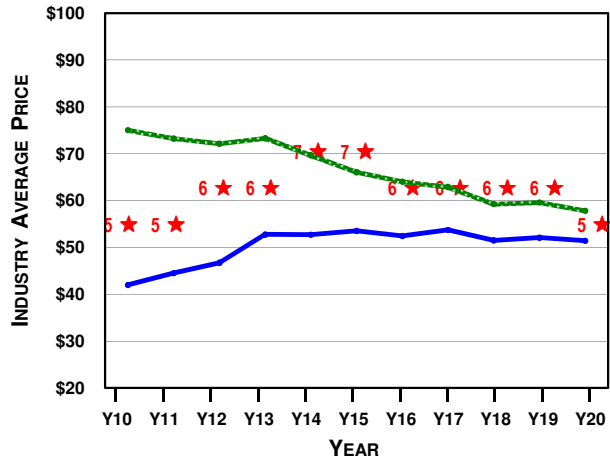
**EUROPE-AFRICA**



**ASIA-PACIFIC**



**LATIN AMERICA**



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