

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 1

Friday, April 28, 2006

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
Killer Boots	118	+12
Le Good	118	0
Broncos	117	+3
Cibby	114	+1
Didgeridoo	114	+9
Evolve	113	+3
Indigo	109	+4
Ashi Kusa Kutsu	106	+14
Global Footwear	27	-11
J Company	21	+1
Hey Joe	14	+1
F Company	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Cibby	102	+2
Broncos	99	+2
Le Good	97	+2
Killer Boots	97	+3
Didgeridoo	95	+2
Evolve	94	+3
Indigo	91	+2
Ashi Kusa Kutsu	83	+3
Global Footwear	37	-2
Hey Joe	31	-2
J Company	28	-1
F 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
Killer Boots	92	+15
Evolve	90	+1
Cibby	81	-5
Broncos	78	-10
Le Good	74	-19
Didgeridoo	66	-3
Indigo	58	-11
Ashi Kusa Kutsu	57	-2
Global Footwear	21	-5
J Company	14	0
Hey Joe	8	-1
F Company	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Killer Boots	92	+11
Evolve	85	+3
Cibby	81	-1
Broncos	77	-5
Le Good	73	-8
Didgeridoo	69	-1
Indigo	64	-5
Ashi Kusa Kutsu	57	-2
Global Footwear	21	-1
J Company	13	-1
Hey Joe	8	-2
F 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	2.19	2.98	1.77	2.28	2.14	1.41	2.97	4.41	3.60	4.97	2.79	7	11	A
B	3.46	2.87	2.96	1.96	3.94	2.91	3.58	5.00	6.78	9.21	4.13	14	16	B
C	3.11	2.35	1.75	3.41	4.73	5.11	5.63	6.38	6.86	10.33	4.78	15	18	C
D	2.50	3.22	2.77	2.05	4.40	2.27	3.15	5.33	4.84	7.22	3.70	11	14	D
E	3.70	4.00	2.27	2.82	5.57	1.76	3.84	6.04	7.76	13.61	4.92	20	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	F
G	4.17	-3.54	-9.86	-10.34	-7.27	-7.22	-1.16	-6.11	1.63	-9.89	-4.96	0	0	G
H	2.28	1.59	0.68	-1.50	0.16	-1.25	-1.62	0.97	-2.39	-0.24	-0.11	0	0	H
I	3.07	3.16	1.29	2.73	3.43	1.93	3.58	5.76	5.08	7.02	3.67	10	14	I
J	2.24	-1.92	-0.87	-1.09	-0.30	-0.38	0.16	0.26	-0.18	0.01	-0.14	0	0	J
K	4.36	4.98	3.90	1.30	5.53	2.90	4.53	6.19	6.18	13.24	5.27	19	20	K
L	2.09	3.01	2.24	1.15	2.15	3.21	3.68	5.33	6.44	7.72	3.50	11	13	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	13.9	17.3	9.4	11.0	9.4	5.9	11.6	15.6	13.4	23.3	12.7	15	11	A
B	20.7	15.5	12.3	7.1	13.0	9.3	10.3	13.2	16.2	21.5	13.5	13	11	B
C	18.6	12.4	8.4	14.0	17.1	17.0	16.7	16.8	17.3	26.4	16.5	17	14	C
D	15.2	17.0	12.8	8.5	16.2	7.7	10.0	14.7	12.2	18.2	12.7	11	11	D
E	21.9	20.2	9.9	10.6	17.8	5.4	10.5	15.3	17.0	26.8	15.1	17	13	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	27.1	-42.0	-731.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	G
H	14.0	8.6	3.7	-8.4	1.0	-7.5	-10.7	6.5	-17.0	-1.9	-0.7	0	0	H
I	18.5	17.8	6.5	14.2	15.4	7.7	12.9	17.8	13.4	16.0	13.6	10	11	I
J	14.4	-14.6	-14.1	-20.5	-6.8	-9.4	3.8	5.7	-4.1	0.2	-2.5	0	0	J
K	26.7	31.5	28.5	12.0	40.8	17.0	21.8	23.8	19.2	31.9	24.1	20	20	K
L	13.1	16.6	11.4	5.6	10.4	14.1	14.7	18.8	20.6	23.7	14.9	15	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	24.43	38.45	20.87	22.90	19.45	13.24	40.98	77.47	52.96	79.55	+10 %	6	6	A
B	47.54	32.01	32.56	18.75	52.61	31.53	45.99	70.47	132.42	189.61	+20	15	15	B
C	42.04	22.54	15.27	38.29	69.12	100.23	93.21	102.46	117.02	216.96	+22	17	17	C
D	29.57	37.73	30.31	19.72	69.09	32.50	39.99	61.75	75.66	134.51	+16	10	10	D
E	56.05	54.80	28.23	29.86	73.37	34.30	40.97	65.46	128.15	256.57	+24	20	20	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	65.02	30.66	17.53	10.33	6.62	4.83	5.58	4.65	14.37	9.30	-11	1	1	G
H	22.91	15.26	9.39	6.09	4.80	5.79	4.70	8.76	5.72	4.55	-17	0	0	H
I	36.93	37.33	20.64	28.84	37.75	20.71	41.12	83.64	71.65	96.21	+12	7	7	I
J	25.39	14.77	9.18	5.62	4.80	5.19	4.70	5.14	4.60	5.02	-16	0	0	J
K	92.12	99.80	56.70	28.70	65.94	31.80	53.53	78.33	85.18	195.93	+21	15	15	K
L	21.61	38.39	24.77	14.11	22.94	36.91	49.54	73.79	125.60	154.76	+18 %	12	12	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	C+	C+	C+	B	B+	B	A	A	B+	B+	Medium	17	17	A
B	B	B	B+	A-	A	B	B+	A	A+	A+	Low	20	20	B
C	A-	B	B+	A	A+	A+	A+	A+	A+	A+	Low	20	20	C
D	A-	B	B	B-	B+	B-	B+	A	A	A	Medium	19	19	D
E	B	C+	C	C+	B	C	B-	B	B+	B+	Medium	17	17	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	B-	C-	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	G
H	C+	C-	C-	C-	C-	C-	C-	C+	C-	C-	High	0	0	H
I	B+	A-	C	B+	B+	B-	B+	A+	A+	A+	Low	20	20	I
J	C+	C-	C-	C-	C-	C-	C-	C-	C-	C-	High	0	0	J
K	B+	B+	C+	C-	C+	C-	C	B-	B-	A	Low	19	19	K
L	B+	A	B+	A-	B+	B+	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	Best-In-Ind. Score		
	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)		Year 20	Overall	
A	76	82	74	62	62	59	60	59	60	60	60	12	12	A
B	78	85	81	75	81	80	79	73	74	78	75	16	15	B
C	73	56	57	57	60	60	59	58	67	62	62	12	12	C
D	81	72	90	72	73	72	73	74	74	74	74	15	15	D
E	65	80	81	96	96	85	81	80	80	79	80	16	16	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	81	78	81	84	100	100	100	99	100	100	100	20	20	G
H	73	92	72	62	53	55	55	46	39	41	42	8	8	H
I	63	71	53	57	56	53	57	58	58	57	58	11	12	I
J	64	59	58	56	57	59	66	65	64	68	66	14	13	J
K	60	60	62	73	63	72	75	88	89	93	90	19	18	K
L	85	88	79	74	75	80	78	76	83	82	80	16	16	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	79	93	65	75	72	55	88	105	92			
B	108	97	95	74	106	79	94	107	114	117	99	Very Good	B
C	109	78	66	98	110	110	110	110	113	114	102	Excellent	C
D	101	99	90	66	108	69	86	110	105	114	95	Very Good	D
E	107	100	69	78	110	59	86	104	110	113	94	Very Good	E
F	0	0	0	0	0	0	0	0	0	0	0	N/A	F
G	106	39	32	27	27	26	26	26	38	27	37	Subpar	G
H	78	54	34	21	19	19	18	39	13	14	31	Subpar	H
I	103	106	47	87	94	57	90	111	105	109	91	Very Good	I
J	78	26	22	19	18	19	27	30	20	21	28	Subpar	J
K	109	109	97	59	98	71	93	107	106	118	97	Very Good	K
L	89	109	84	64	78	95	103	114	118	118	97	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	18,371	15,772	62,700	19,080	115,923
– Pairs Rejected	880	811	3,296	937	5,924
Net Y20 Production (after rejects)	17,491	14,961	59,404	18,143	109,999
Superior Materials Usage	47.3%	55.5%	42.2%	35.9%	43.8%
Capacity Utilization (branded + P-L prod.)	105.6%	103.8%	113.6%	120.0%	111.8%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	8.00	+ 0.99	+ 0.14	9.13
Superior Materials	14.00	- 0.43	+ 0.25	13.82

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	3,511	2,960	2,793	3,377	12,641
– Pairs Cleared (inventory clearance)	545	482	624	639	2,290
Beginning Y20 Inventories	2,966	2,478	2,169	2,738	10,351
+ New Production (shipped from plants)	24,544	23,571	23,169	23,294	94,578
Pairs Available for Sale in Y20	27,510	26,049	25,338	26,032	104,929

BRANDED DEMAND & SALES (000s of pair)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Projected Y20 Demand (see Y19 FIR)	25,271	24,632	23,070	23,034	96,007
Actual Year 20 Demand	24,981	24,505	23,218	23,453	96,157
Branded Pairs Sold	24,973	24,073	20,765	23,438	93,249
Required Y20 Ending Inventories	1,968	1,973	1,547	1,844	7,332
Inventory Surplus (Shortfall)	397	-651	549	498	793

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.1%
- Available for shipment to warehouses
- % usage up by 5.9 points over Y19
- % utilization down by 2.5 points from Y19

Lower than normal (43.8% industrywide) superior materials usage led to superior materials prices that were 3.1% below the base and standard materials prices that were 12.4% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 1.8% from the base.

- Average inventory clearance of 18.1%
- 9.1% higher than Y20 demand
- Actual demand in Year 20 was 0.2% greater than expected.
- Needed to achieve delivery times
 - Okay in N.A. Low 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)	25,980	27,019	28,100	29,224
Europe-Africa	25,485	26,504	27,564	28,667
Asia-Pacific	24,611	26,088	27,653	29,312
Latin America	24,861	26,353	27,934	29,610
Total	100,937	105,964	111,251	116,813
Private-Label — North America	5,126	5,126	5,126	5,126
Europe-Africa	5,192	5,192	5,192	5,192
Asia-Pacific	5,148	5,148	5,148	5,148
Latin America	5,159	5,159	5,159	5,159
Total	20,625	20,625	20,625	20,625

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	8,776
Potential Production (at max OT)	124,440
Potential Global Supply	133,216
Demand — Branded Sales Forecast (000s)	100,937
Private-Label Sales Forecast	20,625
Expected Global Demand	121,562
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	4,400	2,400	0	0	0	0	0	0	4,400	2,400	6,800	0	A
B	2,400	2,000	3,400	0	300	0	0	0	2,700	2,000	3,400	0	8,100	0	B
C	0	2,000	2,900	2,200	0	0	0	0	0	2,000	2,900	2,200	7,100	0	C
D	0	0	7,200	1,600	0	0	0	0	0	0	7,200	1,600	8,800	0	D
E	2,800	0	7,300	3,500	0	0	0	0	2,800	0	7,300	3,500	13,600	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	4,800	6,000	4,000	4,000	0	0	0	0	4,800	6,000	4,000	4,000	18,800	0	G
H	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	0	H
I	0	0	7,000	0	0	0	0	0	0	0	7,000	0	7,000	0	I
J	3,500	1,000	3,500	0	0	0	0	0	3,500	1,000	3,500	0	8,000	0	J
K	0	4,200	7,200	0	0	0	0	0	0	4,200	7,200	0	11,400	0	K
L	1,700	0	4,300	2,200	-100	0	0	0	1,600	0	4,300	2,200	8,100	0	L
Total	17,200	15,200	55,200	15,900	200	0	0	0	17,400	15,200	55,200	15,900	103,700	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	394,577	241,834	24,234	55,113	9,220	64,176	10,930	15,974	37,272	26,325	7,500	A
B	504,717	294,348	36,483	65,018	10,520	98,348	-306	29,596	69,058	82,500	7,500	B
C	391,181	225,353	22,915	23,187	9,521	110,205	-458	33,199	77,464	78,750	7,500	C
D	467,761	284,801	28,209	51,102	11,221	92,428	4,708	26,316	61,404	42,500	8,500	D
E	768,278	376,697	52,243	158,419	16,018	164,901	19,078	43,747	102,076	76,500	7,500	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	661,612	438,878	49,820	86,985	21,218	64,711	138,879	0	-74,168	75,000	7,500	G
H	195,281	155,825	12,831	15,578	8,419	2,628	4,738	0	-2,110	0	8,850	H
I	444,302	234,509	31,991	91,800	9,419	76,583	1,379	22,561	52,643	0	7,500	I
J	444,580	286,566	30,349	94,174	10,416	23,075	22,924	0	151	0	23,000	J
K	684,852	388,867	42,264	76,167	13,818	163,736	21,832	42,571	99,333	3,000	7,500	K
L	452,791	228,112	27,621	99,236	10,520	87,302	4,633	24,801	57,868	48,000	7,500	L
	491,812	286,890	32,633	74,253	11,846	86,190	20,758	21,706	43,726	39,325	9,123	

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	16,453	145,219	300,693	31,437	104,000	154,309	0	10,947	165,256	3.51	6 / 3	A
B	20,990	171,900	346,697	29,202	2,400	328,536	0	-13,441	315,095	11.00	5 / 1	B
C	20,326	138,322	316,779	23,569	0	294,495	0	-1,285	293,210	10.50	4 / 2	C
D	24,112	166,532	408,033	45,817	16,300	327,008	0	18,908	345,916	5.00	4 / 4	D
E	12,948	224,096	606,616	74,115	138,700	368,225	0	25,576	393,801	10.20	8 / 2	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	0	314,609	823,628	1,228,958	0	-256,160	0	-149,170	-405,330	10.00	3 / 3	G
H	0	57,226	177,644	65,347	0	114,406	0	-2,109	112,297	0.00	0 / 1	H
I	85,130	230,953	390,941	29,759	24,000	322,755	-38,215	52,642	337,182	0.00	0 / 1	I
J	0	132,927	279,648	180,023	0	99,476	0	150	99,625	0.00	2 / 4	J
K	19,051	215,410	532,441	75,669	97,000	263,440	0	96,332	359,772	0.40	7 / 2	K
L	18,548	134,872	303,339	25,993	28,500	238,978	0	9,868	248,846	6.40	5 / 3	L
	19,778	175,642	407,860	164,535	37,355	205,042	-3,474	4,402	205,970	5.18	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	61.3 %	6.1 %	14.0 %	2.3 %	16.3 %	9.4 %	4.62	48	5.87	0.39	2.13	Medium	A
B	58.3	7.2	12.9	2.1	19.5	13.7	5.89	36	100.00	0.01	3.63	Low	B
C	57.6	5.9	5.9	2.4	28.2	19.8	5.87	48	100.00	0.00	10.00	Low	C
D	60.9	6.0	10.9	2.4	19.8	13.1	3.63	38	19.63	0.10	1.81	Medium	D
E	49.0	6.8	20.6	2.1	21.5	13.3	3.02	21	8.64	0.29	1.49	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	66.3	7.5	13.1	3.2	9.8	-11.2	0.26	136	0.47	1.44	0.00	N/A	G
H	79.8	6.6	8.0	4.3	1.3	-1.1	0.88	38	0.55	0.30	0.24	High	H
I	52.8	7.2	20.7	2.1	17.2	11.8	7.76	54	55.54	0.09	7.25	Low	I
J	64.5	6.8	21.2	2.3	5.2	0.0	0.74	28	1.01	0.56	0.11	High	J
K	56.8	6.2	11.1	2.0	23.9	14.5	2.85	29	7.50	0.26	3.05	Low	K
L	50.4	6.1	21.9	2.3	19.3	12.8	5.19	6	18.84	0.11	7.81	Low	L
	58.3 %	6.6 %	15.1 %	2.4 %	17.5 %	8.9 %	1.07	44	28.91	0.32	3.41	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		9.76	8.70	11.14	10.76	12.99	12.64
	Private-Label Footwear		8.77	7.90	9.88	9.74	11.70	12.90
Labor — North America	Total Compensation (\$/year)		16,201	16,185	20,278	20,195	22,044	22,072
	Productivity (pairs/worker/year)		3,371	3,314	5,207	5,264	5,959	6,075
	Labor Cost (\$/pair produced)		3.74	3.09	4.36	4.18	5.41	5.50
Europe Africa	Total Compensation (\$/year)		17,072	17,072	19,666	19,656	22,952	22,685
	Productivity (pairs/worker/year)		4,224	4,199	5,006	5,044	6,373	6,423
	Labor Cost (\$/pair produced)		4.12	3.89	4.60	4.51	5.06	5.13
Asia Pacific	Total Compensation (\$/year)		3,631	3,640	5,264	5,429	7,783	7,867
	Productivity (pairs/worker/year)		2,248	2,183	3,081	3,151	3,875	3,939
	Labor Cost (\$/pair produced)		1.41	1.44	1.81	1.82	2.12	2.26
Latin America	Total Compensation (\$/year)		4,061	4,426	5,201	5,190	5,945	5,874
	Productivity (pairs/worker/year)		2,902	2,988	3,295	3,386	3,603	3,639
	Labor Cost (\$/pair produced)		1.55	1.56	1.74	1.72	1.83	1.83
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.15	0.13	0.81	0.72	1.95	1.95
	Cumulative		0.15	0.14	0.96	0.92	1.94	1.94
Reject Rates	Branded Production		2.9%	3.0%	5.5%	5.6%	11.5%	11.5%
	Private-Label Production		2.4%	2.3%	3.7%	4.5%	5.8%	8.8%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	22.62	21.02	28.13	28.20	37.19	36.55
		E-A	25.60	26.54	27.07	28.46	28.38	31.27
		A-P	19.29	18.30	31.14	26.32	107.63	52.22
		L.A.	18.68	17.81	23.50	22.85	26.94	26.11
	Private-Label	N.A.	22.42	22.07	24.58	23.28	26.92	24.49
		E-A	21.14	19.97	21.69	21.35	22.23	22.85
		A-P	19.44	18.25	21.05	22.10	22.11	27.65
		L.A.	19.58	18.82	21.28	20.23	23.29	22.20

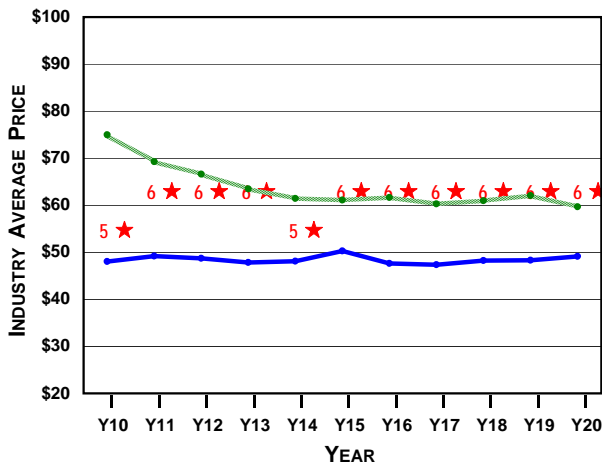
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.64	23.40	29.34	29.23	38.97	39.04
		E-A	28.28	29.00	41.06	37.93	110.80	70.96
		A-P	21.75	20.82	32.99	29.18	103.93	59.34
		L.A.	21.08	20.35	30.89	30.07	41.09	40.32
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale		10.38	10.34	10.89	10.89	13.32	13.41
			1.97	1.93	2.55	2.49	3.95	4.00
Marketing Expenses — Internet (\$ per pair sold)	Wholesale		6.34	8.85	13.35	13.69	23.71	27.57
			3.10	3.20	8.31	7.75	14.51	14.65
Administrative Expenses (\$/pair sold)		1.03	1.03	1.68	1.68	4.54	4.77	
Operating Profit (\$ per pair sold)	Internet	N.A.	3.17	-0.81	17.14	14.99	24.11	22.52
		E-A	-73.60	-38.48	5.74	6.60	25.57	17.32
		A-P	-70.98	-30.11	12.16	11.96	25.59	23.65
		L.A.	-0.34	-0.59	14.38	15.93	25.80	28.67
Wholesale		N.A.	1.54	0.15	6.05	7.43	11.40	12.62
		E-A	-27.51	0.61	3.50	8.35	12.64	14.68
		A-P	-25.62	3.85	3.58	10.83	10.41	19.42
		L.A.	-3.74	-0.02	3.88	8.30	11.34	15.84
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.92	24.57	25.90	27.49	26.90	32.08
		E-A	23.64	22.47	28.25	23.85	33.58	25.35
		A-P	21.94	20.75	23.68	21.83	24.61	22.90
		L.A.	22.08	21.32	26.04	22.74	31.16	24.71
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.	-0.40	-0.09	1.92	1.46	3.53	2.89
		E-A	4.12	12.72	12.00	13.24	17.00	13.97
		A-P	-0.76	2.02	5.45	8.84	14.19	15.65
		L.A.	1.63	6.98	4.89	9.09	7.62	12.07

CELEBRITY ENDORSEMENTS

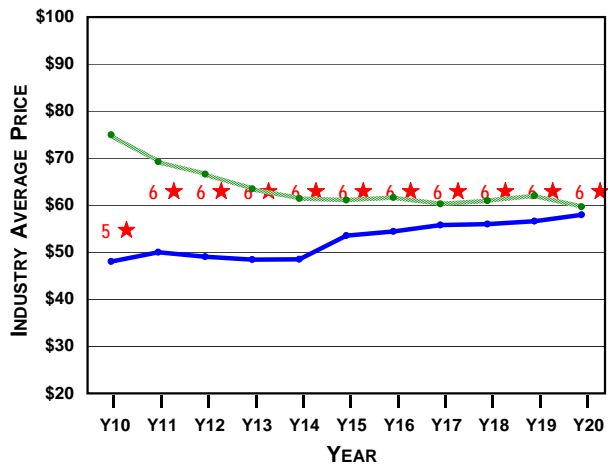
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2ND BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company E	8,867	Y19	2 years	8	9,000	8,867	5,273	555
Oprah Letterman	100	70	65	75	Company B	3,377	Y20	3 years	3	3,377	999	1,681	666
Annika Stockholm	70	100	70	55	Company L	13,717	Y19	5 years	8	13,717	13,000	8,734	555
Tiger Green	95	80	85	75	Company B	3,377	Y20	2 years	3	3,377	999	1,681	666
José Montaña	60	50	60	95	Company L	11,355	Y18	3 years	8	11,355	9,750	7,284	555
Karioki Footsu	55	60	95	90	Company E	13,667	Y18	4 years	8	15,555	13,667	9,082	555
Jaques LaFeet	50	90	50	85	Company B	3,377	Y20	1 year	3	3,377	999	1,681	666
Serenus Willson	70	65	55	60	Company E	12,123	Y19	3 years	7	12,123	11,509	6,488	555
Natalie Kwan	75	80	95	50	Company L	12,101	Y17	4 years	7	12,101	9,833	5,241	555
Sergio Milano	45	85	60	100	Company E	9,867	Y19	2 years	7	13,711	9,867	6,515	555
Lance deFrance	80	85	75	70	Company B	3,377	Y20	3 years	3	3,377	999	1,681	666
Yao KungPao	60	35	100	50	Company E	10,967	Y18	4 years	8	10,967	9,601	7,016	555

BRANDED PRICE AND S/Q RATING TRENDS

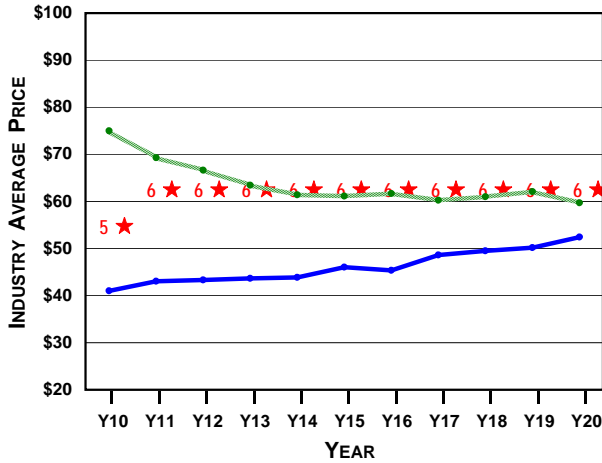
NORTH AMERICA



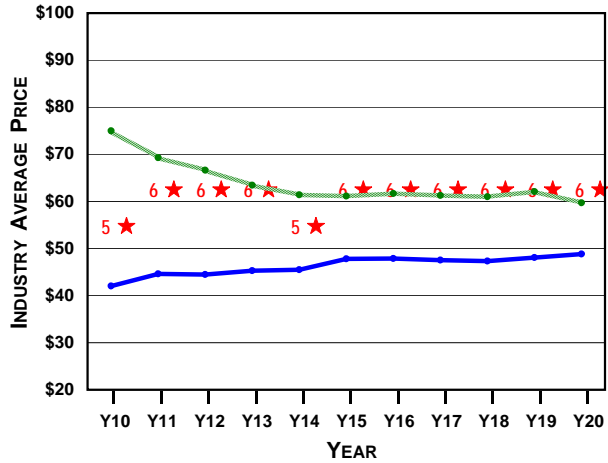
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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