

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 2

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
L BOTH SHOES INC.	118	+10
Adonis Shoes Inc.	118	+3
Kickit	115	-5
Industry Standard	103	+32
Eosphorus shoe co	96	+1
Glamorous	75	+54
Fabulous 5	47	+24
B (deleted)	0	0
C (deleted)	0	0
D (deleted)	0	0
H (deleted)	0	0
J (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Adonis Shoes Inc.	112	+1
Kickit	108	+1
Eosphorus shoe co	100	-1
L BOTH SHOES INC.	97	+2
Industry Standard	72	+4
Fabulous 5	55	0
Glamorous	52	+3
B (deleted)	0	0
C (deleted)	0	0
D (deleted)	0	0
H (deleted)	0	0
J (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
Kickit	97	+3
Adonis Shoes Inc.	89	-6
L BOTH SHOES INC.	78	+5
Industry Standard	57	+17
Eosphorus shoe co	50	-1
Glamorous	42	+28
Fabulous 5	29	+14
B (deleted)	0	0
C (deleted)	0	0
D (deleted)	0	0
H (deleted)	0	0
J (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Adonis Shoes Inc.	92	-2
Kickit	88	+1
L BOTH SHOES INC.	85	+7
Eosphorus shoe co	60	-2
Industry Standard	55	+10
Glamorous	37	+14
Fabulous 5	31	+7
B (deleted)	0	0
C (deleted)	0	0
D (deleted)	0	0
H (deleted)	0	0
J (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	3.31	3.65	3.93	4.18	8.35	7.06	11.09	9.07	12.09	12.84	7.27	17	20	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	B
C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	C
D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	D
E	2.10	3.11	3.08	4.46	5.78	6.33	8.98	7.73	6.93	7.27	5.39	10	15	E
F	2.10	1.53	0.41	1.20	2.32	1.50	1.54	0.15	-0.01	1.34	1.22	2	3	F
G	2.10	1.18	0.91	1.76	1.66	0.42	1.62	0.36	-0.06	2.84	1.28	4	4	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	3.63	2.58	0.59	0.55	3.30	2.57	2.77	1.63	2.66	4.51	2.51	6	7	I
J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	J
K	3.55	2.84	2.68	2.13	5.19	5.38	7.83	8.46	10.93	15.01	6.04	20	17	K
L	3.34	3.49	2.36	1.43	7.30	6.20	9.17	7.09	8.09	9.20	5.75	12	16	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	20.3	19.4	18.2	17.0	28.9	22.5	29.4	22.4	26.7	24.0	22.2	17	18	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	B
C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	C
D	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	D
E	13.3	17.4	14.7	17.8	21.0	20.2	23.1	16.3	12.7	16.6	17.1	11	14	E
F	13.3	9.0	2.3	6.6	11.9	7.3	7.1	0.7	-0.1	6.5	6.2	4	5	F
G	13.3	7.2	5.5	10.2	9.1	2.2	8.0	1.7	-0.3	12.4	6.6	9	5	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	23.5	20.7	4.5	4.3	24.9	16.9	16.0	8.4	13.7	19.6	15.1	14	12	I
J	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	J
K	21.0	14.3	11.9	8.3	17.2	16.0	19.6	18.4	21.9	29.0	17.9	20	14	K
L	21.8	29.3	19.4	11.4	45.4	27.2	31.8	21.9	23.9	25.2	24.9	17	20	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	51.68	55.07	57.96	59.52	154.52	105.96	211.30	127.56	224.49	232.00	+23 %	16	16	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	B
C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	C
D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	D
E	22.81	37.57	34.55	60.22	72.43	82.39	125.97	95.06	73.59	80.65	+10	6	6	E
F	22.15	13.45	8.34	11.70	32.30	19.01	16.61	10.36	6.49	13.80	-8	1	1	F
G	22.19	13.42	8.23	18.36	17.83	10.78	15.30	9.47	6.04	32.26	+1	2	2	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	57.15	30.42	17.02	10.41	39.57	30.24	30.38	17.30	26.16	65.95	+8	5	5	I
J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	J
K	61.25	31.28	28.46	21.47	81.31	80.70	122.14	123.46	229.95	286.13	+25	20	20	K
L	49.30	52.88	29.99	16.50	78.55	79.23	174.70	91.12	121.64	138.08	+17 %	10	10	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	A-	B+	B+	A-	B+	B	B+	B-	B+	A	Low	19	19	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	B
C	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	C
D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	D
E	B	B+	B-	A-	B	B	C+	C+	C+	C+	N/A	8	8	E
F	B	B+	C+	B+	B+	B	B-	C-	C-	C+	N/A	8	8	F
G	B	B-	C+	B-	B-	C	C+	C-	C-	B-	High	11	11	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-	C-	C-	C-	C	C-	C	C-	C+	B	High	14	14	I
J	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	J
K	A	A-	A-	A-	A	A-	A-	B+	A+	B+	High	17	17	K
L	C+	C-	C-	C-	C+	C+	B-	C+	B-	A	Low	19	19	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	60	71	76	79	86	90	90	90	90	90	90	20	19	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	65	79	89	65	65	80	100	100	82	66	83	15	17	E
F	65	58	60	69	68	72	72	65	70	65	67	14	14	F
G	65	56	64	67	69	66	68	65	67	74	69	16	15	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	72	87	88	78	82	86	87	80	82	84	82	18	17	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	76	70	77	81	81	87	91	92	100	91	94	20	20	K
L	75	95	100	99	100	100	95	95	100	89	95	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	109	110	110	111	114	111	115	107	115			
B	0	0	0	0	0	0	0	0	0	0	0	N/A	B
C	0	0	0	0	0	0	0	0	0	0	0	N/A	C
D	0	0	0	0	0	0	0	0	0	0	0	N/A	D
E	83	105	94	111	107	108	104	101	95	96	100	Excellent	E
F	83	68	36	62	83	63	56	25	23	47	55	Subpar	F
G	83	54	43	65	62	33	53	27	21	75	52	Subpar	G
H	0	0	0	0	0	0	0	0	0	0	0	N/A	H
I	104	82	42	35	88	71	74	47	71	103	72	Fair	I
J	0	0	0	0	0	0	0	0	0	0	0	N/A	J
K	115	99	92	79	114	113	116	113	120	115	108	Excellent	K
L	100	94	78	56	104	104	108	104	108	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	11,394	8,039	34,200	12,960	66,593
– Pairs Rejected	362	221	1,563	550	2,696
Net Y20 Production (after rejects)	11,032	7,818	32,637	12,410	63,897
Superior Materials Usage	60.7%	50.4%	45.2%	31.3%	45.8%
Capacity Utilization (branded + P-L prod.)	119.9%	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	8.00	+ 0.67	+ 0.80	9.47
Superior Materials	14.00	- 0.29	+ 1.40	15.11

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	6,395	5,654	7,002	6,600	25,651
– Pairs Cleared (inventory clearance)	229	216	219	209	873
Beginning Y20 Inventories	6,166	5,438	6,783	6,391	24,778
+ New Production (shipped from plants)	17,344	13,835	12,868	14,787	58,834
Pairs Available for Sale in Y20	23,510	19,273	19,651	21,178	83,612

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)	17,942	17,394	16,927	15,939	68,202
Actual Year 20 Demand	17,595	17,068	16,958	16,072	67,692
Branded Pairs Sold	17,592	16,843	16,370	16,036	66,841
Required Y20 Ending Inventories	643	485	723	485	2,336
Inventory Surplus (Shortfall)	5,275	557	838	4,148	10,818

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.0%
- Available for shipment to warehouses
- % usage up by 5.9 points over Y19
- % utilization up by 10.9 points over Y19

Lower than normal (45.8% industrywide) superior materials usage led to superior materials prices that were 2.1% below the base and standard materials prices that were 8.4% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 10.0% from the base.

- Average inventory clearance of 3.4%
- 23.5% higher than Y20 demand
- Actual demand in Year 20 was 0.7% less than expected.
- Needed to achieve delivery times
- { Very high in N.A. Okay in E-A
Okay in A-P Very high in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America (internet + wholesale)	18,299	19,031	19,792	20,584
Europe-Africa	17,750	18,460	19,198	19,966
Asia-Pacific	17,976	19,055	20,198	21,410
Latin America	17,036	18,058	19,141	20,289
Total	71,061	74,604	78,329	82,249
Private-Label — North America	3,276	3,276	3,276	3,276
Europe-Africa	3,269	3,269	3,269	3,269
Asia-Pacific	3,276	3,276	3,276	3,276
Latin America	3,262	3,262	3,262	3,262
Total	13,083	13,083	13,083	13,083

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	13,154
Potential Production (at max OT)	66,600
Potential Global Supply	79,754
Demand — Branded Sales Forecast (000s)	71,061
Private-Label Sales Forecast	13,083
Expected Global Demand	84,144
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	0	0	9,000	4,000	0	0	0	0	0	0	9,000	4,000	13,000	0	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	0	3,700	7,800	2,200	0	-3,700	-7,800	0	0	0	0	2,200	2,200	0	E
F	2,200	0	4,000	0	0	0	0	0	2,200	0	4,000	0	6,200	0	F
G	2,400	0	4,000	0	400	0	0	0	2,800	0	4,000	0	6,800	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	2,000	2,000	2,300	1,500	0	0	0	0	2,000	2,000	2,300	1,500	7,800	0	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	2,000	2,500	4,000	1,500	500	0	0	0	2,500	2,500	4,000	1,500	10,500	0	K
L	0	2,200	5,200	1,600	0	0	0	0	0	2,200	5,200	1,600	9,000	0	L
Total	8,600	10,400	36,300	10,800	900	-3,700	-7,800	0	9,500	6,700	28,500	10,800	55,500	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	937,956	464,717	49,176	236,169	15,416	172,478	22,124	45,106	105,248	40,990	8,198	A
B	0	0	0	0	0	0	0	0	0	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	426,226	163,283	40,950	107,400	4,620	109,973	32,036	23,381	54,556	262,500	7,500	E
F	365,309	235,954	28,072	66,572	8,618	26,093	8,300	5,300	12,493	27,900	9,300	F
G	477,085	300,072	35,519	77,982	9,220	54,292	15,056	11,581	27,655	0	9,750	G
H	0	0	0	0	0	0	0	0	0	0	0	H
I	384,412	260,998	35,910	9,645	10,220	67,639	10,567	17,122	39,950	17,700	8,850	I
J	0	0	0	0	0	0	0	0	0	0	0	J
K	695,598	353,108	37,107	128,341	12,918	164,124	3,271	48,256	112,597	135,000	7,500	K
L	574,146	258,397	43,948	148,418	11,420	111,963	13,411	29,566	68,986	45,225	7,500	L
	551,533	290,933	38,669	110,647	10,347	100,937	14,966	25,759	60,212	75,616	8,371	

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	14,496	289,381	655,143	49,782	135,000	406,353	-225	64,233	470,361	5.00	10 / 0	A
B	0	0	0	0	0	0	0	0	0	0.00	0 / 0	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	0	215,660	294,545	93,846	0	456,331	-47,688	-207,944	200,699	35.00	1 / 1	E
F	0	196,301	282,861	95,368	2,100	200,801	0	-15,408	185,393	3.00	5 / 2	F
G	0	243,636	334,094	96,685	0	209,753	0	27,656	237,409	0.00	1 / 3	G
H	0	0	0	0	0	0	0	0	0	0.00	0 / 0	H
I	0	155,606	300,440	78,316	7,080	192,795	0	22,249	215,044	2.00	1 / 1	I
J	0	0	0	0	0	0	0	0	0	0.00	0 / 0	J
K	0	210,918	444,809	48,331	19,000	399,882	0	-22,404	377,478	18.00	4 / 2	K
L	9,667	162,195	376,412	36,014	54,750	261,883	0	23,765	285,648	6.03	9 / 1	L
	3,452	210,528	384,043	71,192	31,133	303,971	-6,845	-15,408	281,719	9.86	4 / 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	49.5 %	5.2 %	25.2 %	1.6 %	18.4 %	11.2 %	5.81	32	7.80	0.23	6.38	Low	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	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	C
D	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	D
E	38.3	9.6	25.2	1.1	25.8	12.8	2.30	241	3.43	0.30	0.00	N/A	E
F	64.6	7.7	18.2	2.4	7.1	3.4	2.06	214	3.14	0.25	0.00	N/A	F
G	62.9	7.4	16.3	1.9	11.4	5.8	2.52	153	3.61	0.21	0.59	High	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	67.9	9.3	2.5	2.7	17.6	10.4	1.99	160	6.40	0.20	0.78	High	I
J	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	J
K	50.8	5.3	18.5	1.9	23.6	16.2	4.36	38	50.18	0.07	0.04	High	K
L	45.0	7.7	25.9	2.0	19.5	12.0	4.50	13	8.35	0.17	5.26	Low	L
	52.7 %	7.0 %	20.1 %	1.9 %	18.3 %	10.9 %	2.96	122	11.84	0.20	1.86	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		8.54	8.63	10.62	11.28	13.61	14.14
	Private-Label Footwear		8.31	12.28	10.61	14.01	12.27	15.74
Labor — North America	Total Compensation (\$/year)		20,431	21,992	24,270	25,354	28,279	29,738
	Productivity (pairs/worker/year)		3,752	3,982	4,835	5,112	5,978	6,312
	Labor Cost (\$/pair produced)		4.53	4.35	5.34	5.29	5.86	5.97
Europe Africa	Total Compensation (\$/year)		16,244	17,777	19,661	19,588	22,796	22,686
	Productivity (pairs/worker/year)		4,152	3,955	4,878	4,615	5,984	5,848
	Labor Cost (\$/pair produced)		4.02	4.08	4.28	4.65	4.42	4.97
Asia Pacific	Total Compensation (\$/year)		3,836	4,092	5,057	5,309	7,804	7,853
	Productivity (pairs/worker/year)		2,325	2,284	2,914	2,896	3,526	3,655
	Labor Cost (\$/pair produced)		1.61	1.70	1.77	1.89	1.91	2.21
Latin America	Total Compensation (\$/year)		4,280	4,299	4,780	5,114	5,242	5,966
	Productivity (pairs/worker/year)		2,909	2,952	3,209	3,297	3,576	3,575
	Labor Cost (\$/pair produced)		1.25	1.27	1.54	1.65	1.72	1.86
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.15	0.15	0.89	0.83	1.78	1.78
	Cumulative		0.28	0.26	0.90	0.90	1.76	1.76
Reject Rates	Branded Production		2.9%	2.9%	4.1%	4.0%	7.8%	7.1%
	Private-Label Production		2.7%	4.0%	3.7%	4.5%	5.1%	5.0%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	24.20	24.32	27.42	26.85	33.43	29.54
		E-A	21.88	22.92	25.47	24.14	32.29	25.75
		A-P	19.50	20.21	23.52	23.19	27.13	26.17
		L.A.	18.77	18.92	21.74	22.15	25.84	26.13
	Private-Label	N.A.	27.82	28.20	29.44	28.20	31.06	28.20
		E-A	23.29	32.08	24.02	32.08	24.74	32.08
		A-P	21.32	24.25	25.59	26.15	31.96	28.05
		L.A.	22.01	22.68	23.11	22.68	24.21	22.68

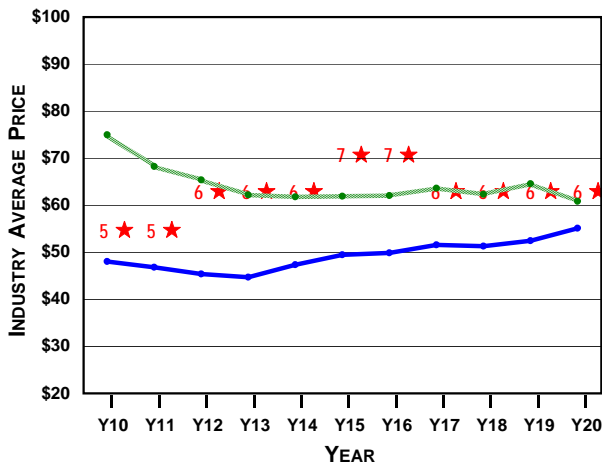
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.81	24.66	27.74	27.81	32.86	32.07
		E-A	25.26	25.26	32.66	31.69	40.21	40.78
		A-P	21.93	22.69	25.47	25.62	28.71	28.69
		L.A.	21.62	21.50	27.83	28.30	36.59	35.09
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale		10.70	10.41	11.33	11.22	12.25	12.61
			2.24	2.04	3.09	2.94	4.17	4.26
Marketing Expenses — Internet (\$ per pair sold)	Wholesale		4.63	1.53	11.66	10.90	18.08	16.29
			6.96	2.43	11.59	10.96	16.36	15.84
Administrative Expenses (\$/pair sold)		0.96	0.69	1.38	1.20	1.84	2.18	
Operating Profit (\$ per pair sold)	Internet	N.A.	-1.03	2.19	20.84	18.09	35.14	32.20
		E-A	-3.19	2.55	16.83	15.40	34.74	33.39
		A-P	2.40	5.41	22.18	20.17	35.79	31.89
		L.A.	4.03	0.55	20.67	18.72	34.98	31.72
Wholesale		N.A.	3.43	4.65	8.24	11.69	13.45	19.82
		E-A	-5.49	-0.73	4.15	10.38	13.55	23.85
		A-P	0.76	6.66	5.28	10.31	8.92	18.39
		L.A.	-1.96	2.61	7.76	9.33	23.37	21.02
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	29.53	30.70	30.97	30.70	33.56	30.70
		E-A	25.79	34.58	32.96	34.58	45.86	34.58
		A-P	23.82	26.75	27.90	28.65	34.46	30.55
		L.A.	26.71	28.70	31.49	28.70	36.19	28.70
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.	1.98	3.30	4.58	3.30	11.47	3.30
		E-A	-8.92	-1.34	3.27	-1.34	9.69	0.00
		A-P	-1.70	1.97	2.13	2.17	4.94	2.37
		L.A.	-3.87	2.32	3.24	2.32	8.43	2.32

CELEBRITY ENDORSEMENTS

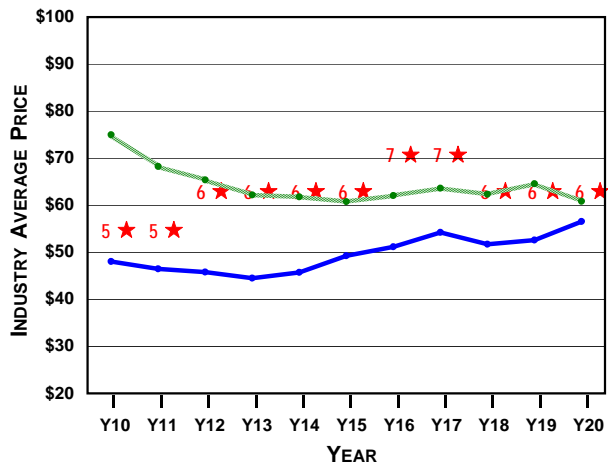
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2ND BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company A	20,220	Y19	2 years	4	20,220	11,000	12,139	8,333
Oprah Letterman	100	70	65	75	Company A	8,427	Y20	3 years	2	8,427	5,000	6,714	5,000
Annika Stockholm	70	100	70	55	Company L	15,001	Y16	5 years	5	15,001	12,123	11,399	8,001
Tiger Green	95	80	85	75	Company A	8,427	Y20	2 years	2	8,427	5,000	6,714	5,000
José Montaña	60	50	60	95	Company L	19,601	Y18	3 years	4	19,601	15,482	14,018	9,666
Karioki Footsu	55	60	95	90	Company A	8,427	Y20	4 years	2	8,427	5,000	6,714	5,000
Jaques LaFeet	50	90	50	85	Company A	8,427	Y20	1 year	2	8,427	5,000	6,714	5,000
Serenus Willson	70	65	55	60	Company A	20,220	Y19	3 years	4	20,220	12,888	13,506	8,333
Natalie Kwan	75	80	95	50	Company E	16,666	Y17	4 years	5	16,666	13,601	11,989	9,002
Sergio Milano	45	85	60	100	Company A	20,220	Y19	2 years	4	20,220	12,899	14,114	11,333
Lance deFrance	80	85	75	70	Company L	10,000	Y20	3 years	2	10,000	8,427	9,214	8,427
Yao KungPao	60	35	100	50	Company L	20,601	Y18	4 years	4	20,601	15,482	14,687	9,666

BRANDED PRICE AND S/Q RATING TRENDS

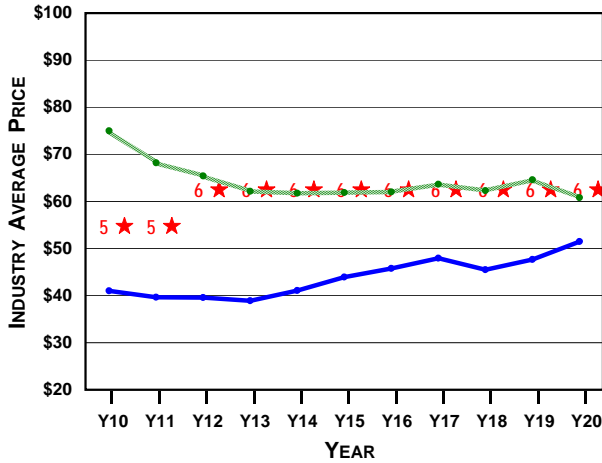
NORTH AMERICA



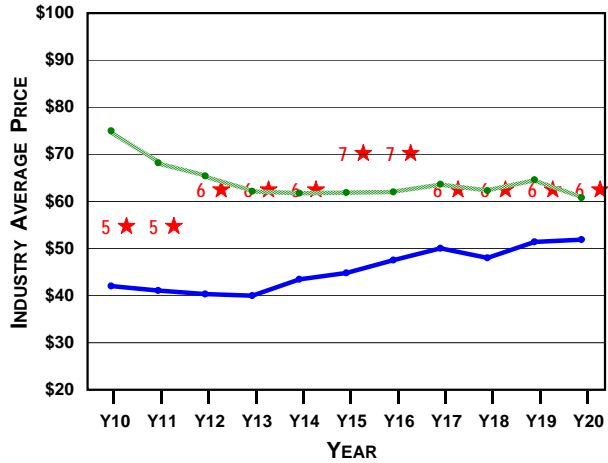
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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