

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 10

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
C1 JTG Enterprises	118	+3
Bring It On!	116	+2
Excellllent Shoes	112	-4
Al Bundy Beer Club	110	+5
Lucky Soles	109	+2
Hypnotic	102	-1
F Congrats C1	101	0
INSIGHT	93	+14
Killer Shoes	92	+26
Doomerang	74	-7
J A-Town Stomp	67	+23
G (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
C1 JTG Enterprises	100	+2
Hypnotic	90	+2
Lucky Soles	87	+2
Al Bundy Beer Club	85	+3
Excellllent Shoes	83	+4
Bring It On!	74	+5
F Congrats C1	70	+3
Doomerang	61	+1
INSIGHT	61	+4
Killer Shoes	59	+4
J A-Town Stomp	48	+3
G (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
C1 JTG Enterprises	92	+4
Excellllent Shoes	80	-3
Bring It On!	66	+1
Lucky Soles	56	-4
F Congrats C1	56	-8
Al Bundy Beer Club	55	-1
Hypnotic	53	-3
INSIGHT	51	+6
Killer Shoes	50	+8
Doomerang	43	-3
J A-Town Stomp	38	+11
G (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
C1 JTG Enterprises	94	0
Excellllent Shoes	80	-2
Bring It On!	69	+1
Hypnotic	60	-3
Al Bundy Beer Club	59	-1
Lucky Soles	58	-7
F Congrats C1	56	-3
INSIGHT	48	+8
Killer Shoes	46	+2
Doomerang	42	-1
J A-Town Stomp	37	+8
G (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	2.25	2.87	4.26	3.16	-1.31	4.03	1.74	3.28	5.50	6.29	2.96	8	9	A
B	2.51	3.75	2.90	0.52	0.38	0.27	1.68	5.13	5.94	7.25	3.05	10	10	B
C	5.31	3.88	8.78	6.85	-0.73	2.56	3.70	9.83	11.43	14.96	6.33	20	20	C
D	3.42	1.28	1.87	0.35	-2.17	-1.50	-0.09	3.03	2.37	2.05	0.91	3	3	D
E	4.98	4.99	3.72	0.71	-0.09	-0.18	2.68	6.30	9.54	11.22	4.34	15	14	E
F	3.03	2.44	2.49	1.27	-1.91	-1.30	-0.83	4.63	4.76	4.71	1.95	6	6	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	G
H	2.09	1.59	2.49	1.16	2.68	1.99	4.11	4.75	4.44	4.05	2.84	5	9	H
I	2.36	2.63	2.45	-0.48	-1.92	-3.09	-0.85	3.99	2.58	3.18	1.13	4	4	I
J	2.07	0.40	0.72	0.13	1.15	-0.65	1.23	2.27	1.44	2.46	1.13	3	4	J
K	1.48	-0.59	2.25	0.95	0.43	-0.68	0.66	1.67	1.37	2.85	1.00	4	3	K
L	2.64	1.76	1.98	1.07	2.00	1.33	3.92	4.31	4.84	5.80	2.83	8	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	13.8	15.4	23.0	14.2	-7.0	14.4	7.5	12.7	18.2	17.4	12.2	11	13	A
B	15.9	22.4	16.8	3.0	2.3	1.6	9.5	24.4	21.9	21.0	14.9	13	16	B
C	32.3	21.4	30.8	18.8	-1.6	5.1	6.3	14.8	15.5	18.3	12.6	12	14	C
D	20.3	6.7	9.0	2.2	-13.0	-10.0	-0.6	19.6	13.0	11.0	5.3	7	6	D
E	28.9	24.9	17.5	3.4	-0.4	-0.9	12.7	24.9	28.9	31.7	18.3	20	20	E
F	19.7	18.2	20.4	10.5	-17.6	-14.1	-10.2	47.0	34.6	28.6	16.2	18	18	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	G
H	12.9	8.8	12.2	5.3	12.1	8.2	15.6	16.6	15.3	14.3	12.1	9	13	H
I	14.9	15.5	19.2	-3.8	-17.6	-36.8	-13.2	49.9	22.9	22.5	9.7	14	11	I
J	12.8	2.3	4.0	0.7	6.1	-3.4	6.4	10.9	6.3	10.8	5.7	7	6	J
K	9.7	-3.6	13.1	5.1	2.3	-4.2	4.0	9.8	7.1	13.6	5.7	9	6	K
L	16.1	9.1	9.1	4.5	8.2	4.7	13.6	13.1	13.2	16.9	10.7	11	12	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	22.01	32.10	55.78	34.12	18.69	42.23	22.51	39.74	68.15	88.25	+11 %	6	6	A
B	30.86	64.71	31.18	17.13	10.10	6.84	18.54	65.41	82.09	120.37	+15	8	8	B
C	91.00	49.61	158.50	103.40	42.30	26.63	39.78	149.98	211.83	314.88	+27	20	20	C
D	55.13	27.66	16.99	10.56	6.72	4.75	5.31	28.75	33.91	25.55	-2	2	2	D
E	97.75	80.01	42.82	23.05	13.51	8.20	30.38	91.94	148.83	207.85	+21	13	13	E
F	56.64	28.33	28.94	16.49	10.17	6.30	4.70	28.95	84.21	78.40	+10	5	5	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	G
H	20.06	15.33	25.04	13.97	33.56	21.94	64.32	79.16	62.42	54.79	+6	3	3	H
I	26.38	30.83	26.89	15.26	9.58	6.05	4.70	28.64	30.62	42.68	+4	3	3	I
J	19.74	11.99	7.21	4.85	12.95	8.04	13.87	26.41	15.95	29.90	0	2	2	J
K	16.95	10.61	23.18	13.45	8.54	5.17	6.28	23.52	16.93	46.56	+5	3	3	K
L	31.31	16.98	19.33	11.38	21.12	13.34	53.16	59.05	90.52	78.05	+10 %	5	5	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	B+	B+	A-	B	C-	B	C+	B	B+	A-	Medium	18	18	A
B	C+	C	C-	C-	C-	C-	C-	C+	B+	A-	Medium	18	18	B
C	B+	C+	B	B	C	B+	B+	A-	A	A+	Low	20	20	C
D	A-	C+	B-	B-	C-	C-	C+	A+	A+	A+	Low	20	20	D
E	A-	B+	C+	C-	C-	C-	C-	B	A-	B+	Medium	17	17	E
F	B	B	B-	C	C-	C-	C-	C	C+	C+	Medium	8	8	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	G
H	B	B-	A-	A	A+	A+	A+	A+	B+	A+	Low	20	20	H
I	B-	B-	C+	C-	C-	C-	C-	B-	B	A	Low	19	19	I
J	B-	C-	C	C-	C+	C-	C-	C	C-	C+	Medium	8	8	J
K	B-	C-	A-	B-	B	C-	B	A+	A+	A+	Low	20	20	K
L	A-	B	A-	A-	A	A	A+	A+	A+	B+	N/A	17	17	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	58	57	53	52	70	55	52	67	61	62	63	12	13	A
B	75	92	79	82	77	72	72	80	85	86	84	17	17	B
C	82	83	100	100	94	100	100	100	100	100	100	20	20	C
D	90	88	76	76	76	91	56	56	56	55	56	11	11	D
E	83	79	73	85	83	95	82	86	83	73	81	15	16	E
F	94	70	67	77	60	87	95	94	98	95	96	19	19	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	78	89	72	77	70	69	71	69	78	78	75	16	15	H
I	81	80	65	90	68	81	50	52	51	55	53	11	11	I
J	71	91	90	94	89	88	77	86	88	88	87	18	17	J
K	88	81	84	70	81	78	67	62	71	70	68	14	14	K
L	70	69	75	76	71	71	68	71	73	74	73	15	15	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	86	95	109	86	29	91	52	84	105			
B	88	98	78	38	31	26	50	99	114	116	74	Fair	B
C	114	102	112	111	47	77	88	114	115	118	100	Excellent	C
D	116	65	66	43	24	25	26	90	81	74	61	Subpar	D
E	116	113	94	43	28	28	66	110	116	112	83	Good	E
F	107	92	87	55	22	25	26	84	101	101	70	Fair	F
G	0	0	0	0	0	0	0	0	0	0	0	N/A	G
H	83	67	88	65	91	76	109	111	103	102	90	Very Good	H
I	88	89	81	31	24	25	16	83	79	93	61	Subpar	I
J	77	36	41	27	52	27	42	63	44	67	48	Subpar	J
K	70	28	89	52	47	23	46	73	66	92	59	Subpar	K
L	103	70	79	62	75	62	102	104	107	109	87	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	29,880	6,480	67,800	10,440	114,600
– Pairs Rejected	1,209	233	3,066	412	4,920
Net Y20 Production (after rejects)	28,671	6,247	64,734	10,028	109,680
Superior Materials Usage	39.9%	19.8%	35.4%	50.2%	37.0%
Capacity Utilization (branded + P-L prod.)	120.0%	120.0%	120.0%	120.0%	120.0%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	9.00	+ 2.34	+ 0.90	12.24
Superior Materials	17.50	- 1.14	+ 1.75	18.11

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	2,864	3,753	3,180	4,636	14,433
– Pairs Cleared (inventory clearance)	1,134	1,150	1,384	1,211	4,879
Beginning Y20 Inventories	1,730	2,603	1,796	3,425	9,554
+ New Production (shipped from plants)	25,383	25,608	25,375	22,881	99,247
Pairs Available for Sale in Y20	27,113	28,211	27,171	26,306	108,801

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)	25,179	25,374	24,369	23,686	98,608
Actual Year 20 Demand	24,904	25,652	24,783	23,745	99,084
Branded Pairs Sold	24,877	25,643	24,781	23,742	99,043
Required Y20 Ending Inventories	1,247	1,422	1,350	1,219	5,238
Inventory Surplus (Shortfall)	795	810	788	1,264	3,657

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.3%
- Available for shipment to warehouses
- % usage down by 2.9 points from Y19
- % utilization up by 1.1 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 10.0% from the base.

- Average inventory clearance of 33.8%
- 9.8% higher than Y20 demand
- Actual demand in Year 20 was 0.5% greater than expected.
- 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 (internet + wholesale)	25,900	26,936	28,013	29,134
Europe-Africa	26,678	27,745	28,855	30,009
Asia-Pacific	26,270	27,846	29,517	31,288
Latin America	25,170	26,680	28,281	29,978
Total	104,018	109,207	114,666	120,409
Private-Label — North America	5,170	5,170	5,170	5,170
Europe-Africa	5,170	5,170	5,170	5,170
Asia-Pacific	5,170	5,170	5,170	5,170
Latin America	5,170	5,170	5,170	5,170
Total	20,680	20,680	20,680	20,680

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	8,895
Potential Production (at max OT)	114,600
Potential Global Supply	123,495
Demand — Branded Sales Forecast (000s)	104,018
Private-Label Sales Forecast	20,680
Expected Global Demand	124,698
Conclusion:	The industry is capacity short. There are definitely opportunities for expansion-minded companies to gain additional sales and market share by 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	4,000	0	5,500	0	0	0	0	0	4,000	0	5,500	0	9,500	0	A
B	5,700	0	3,900	0	0	0	0	0	5,700	0	3,900	0	9,600	0	B
C	4,000	3,800	5,800	4,100	-400	600	0	0	3,600	4,400	5,800	4,100	17,900	0	C
D	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	0	D
E	0	0	7,600	3,000	0	0	0	0	0	0	7,600	3,000	10,600	0	E
F	0	0	7,900	0	0	0	0	0	0	0	7,900	0	7,900	0	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	1,100	0	2,600	0	0	0	0	0	1,100	0	2,600	0	3,700	0	H
I	0	0	5,000	0	0	0	0	0	0	0	5,000	0	5,000	0	I
J	3,800	1,000	6,200	1,600	0	0	0	0	3,800	1,000	6,200	1,600	12,600	0	J
K	2,700	0	4,000	0	0	0	0	0	2,700	0	4,000	0	6,700	0	K
L	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	0	L
Total	25,300	4,800	56,500	8,700	-400	600	0	0	24,900	5,400	56,500	8,700	95,500	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	486,514	289,831	35,515	70,716	11,918	78,534	11,108	20,228	47,198	0	7,500	A
B	591,924	384,652	33,454	75,797	12,019	86,002	8,347	23,297	54,358	1,500	7,500	B
C	953,089	520,355	75,557	166,180	20,321	170,676	10,340	48,101	112,235	32,175	7,500	C
D	319,992	213,363	24,586	34,874	8,420	38,749	1,036	11,314	26,399	0	12,900	D
E	674,465	333,976	52,270	138,053	13,020	137,146	12,766	37,314	87,066	17,072	7,760	E
F	566,394	293,164	56,897	125,357	10,320	80,656	30,155	15,150	35,351	22,125	7,500	F
G	0	0	0	0	0	0	0	0	0	0	0	G
H	264,063	177,633	20,166	18,857	6,119	41,288	-2,087	13,013	30,362	29,625	7,500	H
I	292,588	165,878	23,532	52,911	7,421	42,846	8,739	10,232	23,875	0	7,500	I
J	672,280	430,616	54,962	96,192	15,020	75,490	37,892	11,279	26,319	2,140	10,700	J
K	382,955	241,794	33,857	60,276	9,119	37,909	95	11,344	26,470	6,035	9,285	K
L	366,485	245,426	35,981	15,985	8,420	60,673	-1,462	18,641	43,494	64,500	7,500	L
	506,432	299,699	40,616	77,745	11,102	77,270	10,630	19,992	46,648	15,925	8,468	

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	29,598	228,878	455,249	61,861	99,000	247,191	0	47,198	294,388	0.00	0 / 1	A
B	0	177,672	378,949	73,946	66,100	279,599	-93,555	52,859	238,903	0.20	3 / 1	B
C	21,966	275,989	747,594	66,771	40,500	583,906	-23,643	80,061	640,323	4.29	9 / 1	C
D	77,067	169,202	300,065	23,401	24,000	226,264	0	26,399	252,664	0.00	2 / 3	D
E	3,486	204,259	499,865	93,155	190,687	332,952	-186,923	69,994	216,023	2.20	4 / 6	E
F	18,174	169,976	384,991	54,951	200,000	116,814	0	13,226	130,040	2.95	5 / 3	F
G	0	0	0	0	0	0	0	0	0	0.00	0 / 0	G
H	76,426	151,781	229,582	16,686	0	212,160	0	735	212,896	3.95	7 / 2	H
I	5,051	81,655	189,895	22,228	49,500	94,289	0	23,878	118,167	0.00	4 / 1	I
J	1,946	225,527	533,815	94,840	175,000	225,334	14,460	24,180	263,975	0.20	3 / 4	J
K	0	116,411	214,521	29,061	1,417	204,768	-41,160	20,436	184,043	0.65	3 / 4	K
L	50,514	159,688	272,638	25,049	0	268,595	0	-21,005	247,589	8.60	2 / 1	L
	25,839	178,276	382,469	51,086	76,928	253,806	-30,075	30,724	254,456	2.09	4 / 2	

SELECTED FINANCIAL AND OPERATING STATISTICS

CREDIT RATING DATA

	Costs and Profits as a % of Net Revenues						Current Ratio	Days of Inventory	Interest Coverage Ratio	Debt to Assets Ratio	Default Risk Ratio	Default Risk	
	Cost of Prs. Sold	Whse. Expenses	Mktn. Expenses	Admin. Expenses	Operating Profit	Net Profit							
A	59.6 %	7.3 %	14.5 %	2.4 %	16.1 %	9.7 %	3.70	94	7.07	0.28	2.42	Medium	A
B	65.0	5.7	12.8	2.0	14.5	9.2	2.40	38	10.30	0.26	2.22	Medium	B
C	54.6	7.9	17.4	2.1	17.9	11.8	4.13	14	16.51	0.06	26.60	Low	C
D	66.7	7.7	10.9	2.6	12.1	8.2	7.23	26	37.40	0.09	14.39	Low	D
E	49.5	7.7	20.5	1.9	20.3	12.9	2.19	35	10.74	0.49	1.78	Medium	E
F	51.8	10.0	22.1	1.8	14.2	6.2	3.09	13	2.67	0.58	1.23	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	67.3	7.6	7.1	2.3	15.6	11.5	9.10	20	100.00	0.00	10.00	Low	H
I	56.7	8.0	18.1	2.5	14.6	8.2	3.67	8	4.90	0.29	6.36	Low	I
J	64.1	8.2	14.3	2.2	11.2	3.9	2.38	63	1.99	0.42	1.08	Medium	J
K	63.1	8.8	15.7	2.4	9.9	6.9	4.01	37	399.04	0.03	7.57	Low	K
L	67.0	9.8	4.4	2.3	16.6	11.9	6.38	27	100.00	0.00	0.00	N/A	L
	59.2 %	8.0 %	15.4 %	2.2 %	15.3 %	3.1 %	3.49	34	62.78	0.23	6.70	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		10.89	11.58	11.61	13.11	12.50	15.57
	Private-Label Footwear		10.99	12.07	11.39	12.53	11.99	13.11
Labor — North America	Total Compensation (\$/year)		17,804	17,961	20,918	21,045	22,934	23,146
	Productivity (pairs/worker/year)		4,119	4,095	5,095	5,169	5,966	5,962
	Labor Cost (\$/pair produced)		3.07	3.04	4.21	4.19	5.47	5.44
Europe Africa	Total Compensation (\$/year)		17,519	17,850	18,226	18,970	18,933	20,089
	Productivity (pairs/worker/year)		5,443	5,479	5,482	6,261	5,520	7,043
	Labor Cost (\$/pair produced)		2.78	2.47	2.89	2.65	2.99	2.82
Asia Pacific	Total Compensation (\$/year)		4,308	4,428	5,044	5,352	6,790	7,032
	Productivity (pairs/worker/year)		2,668	2,757	3,110	3,235	4,012	4,091
	Labor Cost (\$/pair produced)		1.09	1.29	1.62	1.68	2.36	2.40
Latin America	Total Compensation (\$/year)		4,126	4,167	4,666	4,653	5,520	5,380
	Productivity (pairs/worker/year)		2,784	2,843	2,983	3,031	3,328	3,368
	Labor Cost (\$/pair produced)		1.38	1.34	1.46	1.43	1.57	1.57
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.00	1.01	1.07	2.50	2.50
	Cumulative		0.12	0.10	1.18	1.16	2.04	2.10
Reject Rates	Branded Production		2.2%	2.0%	4.6%	4.4%	7.1%	7.1%
	Private-Label Production		2.0%	1.7%	4.5%	4.2%	6.0%	5.9%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		22.03	23.17	28.46	29.92	39.55	42.78
	E-A		20.93	21.89	23.79	23.42	26.64	24.94
	A-P		18.50	19.96	22.72	24.33	28.38	31.52
	L.A.		18.56	19.71	20.38	23.41	21.64	26.78
	Private-Label — N.A.		21.92	23.93	23.76	25.10	25.85	26.55
	E-A		21.26	22.20	26.23	27.26	31.20	32.31
	A-P		19.68	21.62	21.77	24.41	23.30	29.23
	L.A.		19.91	21.44	22.48	25.25	26.76	29.05

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.	24.80	26.04	29.66	30.99	40.10	43.06
		E-A	23.81	24.39	29.38	30.10	35.26	37.39
		A-P	20.99	22.15	25.25	26.75	30.88	34.02
		L.A.	21.97	23.37	31.27	33.19	41.68	45.34
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	15.37	15.32	15.71	15.63	16.15	16.03
			1.95	1.88	2.50	2.41	3.13	3.00
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	7.89	7.46	15.90	14.50	21.24	20.85
			3.11	0.93	7.68	7.20	13.63	13.22
Administrative Expenses	(\$/pair sold)		1.07	1.09	1.32	1.27	1.55	1.50
Operating Profit (\$ per pair sold)	Internet	N.A.	7.92	5.01	13.86	13.02	22.39	22.83
		E-A	8.80	9.58	13.17	15.35	21.74	25.64
		A-P	16.34	10.77	19.16	17.45	28.80	28.87
		L.A.	5.69	0.29	12.46	9.50	22.33	20.94
Wholesale		N.A.	2.24	3.72	6.29	6.94	10.65	9.87
		E-A	0.62	3.50	4.58	8.11	9.17	13.03
		A-P	3.36	3.22	7.52	7.88	15.36	14.39
		L.A.	1.70	0.08	5.74	4.63	12.16	10.24
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.42	26.43	26.74	27.12	29.67	28.32
		E-A	23.76	24.70	27.89	29.62	30.66	32.24
		A-P	22.18	24.12	23.97	26.89	25.80	31.73
		L.A.	22.41	23.94	28.19	30.68	33.82	35.14
Warehouse Expenses	(\$ per pair sold)		1.00	1.00	1.00	1.00	1.00	1.00
Margin Over Direct Costs (\$ per pair sold)		N.A.	1.08	0.82	7.41	1.67	14.29	2.86
		E-A	0.56	0.78	5.62	5.40	12.94	9.01
		A-P	1.06	0.56	7.10	3.03	16.57	8.67
		L.A.	0.38	-1.28	8.56	3.14	17.49	6.96

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 K	14,815	Y19	2 years	8	14,815	12,567	7,860	1,073
Oprah Letterman	100	70	65	75	Company C	501	Y20	3 years	1	501	0	501	501
Annika Stockholm	70	100	70	55	Company F	18,222	Y16	5 years	7	18,222	16,000	11,570	5,005
Tiger Green	95	80	85	75	Company F	24,234	Y20	2 years	2	24,234	501	12,368	501
José Montaña	60	50	60	95	Company E	14,789	Y18	3 years	8	14,789	13,008	6,631	1,037
Karioki Footsu	55	60	95	90	Company C	20,112	Y19	4 years	9	20,112	15,890	9,243	1,073
Jaques LaFeet	50	90	50	85	Company C	501	Y20	1 year	1	501	0	501	501
Serenus Willson	70	65	55	60	Company C	12,007	Y18	3 years	8	14,789	12,007	7,606	1,037
Natalie Kwan	75	80	95	50	Company E	16,765	Y19	4 years	9	16,765	15,250	8,689	1,073
Sergio Milano	45	85	60	100	Company K	14,815	Y19	2 years	9	15,890	14,815	8,009	1,003
Lance deFrance	80	85	75	70	Company C	501	Y20	3 years	1	501	0	501	501
Yao KungPao	60	35	100	50	Company F	14,025	Y18	4 years	8	14,789	14,025	8,859	3,303

BRANDED PRICE AND S/Q RATING TRENDS

