

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 9

Friday, April 29, 2005

YEAR 20

COMPANY SCORES : INVESTOR EXPECTATIONS STANDARD

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). 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 Confidence Index ranges from 0 to a max of 120 (if all targets are exceeded by 40% or more).

YEAR 20 INVESTOR CONFIDENCE INDEX

Company Name	Year 20 Index	Change from Y19
Have shoes for sale	120	0
Lutelli	120	0
Comfys	119	0
I Nawformark	118	+2
Barefeet Suck	116	-4
D Company	115	0
Elevate Your Game	113	0
JUMP MAN	111	-9
G Company	98	+5
A (deleted)	0	0
F (deleted)	0	0
K (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Have shoes for sale	113	+1
Comfys	111	+1
JUMP MAN	109	0
Barefeet Suck	100	+1
Lutelli	96	+2
G Company	93	+1
I Nawformark	90	+3
Elevate Your Game	89	+3
D Company	86	+3
A (deleted)	0	0
F (deleted)	0	0
K (deleted)	0	0

COMPANY SCORES : BEST-IN-INDUSTRY PERFORMANCE STANDARD

This scoring standard is based on how well each company performs relative to the best-performing company on EPS, ROE, Stock Price, Credit Rating, and Image Rating. In order to get a score of 100, a company must be the industry leader on all 5 measures, achieve the investor expectations on EPS, ROE, Stock Price, and Image Rating, and have an A+ Credit Rating. Scores of 70 and higher indicate strong overall performance; companies with low scores (<50) trail the industry leaders by a significant margin. Each company's annual and overall scores are shown on the next two pages.

YEAR 20 PERFORMANCE RANKINGS

Company Name	Year 20 Score	Change from Y19
Comfys	96	+1
Have shoes for sale	86	-4
I Nawformark	73	+10
Lutelli	72	-2
JUMP MAN	71	-12
Barefeet Suck	65	-23
D Company	64	+9
Elevate Your Game	63	+1
G Company	37	0
A (deleted)	0	0
F (deleted)	0	0
K (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Comfys	97	0
Have shoes for sale	88	-2
JUMP MAN	74	-10
Barefeet Suck	73	-14
Lutelli	69	0
I Nawformark	67	+7
Elevate Your Game	59	0
D Company	56	+2
G Company	40	-2
A (deleted)	0	0
F (deleted)	0	0
K (deleted)	0	0

EARNINGS PER SHARE (\$)

Bold numbers indicate achievement of the investor expectation for EPS shown below each column head. Best-in-industry performers earn a score of 20 (equal to a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading EPS performance. The overall best-in-industry score is based on a weighted average of the annual EPS performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall	Best-In-Ind. Score		
	(2.67)	(2.85)	(3.05)	(3.26)	(3.49)	(3.66)	(3.84)	(4.03)	(4.23)	(4.44)	(3.55)	Year 20	Overall	
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	A
B	2.14	3.43	2.13	2.68	2.51	7.80	13.52	18.59	23.99	20.49	9.32	11	14	B
C	2.97	4.93	4.88	5.34	8.03	10.44	15.99	17.80	26.43	36.16	12.94	20	20	C
D	4.47	0.86	-0.18	1.23	1.92	3.39	5.58	6.41	8.18	14.98	4.43	8	7	D
E	2.01	1.97	1.19	0.21	1.91	3.54	6.43	11.63	12.42	16.41	5.45	9	8	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	F
G	4.53	3.17	2.20	2.22	3.09	2.84	4.25	4.76	4.73	5.25	3.63	3	6	G
H	5.04	2.11	3.76	5.28	7.31	11.07	16.82	19.45	22.58	26.96	11.48	15	18	H
I	1.70	2.17	2.35	2.22	1.52	3.95	6.82	10.92	13.36	23.63	6.43	13	10	I
J	3.37	2.01	1.90	4.13	4.23	7.90	11.09	16.12	16.05	18.76	8.27	10	13	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	K
L	1.07	1.46	1.73	2.97	1.99	4.23	8.65	9.57	13.25	16.41	5.57	9	9	L

RETURN ON EQUITY (%)

Bold numbers indicate achievement of the investor expectation for ROE shown below each column head. Best-in-industry performers earn a score of 20 (equal to a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading ROE performance. The overall best-in-industry score is based on a weighted average of the annual ROE performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall	Best-In-Ind. Score		
	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	Year 20	Overall	
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	A
B	13.6	19.2	14.1	15.4	13.5	28.4	39.3	36.9	33.6	26.6	25.9	9	14	B
C	18.7	31.0	26.9	25.3	32.8	34.7	39.7	33.6	40.0	47.4	33.9	17	19	C
D	26.7	4.5	-0.9	6.4	9.6	15.9	22.9	22.9	24.5	45.3	18.8	16	10	D
E	13.0	11.0	7.2	1.2	10.3	17.0	24.8	36.4	33.2	41.8	22.2	15	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	F
G	26.0	15.5	9.7	9.0	11.3	9.2	12.3	12.4	13.2	19.5	13.1	7	7	G
H	31.3	12.0	13.6	16.4	19.1	24.5	33.6	35.7	39.2	48.3	28.5	17	16	H
I	10.6	11.6	11.8	10.0	6.6	14.8	21.9	28.3	26.5	34.7	19.4	12	11	I
J	21.0	15.0	15.9	24.7	24.3	35.4	40.0	50.6	46.6	56.3	36.6	20	20	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	K
L	6.8	8.7	9.5	14.4	8.6	15.0	27.5	27.4	34.4	39.2	20.7	14	11	L

STOCK PRICE (\$ per share)

Bold numbers indicate achievement of the investor expectation for stock price shown below each column head. Best-in-industry performers earn a score of 20 (which equals a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading stock price. The overall best-in-industry score is based solely on the most recent year's stock price.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Avg Annual Change	Best-In-Ind. Score		
	(32.00)	(34.25)	(36.75)	(39.25)	(42.00)	(44.25)	(46.25)	(48.75)	(51.25)	(53.50)		Year 20	Overall	
A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0 %	0	0	A
B	22.83	46.17	23.62	28.42	25.18	107.75	215.77	390.78	503.84	327.95	+27	8	8	B
C	41.42	87.00	70.98	75.67	137.15	214.84	368.74	400.95	634.87	850.19	+40	20	20	C
D	92.33	39.28	21.07	12.48	22.60	47.23	103.75	109.32	151.73	303.66	+26	7	7	D
E	23.36	22.61	13.20	8.54	19.69	48.79	109.87	219.76	224.45	304.36	+26	7	7	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	F
G	84.31	37.89	21.51	20.07	32.51	31.33	55.04	56.51	59.65	64.61	+8	2	2	G
H	85.75	37.03	47.42	71.11	150.42	227.20	362.23	408.77	497.74	593.21	+35	14	14	H
I	17.12	20.62	23.82	23.48	16.05	46.52	126.97	219.02	234.24	469.08	+32	11	11	I
J	63.04	30.63	18.60	55.59	58.19	166.89	255.48	371.58	354.01	328.61	+27	8	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	K
L	16.22	13.80	16.25	38.16	21.69	62.06	174.19	201.18	292.39	361.75	+28 %	9	9	L

CREDIT RATING

Bolded credit ratings indicate meeting or beating the B+ investor expectation shown below each column head. For the best-in-industry scoring, companies with an A+ credit rating earn a score of 20 (which equals a 20% weighting in overall score). Lesser credit ratings earn lower scores. The overall best-in-industry score is based solely on the most recent year's credit rating.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Default Risk	Best-In-Ind. Score		
	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)		Year 20	Overall	
A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	A
B	B	B-	C-	C	B-	A-	A	A+	A+	B+	N/A	17	17	B
C	B-	C+	B-	B	A-	B+	A	A+	A+	A+	Low	20	20	C
D	B+	C-	C-	C	B-	B+	A	A	A+	A	Low	19	19	D
E	B+	B	C+	B	A+	A+	A+	A+	A+	A+	Low	20	20	E
F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	F
G	A	A-	B	B-	B+	B+	A-	A-	B-	B-	N/A	11	11	G
H	B+	C+	A-	A	A+	A+	A+	A+	A+	A+	Low	20	20	H
I	C+	C+	B-	B	C+	B	A	A+	A+	A+	Low	20	20	I
J	B+	C	B-	B+	A-	A	A+	A+	A+	B	N/A	14	14	J
K	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	K
L	C+	B-	B-	B+	A-	A	A+	A+	A+	A+	Low	20	20	L

IMAGE RATING

Bolded image ratings indicate meeting or beating the 70 target image rating shown below each column head. Best-in-industry performers earn a score of 20 (equal to a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading image rating. Overall best-in-industry scores are based on the average of the image ratings in Y18, Y19, and Y20.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall (70)	Best-In-Ind. Score		
	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)		Year 20	Overall	
A	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	79	94	92	87	87	100	100	100	100	100	100	20	20	B
C	78	73	63	74	80	70	94	92	88	93	91	19	18	C
D	70	76	59	61	62	58	67	64	67	70	67	14	13	D
E	71	73	66	67	58	58	60	63	59	61	61	12	12	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	75	67	84	62	68	74	71	70	70	68	69	14	14	G
H	81	81	83	72	97	90	92	100	100	98	99	20	20	H
I	71	76	71	70	64	63	70	71	73	87	77	17	15	I
J	93	91	98	84	100	98	96	97	99	93	96	19	19	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	92	96	96	99	98	98	100	100	99	99	99	20	20	L

INVESTOR CONFIDENCE INDEX

The degree to which a company meets or beats the annual targets for each performance measure drives investor confidence in management's ability to deliver good results. An index score below 70 indicates subpar achievement of the annual performance targets. Index scores of 100 or more reflect consistently excellent or superior performance in meeting investor expectations.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Average Index	Overall Confidence	
	A	0	0	0	0	0	0	0	0	0			
B	85	103	69	76	78	118	119	120	120	116	100	Excellent	B
C	99	100	102	109	115	112	118	119	119	119	111	Superior	C
D	112	54	28	44	65	98	114	113	115	115	86	Good	D
E	87	78	52	42	75	102	113	114	113	113	89	Good	E
F	0	0	0	0	0	0	0	0	0	0	0	N/A	F
G	116	103	77	66	87	83	101	103	93	98	93	Very Good	G
H	114	82	107	112	119	119	119	120	120	120	113	Superior	H
I	66	71	76	75	52	96	115	116	116	118	90	Very Good	I
J	114	79	79	113	116	119	120	120	120	111	109	Excellent	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	K
L	58	66	69	100	78	113	120	120	120	120	96	Very Good	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	25,560	8,160	68,359	11,926	114,005
– Pairs Rejected	869	496	2,251	449	4,065
Net Y20 Production (after rejects)	24,691	7,664	66,108	11,477	109,940
Superior Materials Usage	30.6%	8.4%	45.4%	17.7%	36.5%
Capacity Utilization (branded + P-L prod.)	120.0%	120.0%	116.5%	97.8%	115.2%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	+ 1.62	+ 0.31	7.93
Superior Materials	15.00	- 1.01	+ 0.78	14.77

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	2,356	3,095	1,183	1,097	7,731
– Pairs Cleared (inventory clearance)	176	389	97	103	765
Beginning Y20 Inventories	2,180	2,706	1,086	994	6,966
+ New Production (shipped from plants)	23,200	23,444	24,180	24,972	95,796
Pairs Available for Sale in Y20	25,380	26,150	25,266	25,966	102,762

BRANDED DEMAND & SALES (000s of pair)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Projected 20 Demand (see Y19 FIR)	24,196	24,046	23,936	24,461	96,639
Actual Year 20 Demand	24,246	24,066	24,363	25,020	97,695
Branded Pairs Sold	23,098	23,172	22,743	23,739	92,752
Required Y20 Ending Inventories	1,241	1,189	1,157	1,113	4,700
Inventory Surplus (Shortfall)	-1,707	-439	-1,789	-1,802	-5,737

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 3.6%
- Available for shipment to warehouses
- % usage up by 3.4 points over Y19
- % utilization down by 3.8 points from Y19

Lower than normal (36.5% industrywide) superior materials usage led to superior materials prices that were 6.8% below the base and standard materials prices that were 27.0% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 5.2% from the base.

- Average inventory clearance of 9.9%
- 5.2% higher than Y20 demand
- Overall Y20 demand was 1.1% greater than expected.
- Needed to achieve delivery times
- { Low in N.A. Low in E-A
 Low in A-P Low in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America	25,216	26,225	27,274	28,365
(internet + wholesale) Europe-Africa	25,029	26,030	27,071	28,154
Asia-Pacific	25,825	27,375	29,018	30,759
Latin America	26,521	28,112	29,799	31,587
Total	102,591	107,742	113,162	118,865
Private-Label — North America	4,230	4,230	4,230	4,230
Europe-Africa	4,230	4,230	4,230	4,230
Asia-Pacific	4,230	4,230	4,230	4,230
Latin America	4,230	4,230	4,230	4,230
Total	16,920	16,920	16,920	16,920

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory	4,700
(000s) Potential Production (at max OT)	121,200
Potential Global Supply	125,900
Demand — Branded Sales Forecast	102,591
(000s) Private-Label Sales Forecast	16,920
Expected Global Demand	119,511
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	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	0	0	12,000	0	0	0	0	0	0	0	12,000	0	12,000	0	0	B
C	1,200	0	12,000	2,600	0	0	0	0	1,200	0	12,000	2,600	15,800	0	0	C
D	1,900	2,100	3,300	2,200	0	0	0	0	1,900	2,100	3,300	2,200	9,500	0	0	D
E	4,200	2,700	1,400	0	0	0	0	0	4,200	2,700	1,400	0	8,300	0	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	5,400	1,000	4,100	0	0	0	0	0	5,400	1,000	4,100	0	10,500	0	0	G
H	1,000	1,000	7,200	3,800	0	0	0	0	1,000	1,000	7,200	3,800	13,000	0	0	H
I	3,000	0	6,500	3,600	0	0	0	0	3,000	0	6,500	3,600	13,100	1,400	0	I
J	0	0	7,600	0	0	0	0	0	0	0	7,600	0	7,600	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	4,600	0	4,600	0	0	0	0	0	4,600	0	4,600	0	9,200	600	0	L
Total	21,300	6,800	58,700	12,200	0	0	0	0	21,300	6,800	58,700	12,200	99,000	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)	Pre-Tax Profit	Income Taxes	Net Profit	Dividends Paid	
A	0	0	0	0	0	0	0	0	0	0	0	A
B	591,761	253,619	30,154	77,640	14,419	215,929	-3,647	219,576	65,873	153,703	244,800	B
C	988,801	394,361	66,816	109,087	18,221	400,316	12,925	387,391	116,217	271,174	217,500	C
D	567,827	302,021	43,020	40,555	11,920	170,311	6,621	163,690	49,107	114,583	15,300	D
E	527,665	242,999	30,626	38,204	10,720	205,116	384	204,732	61,420	143,312	0	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	481,759	274,266	36,806	89,966	12,919	67,802	11,556	56,246	16,874	39,372	90,000	G
H	784,491	386,992	45,434	39,269	15,418	297,378	8,498	288,880	86,664	202,216	101,250	H
I	783,904	376,964	47,592	82,620	15,520	261,208	8,027	253,181	75,954	177,227	11,250	I
J	462,340	205,547	24,238	16,242	10,019	206,294	5,251	201,043	60,313	140,730	172,500	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	624,572	302,801	49,563	82,726	11,620	177,862	2,083	175,779	52,734	123,045	104,250	L
	645,902	304,397	41,583	64,034	13,420	222,468	5,744	216,724	65,017	151,707	106,317	

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	9,733	257,282	566,520	34,547	0	623,069	0	-91,095	531,973	32.64	3 / 2	B
C	13,817	292,239	774,118	54,857	120,000	545,551	0	53,710	599,261	29.00	6 / 0	C
D	23,580	180,946	469,138	59,041	238,100	334,423	-261,711	99,285	171,997	2.00	7 / 1	D
E	19,815	168,481	367,332	25,137	5,000	349,324	-155,464	143,335	337,195	0.00	3 / 1	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	3,234	139,682	355,207	52,031	127,000	226,805	0	-50,628	176,176	12.00	2 / 2	G
H	42,996	257,899	619,279	52,232	175,500	445,875	-155,295	100,967	391,547	13.50	9 / 1	H
I	84,425	290,044	710,673	56,847	60,000	427,850	0	165,976	593,826	1.50	5 / 4	I
J	0	168,490	347,722	41,814	72,000	265,677	0	-31,769	233,908	23.00	8 / 2	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	8,947	174,315	388,817	40,097	25,500	304,424	0	18,796	323,220	13.90	4 / 1	L
	22,950	214,375	510,979	46,289	91,456	391,444	-63,608	45,397	373,234	14.17	5 / 2	

SELECTED FINANCIAL AND OPERATING STATISTICS

CREDIT RATING DATA

	Costs and Profits as a % of Net Revenues						Current Ratio	Shares of Stock (000s)	Interest Coverage Ratio	Debt to Assets Ratio	Default Risk Ratio	Default Risk	
	Cost of Prs. Sold	Whse. Expenses	Mktn. 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	42.9	5.1	13.1	2.4	36.5	26.0	7.45	7,500	100.00	0.00	0.00	N/A	B
C	39.9	6.8	11.0	1.8	40.5	27.4	5.33	7,500	30.97	0.19	3.78	Low	C
D	53.2	7.6	7.1	2.1	30.0	20.2	3.06	7,650	25.72	0.58	3.77	Low	D
E	46.1	5.8	7.2	2.0	38.9	27.2	6.70	8,734	534.16	0.03	32.16	Low	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	56.9	7.6	18.7	2.7	14.1	8.2	2.68	7,500	5.87	0.44	0.00	N/A	G
H	49.3	5.8	5.0	2.0	37.9	25.8	4.94	7,500	34.99	0.31	6.79	Low	H
I	48.1	6.1	10.5	2.0	33.3	22.6	5.10	7,500	32.54	0.11	11.45	Low	I
J	44.5	5.2	3.5	2.2	44.6	30.4	4.03	7,500	39.29	0.27	0.00	N/A	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	48.5	7.9	13.2	1.9	28.5	19.7	4.35	7,500	85.39	0.08	7.74	Low	L
	47.1 %	6.4 %	9.9 %	2.1 %	34.4 %	23.5 %	4.63	7,654	98.77	0.22	7.30	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	7.77	7.21	10.17	9.96	12.94	12.79
	Private-Label Footwear	7.25	6.62	7.85	7.82	8.71	10.06
Labor — North America	Total Compensation (\$/year)	16,238	16,400	21,035	21,403	29,770	30,971
	Productivity (pairs/worker/year)	2,584	2,779	4,280	4,484	6,913	7,202
	Labor Cost (\$/pair produced)	4.15	4.01	5.93	5.55	8.02	7.11
Europe Africa	Total Compensation (\$/year)	16,439	16,468	19,405	19,161	23,403	23,455
	Productivity (pairs/worker/year)	2,609	2,672	4,213	4,365	5,729	5,792
	Labor Cost (\$/pair produced)	3.74	4.39	5.08	5.22	7.35	7.25
Asia Pacific	Total Compensation (\$/year)	3,397	3,423	5,922	6,175	7,577	8,247
	Productivity (pairs/worker/year)	1,975	1,948	3,180	3,257	3,866	4,061
	Labor Cost (\$/pair produced)	1.45	1.45	1.95	1.94	2.30	2.22
Latin America	Total Compensation (\$/year)	3,280	3,346	4,721	4,389	6,170	5,898
	Productivity (pairs/worker/year)	1,955	1,971	2,787	2,851	3,579	3,687
	Labor Cost (\$/pair produced)	1.89	1.90	2.04	2.00	2.26	2.19
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20	0.00	0.00	1.09	0.75	2.20	1.50
	Cumulative	0.31	0.28	1.15	1.10	2.15	2.00
Reject Rates	Branded Production	0.8%	0.9%	3.7%	3.7%	6.6%	6.7%
	Private-Label Production	1.3%	1.4%	2.7%	2.5%	3.9%	3.0%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.	19.72	19.01	24.77	23.99	30.12	28.56
	E-A	20.32	20.01	24.90	23.61	29.78	27.64
	A-P	18.00	17.59	21.60	21.29	25.72	25.09
	L.A.	21.13	21.06	23.41	22.24	24.72	23.41
	Private-Label — N.A.	23.50	21.34	23.81	21.44	24.11	21.58
	E-A	22.14	18.51	22.14	18.51	22.14	18.51
	A-P	16.54	17.13	20.41	20.70	26.40	25.48
	L.A.	16.89	14.24	16.89	22.81	16.89	31.38

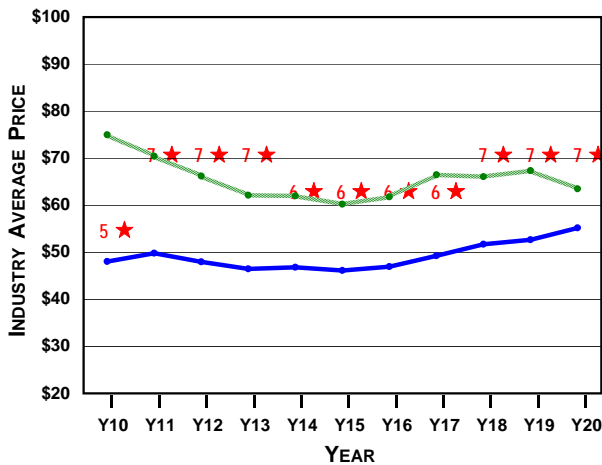
OPERATING BENCHMARKS		Industry Low		Industry Average		Industry High		
		Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	21.42	20.83	26.14	25.59	31.36	30.01
		E-A	22.07	21.81	29.21	28.97	34.58	34.38
		A-P	19.71	19.35	23.69	23.58	28.24	28.67
		L.A.	22.88	22.81	28.46	27.63	36.03	34.04
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	12.86	12.80	12.99	13.00	13.38	13.42
		Wholesale	2.01	1.93	2.21	2.22	2.77	2.86
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	4.18	3.97	11.59	9.14	28.29	16.84
		Wholesale	3.77	0.97	7.02	5.58	10.59	9.55
Administrative Expenses	(\$/pair sold)		1.05	1.06	1.34	1.37	1.87	2.00
Operating Profit (\$ per pair sold)	Internet	N.A.	12.56	14.27	26.12	25.19	37.91	31.21
		E-A	12.20	13.57	22.87	20.79	33.95	30.86
		A-P	19.25	18.91	28.72	27.57	40.90	32.41
		L.A.	10.79	19.69	22.50	26.30	35.40	32.66
Wholesale	N.A.	3.41	4.02	15.28	19.79	26.36	35.94	
	E-A	2.45	2.33	15.05	18.09	22.29	29.29	
	A-P	6.49	7.09	17.41	21.83	29.49	38.32	
	L.A.	-1.73	2.00	12.16	20.00	20.67	30.11	
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	20.24	21.08	23.78	23.57	25.86	28.17
		E-A	25.37	20.27	28.04	25.92	30.20	30.74
		A-P	18.29	18.88	23.39	24.71	33.04	35.42
		L.A.	18.64	15.99	25.23	15.99	28.08	15.99
Warehouse Expenses	(\$ per pair sold)		1.00	0.63	1.12	1.24	1.32	2.00
Margin Over Direct Costs (\$ per pair sold)		N.A.	2.74	2.25	15.62	18.21	27.98	27.90
		E-A	8.94	14.41	17.52	21.03	25.52	24.89
		A-P	5.04	10.62	16.55	21.75	27.53	29.30
		L.A.	6.65	6.55	12.96	6.55	17.98	6.55

CELEBRITY ENDORSEMENTS

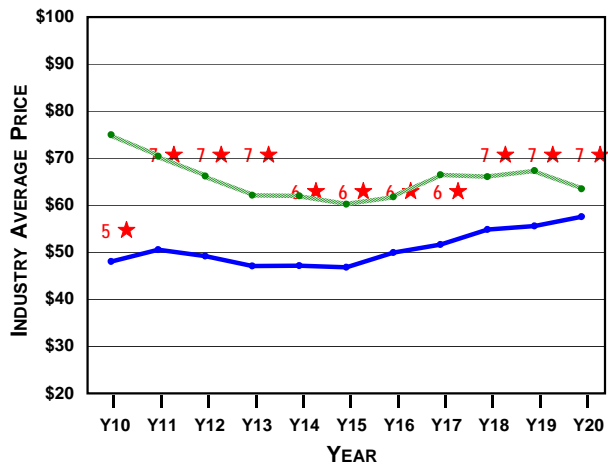
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2ND BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	[unsigned]	0	N/A	2 years	5	15,000	10,000	8,718	500
Oprah Letterman	100	70	65	75	[unsigned]	0	N/A	3 years	5	18,000	14,111	11,318	500
Annika Stockholm	70	100	70	55	[unsigned]	0	N/A	5 years	7	18,633	15,111	8,978	1,201
Tiger Green	95	80	85	75	Company L	15,001	Y20	2 years	1	15,001	0	15,001	15,001
José Montaña	60	50	60	95	Company L	15,001	Y20	3 years	2	15,001	11,001	13,001	11,001
Karioki Footsu	55	60	95	90	Company L	15,001	Y20	4 years	2	15,001	12,590	13,796	12,590
Jaques LaFeet	50	90	50	85	Company L	15,001	Y20	1 year	1	15,001	0	15,001	15,001
Serenus Willson	70	65	55	60	[unsigned]	0	N/A	3 years	5	14,000	10,000	8,518	500
Natalie Kwan	75	80	95	50	Company I	17,350	Y17	4 years	7	17,350	17,111	9,552	500
Sergio Milano	45	85	60	100	[unsigned]	0	N/A	2 years	6	14,000	11,979	8,936	500
Lance deFrance	80	85	75	70	Company L	15,001	Y20	3 years	2	15,001	12,590	13,796	12,590
Yao KungPao	60	35	100	50	Company C	17,111	Y18	4 years	7	17,111	10,000	7,533	500

BRANDED PRICE AND S/Q RATING TRENDS

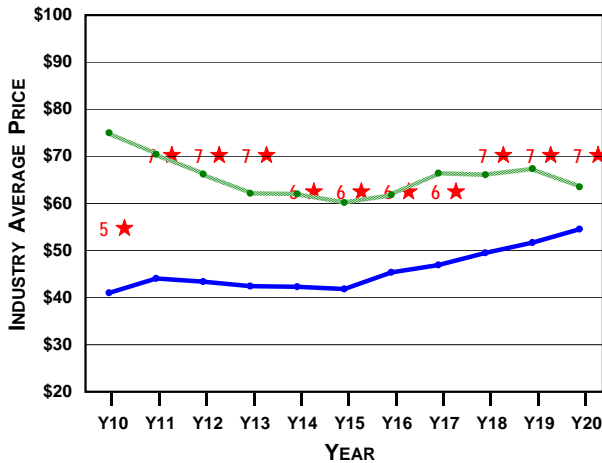
NORTH AMERICA



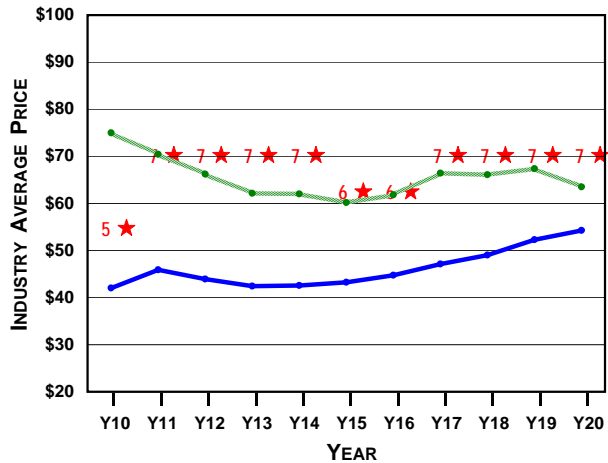
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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