

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 2

Friday, December 16, 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
Frameworked Footwear	118	+5
I Love USC	116	+4
C For Yourself.ZA	116	0
G Footworks by Edson	112	0
Egress	108	-6
Dionysos	105	-5
Justice is Blind	102	-11
Bling Athletics	88	-14
King Divine Footwear	84	+14
A (deleted)	0	0
H (deleted)	0	0
L Company	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
G Footworks by Edson	113	-1
C For Yourself.ZA	111	+1
I Love USC	109	+1
Egress	107	0
Dionysos	103	+1
Frameworked Footwear	90	+3
Justice is Blind	88	+2
Bling Athletics	85	0
King Divine Footwear	72	+1
A (deleted)	0	0
H (deleted)	0	0
L Company	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
G Footworks by Edson	89	-3
I Love USC	88	+10
C For Yourself.ZA	84	-2
Frameworked Footwear	76	+13
Egress	65	-8
Justice is Blind	60	-11
Dionysos	60	-6
King Divine Footwear	50	+7
Bling Athletics	49	-4
A (deleted)	0	0
H (deleted)	0	0
L Company	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
G Footworks by Edson	92	-2
I Love USC	89	+7
C For Yourself.ZA	87	-1
Frameworked Footwear	73	+9
Egress	71	-7
Dionysos	58	-10
Justice is Blind	54	-8
Bling Athletics	53	-1
King Divine Footwear	50	+3
A (deleted)	0	0
H (deleted)	0	0
L Company	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	2.66	2.51	2.83	1.63	0.48	1.30	2.38	5.30	4.46	3.35	2.66	4	6	B
C	3.32	3.87	4.38	3.02	4.76	5.49	6.98	11.79	11.10	11.25	6.39	15	15	C
D	4.20	2.92	4.97	2.14	3.34	2.81	5.36	7.08	7.17	6.98	4.54	9	10	D
E	5.27	4.66	5.89	3.48	2.24	4.25	6.21	7.70	8.32	7.49	5.51	10	13	E
F	3.49	2.54	4.60	2.78	-0.10	1.24	3.64	5.01	5.32	6.78	3.50	9	8	F
G	3.87	3.74	5.98	5.39	4.32	10.18	13.69	17.03	14.42	14.91	8.66	20	20	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	H
I	3.58	4.77	6.00	3.92	5.91	7.78	6.18	11.05	9.95	10.42	6.91	14	16	I
J	2.20	0.33	3.07	2.31	2.14	2.11	3.45	4.54	5.58	5.13	2.96	7	7	J
K	3.37	1.90	2.43	1.26	-0.87	1.17	1.31	3.15	1.76	2.78	1.83	4	4	K
L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	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	16.7	12.4	12.2	6.7	2.0	5.4	9.2	17.6	13.1	8.8	10.1	6	9	B
C	20.4	22.0	23.8	14.6	20.2	20.8	22.3	30.6	23.7	22.2	21.7	16	19	C
D	24.3	14.3	20.2	7.7	10.2	8.1	13.9	17.1	18.7	21.3	14.9	15	13	D
E	31.6	27.7	28.7	15.1	9.4	17.0	22.0	23.0	21.3	18.1	20.0	13	18	E
F	22.3	19.4	30.8	15.4	-0.5	6.5	18.7	22.3	20.2	23.2	17.4	17	15	F
G	23.3	17.9	21.7	16.7	12.0	23.7	31.6	32.6	24.7	21.4	21.7	16	19	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	H
I	22.5	34.6	36.9	16.3	17.2	21.7	15.3	29.8	25.2	25.7	22.5	19	20	I
J	14.0	2.0	16.8	11.0	8.7	10.8	17.6	23.0	28.1	27.5	15.5	20	14	J
K	20.3	10.2	12.0	5.8	-4.1	5.4	5.7	12.5	6.4	9.5	7.9	7	7	K
L	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	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	33.22	28.35	32.12	17.65	10.44	12.90	28.55	90.23	61.03	42.24	+4	4	4	B
C	55.53	59.03	70.18	33.04	62.33	70.63	108.97	218.91	188.85	175.37	+19	18	18	C
D	69.46	33.34	77.08	34.85	37.66	29.30	93.87	131.61	122.49	93.07	+12	9	9	D
E	111.36	86.93	115.25	46.56	24.19	49.68	103.10	135.67	146.57	105.77	+13	11	11	E
F	56.62	30.38	74.35	34.74	19.05	11.54	45.81	70.20	74.78	129.58	+16	13	13	F
G	77.98	62.24	123.11	87.05	54.12	162.86	253.99	315.38	202.70	187.35	+20	19	19	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	H
I	49.31	88.43	123.65	49.62	83.58	128.39	105.39	211.76	154.55	198.70	+21	20	20	I
J	24.54	14.59	35.11	24.01	33.06	22.43	48.79	70.75	106.88	70.42	+9	7	7	J
K	48.90	25.75	25.76	14.25	8.53	9.88	13.24	41.71	22.91	34.97	+2	4	4	K
L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0 %	0	0	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	A-	A	A	A	B	A	A+	A+	A+	A+	Low	20	20	B
C	A	B+	B+	C+	B+	B+	A-	A	A-	A-	Medium	18	18	C
D	A-	B+	A	B+	B+	A	A+	A	B+	B-	N/A	11	11	D
E	A-	B+	A-	B	B	B+	A-	A-	A-	B	High	14	14	E
F	B-	C	C+	C	C-	C-	B-	B+	B+	A	Low	19	19	F
G	A-	A-	A	A-	B+	B+	A-	B+	B	B	Medium	14	14	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	H
I	B-	B-	B-	B+	B+	A	A	A	B+	A	Medium	19	19	I
J	B+	C	A-	A-	A-	B	B+	B+	A	B	N/A	14	14	J
K	A-	B	A-	B	C-	B-	B+	A-	A-	A	Low	19	19	K
L	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	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	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	73	76	60	66	70	68	67	70	62	75	69	15	14	B
C	67	81	89	83	60	70	74	86	84	86	85	17	17	C
D	65	85	87	77	87	74	79	75	71	80	75	16	15	D
E	70	69	68	71	75	75	73	67	72	87	75	17	15	E
F	96	97	98	88	98	99	81	92	89	91	91	18	18	F
G	78	74	78	90	84	100	100	100	100	100	100	20	20	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	72	64	65	65	65	72	77	64	70	79	71	16	14	I
J	65	55	64	67	70	60	63	58	65	58	60	12	12	J
K	75	70	70	68	72	70	80	83	82	81	82	16	16	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	N/A	A
B	103	96	92	70	47	62	79	113	102	88	85	Good	B
C	112	114	115	85	108	112	115	117	116	116	111	Superior	C
D	113	100	116	82	93	83	112	113	110	105	103	Excellent	D
E	114	112	113	99	75	105	114	113	114	108	107	Excellent	E
F	107	87	104	82	33	45	95	113	113	118	90	Very Good	F
G	115	112	116	114	103	116	118	116	112	112	113	Superior	G
H	0	0	0	0	0	0	0	0	0	0	0	N/A	H
I	103	102	103	105	108	115	112	113	112	116	109	Excellent	I
J	89	34	100	82	82	69	99	106	113	102	88	Good	J
K	114	78	88	58	24	49	62	94	70	84	72	Fair	K
L	0	0	0	0	0	0	0	0	0	0	0	N/A	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	32,480	9,531	63,351	18,720	124,082
– Pairs Rejected	1,522	471	3,753	1,309	7,055
Net Y20 Production (after rejects)	30,958	9,060	59,598	17,411	117,027
Superior Materials Usage	35.6%	24.1%	34.4%	23.3%	32.3%
Capacity Utilization (branded + P-L prod.)	116.4%	112.1%	116.5%	120.0%	116.6%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	9.00	+ 3.19	+ 0.59	12.78
Superior Materials	17.50	- 1.55	+ 1.16	17.11

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	7,009	5,721	5,388	7,330	25,448
– Pairs Cleared (inventory clearance)	1,745	1,912	1,872	1,703	7,232
Beginning Y20 Inventories	5,264	3,809	3,516	5,627	18,216
+ New Production (shipped from plants)	27,250	25,333	25,533	25,299	103,415
Pairs Available for Sale in Y20	32,514	29,142	29,049	30,926	121,631

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)	23,529	24,118	23,729	22,896	94,272
Actual Year 20 Demand	23,271	23,850	23,710	23,213	94,044
Branded Pairs Sold	23,267	23,843	23,709	23,209	94,028
Required Y20 Ending Inventories	1,632	1,649	1,637	1,579	6,497
Inventory Surplus (Shortfall)	7,615	3,443	3,626	6,040	20,724

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.7%
- Available for shipment to warehouses
- % usage down by 24.6 points from Y19
- % utilization up by 0.8 points over Y19

Lower than normal (32.3% industrywide) superior materials usage led to superior materials prices that were 8.9% below the base and standard materials prices that were 35.4% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 6.6% from the base.

- Average inventory clearance of 28.4%
- 29.3% higher than Y20 demand
- Actual demand in Year 20 was 0.2% less than expected.
- Needed to achieve delivery times
- { Very high in N.A. High in E-A
High in A-P Very high in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America	24,201	25,169	26,176	27,223
(internet + wholesale) Europe-Africa	24,804	25,796	26,828	27,901
Asia-Pacific	25,133	26,641	28,239	29,933
Latin America	24,606	26,082	27,647	29,306
Total	98,744	103,688	108,890	114,363
Private-Label — North America	4,700	4,700	4,700	4,700
Europe-Africa	4,700	4,700	4,700	4,700
Asia-Pacific	4,700	4,700	4,700	4,700
Latin America	4,700	4,700	4,700	4,700
Total	18,800	18,800	18,800	18,800

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory	27,221
(000s) Potential Production (at max OT)	120,480
Potential Global Supply	147,701
Demand — Branded Sales Forecast	98,744
(000s) Private-Label Sales Forecast	18,800
Expected Global Demand	117,544
Conclusion:	Excess supply of 25.7% 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	A
B	4,300	0	5,000	0	0	0	0	0	4,300	0	5,000	0	9,300	0	B
C	0	0	7,500	4,800	0	0	0	0	0	0	7,500	4,800	12,300	0	C
D	2,400	0	6,000	3,000	0	0	0	0	2,400	0	6,000	3,000	11,400	0	D
E	4,200	0	6,500	0	0	0	0	0	4,200	0	6,500	0	10,700	0	E
F	3,400	0	4,200	0	0	0	0	0	3,400	0	4,200	0	7,600	0	F
G	6,600	7,000	8,100	4,500	0	0	0	0	6,600	7,000	8,100	4,500	26,200	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	5,400	3,300	0	0	0	0	0	0	5,400	3,300	8,700	0	I
J	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	0	J
K	3,000	1,500	4,000	0	0	0	-300	0	3,000	1,500	3,700	0	8,200	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	27,900	8,500	54,700	15,600	0	0	-300	0	27,900	8,500	54,400	15,600	106,400	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	528,645	359,044	40,834	71,579	11,720	45,468	947	13,356	31,165	1,860	9,300	B
C	688,122	385,834	45,756	109,397	14,720	132,415	11,920	36,149	84,346	9,750	7,500	C
D	618,518	350,337	62,301	106,168	13,817	85,895	11,152	22,423	52,320	132,150	7,500	D
E	635,337	386,348	58,751	88,413	13,117	88,708	8,435	24,082	56,191	60,000	7,500	E
F	508,469	324,833	27,172	66,426	10,019	80,019	7,357	21,799	50,863	34,875	7,500	F
G	1,268,938	760,111	80,277	195,149	28,617	204,784	45,038	47,924	111,822	8,400	7,500	G
H	0	0	0	0	0	0	0	0	0	0	0	H
I	517,534	317,621	30,808	39,248	11,119	118,738	7,077	33,498	78,163	76,125	7,500	I
J	340,848	187,722	34,483	52,159	8,419	58,065	3,065	16,500	38,500	60,000	7,500	J
K	443,094	275,309	29,857	85,597	10,618	41,713	3,588	11,438	26,687	384	9,600	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	580,725	348,667	44,223	85,541	13,058	89,236	10,721	23,554	54,960	38,354	8,345	

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	3,152	214,464	401,881	42,058	0	346,185	-15,668	29,306	359,823	0.20	3 / 3	B
C	0	249,097	610,973	107,893	133,200	389,600	-94,320	74,600	369,880	1.30	9 / 0	C
D	0	229,898	490,025	111,883	175,324	287,575	-4,926	-79,831	202,818	17.62	4 / 1	D
E	0	207,328	441,048	80,692	51,000	313,168	0	-3,813	309,356	8.00	10 / 0	E
F	0	164,918	323,107	41,598	54,000	211,520	0	15,989	227,509	4.65	3 / 0	F
G	0	480,136	1,153,902	239,898	383,000	512,987	-85,404	103,421	531,004	1.12	10 / 0	G
H	0	0	0	0	0	0	0	0	0	0.00	0 / 0	H
I	10,469	173,694	388,752	41,255	42,000	303,460	0	2,038	305,497	10.15	7 / 2	I
J	0	119,335	210,385	49,530	31,500	150,857	0	-21,502	129,355	8.00	4 / 1	J
K	64,737	190,275	364,315	45,301	26,000	269,028	-2,315	26,301	293,014	0.04	1 / 3	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	7,836	235,894	478,268	88,262	89,602	304,060	-20,263	16,607	300,404	5.11	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	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	67.9	7.7	13.5	2.2	8.6	5.9	5.10	100	48.01	0.00	10.00	Low	B
C	56.1	6.6	15.9	2.1	19.2	12.3	2.31	73	11.11	0.32	1.64	Medium	C
D	56.6	10.1	17.2	2.2	13.9	8.5	2.05	90	7.70	0.51	0.00	N/A	D
E	60.8	9.2	13.9	2.1	14.0	8.8	2.57	57	10.52	0.21	0.47	High	E
F	63.9	5.3	13.1	2.0	15.7	10.0	3.96	50	10.88	0.19	4.52	Low	F
G	59.9	6.3	15.4	2.3	16.1	8.8	2.00	119	4.55	0.46	1.03	Medium	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	61.4	6.0	7.6	2.1	22.9	15.1	4.21	58	16.78	0.14	2.17	Medium	I
J	55.1	10.1	15.3	2.5	17.0	11.3	2.41	67	18.94	0.29	0.00	N/A	J
K	62.1	6.7	19.3	2.4	9.4	6.0	4.20	20	11.63	0.11	3.51	Low	K
L	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	L
	60.0 %	7.6 %	14.7 %	2.2 %	15.4 %	6.6 %	2.67	132	14.44	0.25	2.37	Medium	

Bold = best in industry = needs management attention

PLANT AND PRODUCTION BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Materials Costs (\$ per pair produced)	Branded Footwear		8.58	11.52	12.64	13.81	17.13	17.51
	Private-Label Footwear		8.25	11.47	10.08	13.03	13.21	15.75
Labor — North America	Total Compensation (\$/year)		16,728	16,825	23,925	23,476	28,745	29,732
	Productivity (pairs/worker/year)		3,996	4,054	5,170	5,180	6,135	6,274
	Labor Cost (\$/pair produced)		3.38	3.22	4.62	4.57	6.22	6.32
Europe Africa	Total Compensation (\$/year)		26,865	27,149	37,065	39,247	47,265	51,344
	Productivity (pairs/worker/year)		5,563	5,677	5,911	6,085	6,258	6,493
	Labor Cost (\$/pair produced)		5.10	5.06	6.41	6.57	7.72	8.08
Asia Pacific	Total Compensation (\$/year)		3,945	3,975	4,808	4,917	5,977	6,257
	Productivity (pairs/worker/year)		2,497	2,464	2,966	3,008	3,872	4,015
	Labor Cost (\$/pair produced)		1.06	1.33	1.67	1.73	2.04	2.06
Latin America	Total Compensation (\$/year)		4,469	4,571	4,823	4,937	5,582	5,749
	Productivity (pairs/worker/year)		2,897	2,941	3,028	3,092	3,281	3,368
	Labor Cost (\$/pair produced)		1.37	1.65	1.67	1.73	1.96	1.96
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.50	0.50	0.80	0.87	2.10	1.80
	Cumulative		0.50	0.50	0.79	0.81	2.14	2.11
Reject Rates	Branded Production		3.6%	3.5%	5.7%	5.6%	11.5%	11.4%
	Private-Label Production		2.9%	2.8%	4.1%	3.7%	6.9%	4.8%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	24.51	26.04	28.67	30.24	34.22	34.68
		E-A	28.23	26.10	30.78	30.51	33.33	34.91
		A-P	20.30	21.81	24.11	25.93	31.88	32.58
		L.A.	20.80	21.92	23.39	24.57	25.96	27.74
	Private-Label	N.A.	18.95	22.58	27.57	27.12	40.77	30.74
		E-A	21.83	25.75	21.83	25.75	21.83	25.75
		A-P	18.57	20.98	28.82	25.66	54.18	35.90
		L.A.	18.51	26.45	18.51	26.45	18.51	26.45

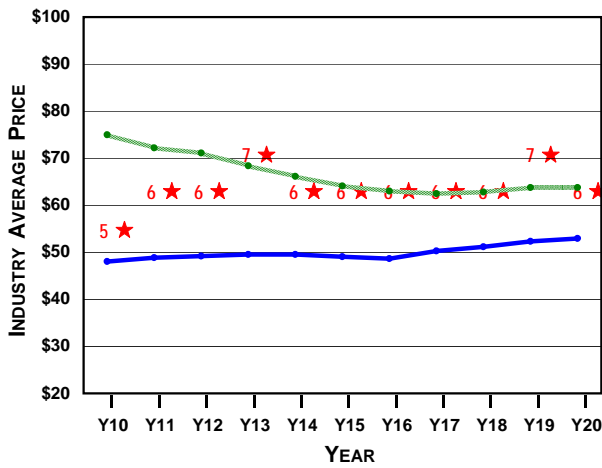
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	27.21	28.40	30.77	31.87	36.55	37.17
		E-A	27.35	28.56	30.87	31.83	36.81	37.69
		A-P	22.93	24.31	26.98	28.47	34.26	35.06
		L.A.	23.51	25.63	31.23	32.73	40.70	42.12
		Wholesale	15.28	15.41	15.72	15.79	17.17	17.43
Warehouse Expenses - Internet (\$ per pair sold)		1.72	1.90	2.49	2.56	4.16	4.42	
	Wholesale	6.81	9.55	15.30	14.57	29.36	26.38	
Marketing Expenses — Internet (\$ per pair sold)		4.80	3.53	8.44	8.25	13.02	11.46	
	Wholesale	1.18	1.20	1.45	1.41	1.85	1.83	
Administrative Expenses (\$/pair sold)	Operating Profit (\$ per pair sold)	N.A.	6.92	2.86	15.01	13.77	21.66	21.87
		E-A	6.32	6.85	13.97	16.81	19.88	24.77
		A-P	13.93	11.42	21.65	20.58	28.69	26.99
		L.A.	5.97	5.56	15.27	12.94	24.22	23.20
		Wholesale	3.31	2.81	8.23	6.99	15.07	16.61
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	3.31	3.33	5.90	8.39	12.54	16.13
		E-A	-0.78	3.33	5.90	8.39	12.54	16.13
		A-P	3.37	5.78	9.90	9.38	15.73	16.40
		L.A.	2.47	1.22	9.62	7.93	18.31	18.44
		Wholesale	2.47	1.22	9.62	7.93	18.31	18.44
Warehouse Expenses (\$ per pair sold)	Margin Over Direct Costs (\$ per pair sold)	N.A.	24.89	28.04	26.03	30.82	27.83	33.24
		E-A	24.33	27.88	31.23	29.43	47.38	31.82
		A-P	21.07	23.48	30.00	28.16	46.29	38.40
		L.A.	22.26	27.74	40.64	32.10	64.71	36.14
		Wholesale	1.00	1.00	1.00	1.00	1.00	1.00
Warehouse Expenses (\$ per pair sold)	Margin Over Direct Costs (\$ per pair sold)	N.A.	-0.95	-1.92	4.42	0.94	13.10	3.01
		E-A	-6.73	-1.86	6.01	2.21	17.43	6.81
		A-P	-6.52	-4.25	8.07	1.06	17.13	8.84
		L.A.	-20.97	-2.99	-2.25	0.34	15.13	5.22
		Wholesale	-20.97	-2.99	-2.25	0.34	15.13	5.22

CELEBRITY ENDORSEMENTS

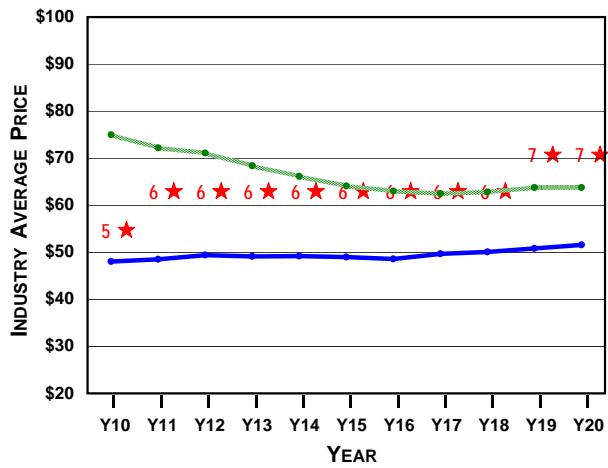
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2ND BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company G	14,999	Y19	2 years	6	19,575	16,888	12,506	500
Oprah Letterman	100	70	65	75	Company D	5,000	Y20	3 years	1	5,000	0	5,000	5,000
Annika Stockholm	70	100	70	55	Company D	15,500	Y16	5 years	6	15,500	14,750	12,574	5,555
Tiger Green	95	80	85	75	Company D	5,000	Y20	2 years	1	5,000	0	5,000	5,000
José Montaña	60	50	60	95	[unsigned]	0	N/A	3 years	1	5,000	0	5,000	5,000
Karioki Footsu	55	60	95	90	[unsigned]	0	N/A	4 years	1	5,000	0	5,000	5,000
Jaques LaFeet	50	90	50	85	[unsigned]	0	N/A	1 year	1	5,000	0	5,000	5,000
Serenus Willson	70	65	55	60	Company D	19,575	Y19	3 years	6	19,575	16,888	13,186	500
Natalie Kwan	75	80	95	50	Company C	18,500	Y17	4 years	6	18,500	15,760	14,530	8,888
Sergio Milano	45	85	60	100	Company G	17,999	Y19	2 years	6	19,575	17,999	14,223	500
Lance deFrance	80	85	75	70	[unsigned]	0	N/A	3 years	1	5,000	0	5,000	5,000
Yao KungPao	60	35	100	50	Company G	17,313	Y18	4 years	5	17,313	14,141	11,664	5,678

BRANDED PRICE AND S/Q RATING TRENDS

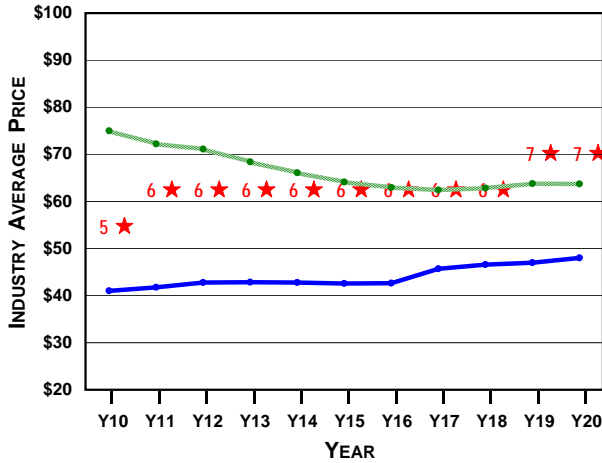
NORTH AMERICA



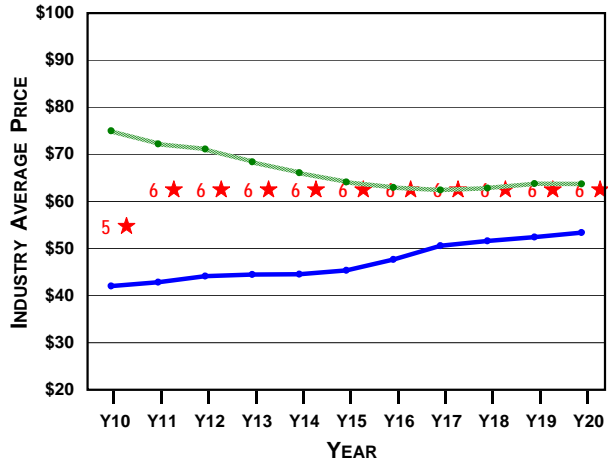
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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