

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 5

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
Carolina Heels	120	+1
K Company	118	+1
Bradford Footwear	116	+17
Jsport	114	+2
LEAP	86	+4
EXTERMINATERS	83	-1
High Tops	77	-7
I Company	70	+8
G E A R	44	+17
A Company	23	-20
D (deleted)	0	0
F (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Carolina Heels	108	+2
K Company	105	+2
Jsport	101	+2
Bradford Footwear	98	+2
EXTERMINATERS	61	+2
High Tops	61	+2
LEAP	58	+3
G E A R	52	-1
I Company	49	+3
A Company	41	-2
D (deleted)	0	0
F (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
Carolina Heels	96	-3
Bradford Footwear	75	+13
K Company	71	-19
Jsport	59	-19
EXTERMINATERS	45	-10
LEAP	44	-8
High Tops	39	-13
I Company	38	-2
G E A R	26	+8
A Company	15	-13
D (deleted)	0	0
F (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Carolina Heels	97	+3
Bradford Footwear	84	+10
K Company	79	-10
Jsport	70	-8
LEAP	46	-2
High Tops	43	-3
I Company	37	+1
EXTERMINATERS	36	-8
G E A R	34	+4
A Company	19	-3
D (deleted)	0	0
F (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	2.83	1.00	0.89	0.34	-1.26	-1.99	1.02	1.06	1.30	-1.74	0.34	0	1	A
B	3.60	3.56	4.63	3.19	3.96	2.36	5.98	6.66	5.75	11.17	5.03	14	17	B
C	3.29	2.82	2.58	3.20	3.20	3.61	7.24	8.46	9.16	15.86	5.75	20	20	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	3.88	1.57	-3.31	-0.23	0.71	-0.26	1.52	2.52	3.09	3.48	1.39	4	5	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	3.02	1.21	2.89	1.52	1.21	1.24	1.97	0.76	0.41	1.35	1.53	2	5	G
H	2.92	2.36	1.34	-1.54	0.87	-0.03	1.48	2.20	3.41	3.11	1.63	4	6	H
I	1.05	1.76	0.77	1.11	0.18	-2.25	1.94	1.35	2.00	2.40	0.99	3	3	I
J	3.14	1.46	2.85	3.28	2.72	3.14	5.38	5.95	6.36	6.92	3.97	9	14	J
K	3.27	2.95	3.25	2.47	2.52	3.61	6.17	6.80	7.80	9.48	4.64	12	16	K
L	3.16	1.67	0.93	0.51	0.68	0.30	0.39	1.86	2.59	3.16	1.53	4	5	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	17.6	5.8	5.0	1.9	-7.2	-12.7	6.8	6.8	7.8	-10.8	2.1	0	2	A
B	21.7	20.4	25.0	17.3	22.3	11.8	25.9	23.6	17.3	28.6	20.9	15	20	B
C	20.6	14.4	11.2	12.1	11.3	11.6	20.9	21.9	21.1	29.8	17.4	16	17	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	23.3	8.9	-21.6	-1.7	5.9	-2.5	12.8	18.2	19.9	38.4	10.8	20	10	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	18.2	6.7	13.4	7.7	5.8	5.6	8.3	3.4	1.9	5.9	7.1	3	7	G
H	17.6	12.3	6.5	-7.5	4.3	-0.1	7.8	10.7	14.1	11.9	7.7	6	7	H
I	6.7	10.3	4.2	5.7	1.0	-15.2	12.9	7.9	11.0	11.4	5.6	6	5	I
J	18.8	7.7	13.8	14.3	13.3	14.7	21.0	19.5	19.0	19.7	16.0	10	15	J
K	19.4	15.0	14.3	9.6	9.1	11.5	17.5	16.9	17.7	21.0	14.9	11	14	K
L	19.4	9.3	5.0	2.6	3.3	1.4	1.8	8.4	10.7	11.6	7.1	6	7	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	37.82	20.13	11.32	6.88	5.04	4.75	10.06	11.66	14.99	9.30	-11 %	1	1	A
B	58.50	47.78	70.09	37.62	47.00	25.17	82.62	93.26	72.83	189.57	+20	11	11	B
C	64.43	38.74	30.46	38.58	40.61	48.44	137.80	161.02	170.12	340.78	+28	20	20	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	70.21	33.27	18.09	11.14	7.68	4.82	16.67	31.10	42.97	54.87	+6	3	3	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	36.49	19.95	29.80	17.03	12.18	11.00	20.43	12.25	8.03	12.21	-9	1	1	G
H	38.02	24.21	14.09	8.35	8.23	5.54	16.61	25.29	40.12	37.40	+2	2	2	H
I	17.05	14.71	8.91	10.03	6.60	4.75	18.06	15.50	23.29	26.00	-1	2	2	I
J	44.27	23.35	34.61	40.33	31.40	32.53	73.56	107.29	115.23	118.08	+15	7	7	J
K	42.57	31.37	38.14	25.32	25.79	44.76	115.05	126.73	141.25	166.72	+19	10	10	K
L	54.07	27.47	15.56	9.09	5.67	4.75	4.94	22.33	35.76	40.61	+3 %	2	2	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+	C	C	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	A
B	A-	B	B-	C	C	C-	C	C+	C+	A	Low	19	19	B
C	A-	A-	A	A	A	A	A+	A	A	A+	Low	20	20	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	C-	C-	C-	C-	C-	C	B	C+	C-	N/A	0	0	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	B-	C-	C-	C-	C-	C-	C-	C+	High	8	8	G
H	B+	B-	C	C-	C	C-	C	C	B-	B-	High	11	11	H
I	C+	C	C	C	C-	C-	C+	C+	C+	B-	Medium	11	11	I
J	A-	B	A-	A	A-	A-	A	A-	A-	A+	Low	20	20	J
K	A-	B+	A-	A-	B	A-	A+	A+	A+	A	Low	19	19	K
L	A-	B-	C	C	C	C	C+	B+	A-	A-	Medium	18	18	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	74	59	80	65	70	60	71	62	77	71	70	14	15	A
B	69	78	86	97	86	84	76	89	79	80	83	16	17	B
C	73	69	74	74	80	85	83	87	98	100	95	20	20	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	91	95	86	93	87	85	83	86	78	89	84	18	18	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	67	64	63	72	75	71	78	65	67	58	63	12	13	G
H	84	88	89	90	78	87	80	81	79	78	79	16	17	H
I	60	67	69	67	66	64	78	73	74	81	76	16	16	I
J	70	58	66	64	62	58	65	66	68	67	67	13	14	J
K	71	77	94	89	90	88	88	94	94	93	94	19	20	K
L	69	63	71	60	64	54	51	63	70	69	67	14	14	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	106	48	44	28	22	19	38	37	43			
B	113	107	106	89	92	62	97	103	99	116	98	Very Good	B
C	112	102	93	100	96	101	118	117	119	120	108	Excellent	C
D	0	0	0	0	0	0	0	0	0	0	0	N/A	D
E	111	66	32	29	38	24	58	86	84	83	61	Subpar	E
F	0	0	0	0	0	0	0	0	0	0	0	N/A	F
G	99	51	83	48	42	39	51	33	27	44	52	Subpar	G
H	107	82	53	27	40	25	50	61	84	77	61	Subpar	H
I	53	58	40	43	24	20	64	52	62	70	49	Subpar	I
J	111	67	97	100	89	91	114	112	112	114	101	Excellent	J
K	110	99	105	86	77	100	117	116	117	118	105	Excellent	K
L	111	70	45	32	33	25	29	67	82	86	58	Subpar	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	27,986	17,160	59,208	12,360	116,714
– Pairs Rejected	789	834	2,869	638	5,130
Net Y20 Production (after rejects)	27,197	16,326	56,339	11,722	111,584
Superior Materials Usage	35.1%	44.9%	46.4%	47.6%	43.6%
Capacity Utilization (branded + P-L prod.)	101.0%	120.0%	118.7%	120.0%	114.2%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	8.00	+ 1.02	+ 0.34	9.36
Superior Materials	14.00	- 0.45	+ 0.59	14.14

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	5,300	7,654	4,829	4,771	22,554
– Pairs Cleared (inventory clearance)	0	1,123	290	486	1,899
Beginning Y20 Inventories	5,300	6,531	4,539	4,285	20,655
+ New Production (shipped from plants)	25,118	23,361	23,618	22,565	94,662
Pairs Available for Sale in Y20	30,418	29,892	28,157	26,850	115,317

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)	24,326	23,684	21,449	22,625	92,084
Actual Year 20 Demand	24,590	23,548	21,891	22,643	92,673
Branded Pairs Sold	24,588	23,548	21,890	22,641	92,667
Required Y20 Ending Inventories	1,432	1,343	1,220	1,283	5,278
Inventory Surplus (Shortfall)	4,398	5,001	5,047	2,906	17,352

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.4%
- Available for shipment to warehouses
- % usage up by 0.9 points over Y19
- % utilization down by 1.9 points from Y19

Lower than normal (43.6% industrywide) superior materials usage led to superior materials prices that were 3.2% below the base and standard materials prices that were 12.8% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 4.2% from the base.

- Average inventory clearance of 8.4%
- 24.4% higher than Y20 demand
- Actual demand in Year 20 was 0.6% greater than expected.
- Needed to achieve delivery times
- { High in N.A. Very high in E-A
Very high in A-P High in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America	25,574	26,597	27,661	28,767
(internet + wholesale) Europe-Africa	24,490	25,470	26,489	27,549
Asia-Pacific	23,205	24,597	26,073	27,637
Latin America	24,002	25,442	26,969	28,587
Total	97,271	102,106	107,192	112,540
Private-Label — North America	4,700	4,700	4,700	4,700
Europe-Africa	4,660	4,660	4,660	4,660
Asia-Pacific	4,740	4,740	4,740	4,740
Latin America	4,640	4,640	4,640	4,640
Total	18,740	18,740	18,740	18,740

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory	22,630
(000s) Potential Production (at max OT)	122,640
Potential Global Supply	145,270
Demand — Branded Sales Forecast	97,271
(000s) Private-Label Sales Forecast	18,740
Expected Global Demand	116,011
Conclusion:	Excess supply of 25.2% 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	11,300	0	0	0	0	0	0	0	11,300	0	0	0	11,300	0	A
B	5,000	0	5,400	0	-1,500	0	-1,000	0	3,500	0	4,400	0	7,900	0	B
C	0	4,500	6,000	6,000	0	0	3,200	0	0	4,500	9,200	6,000	19,700	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	5,400	0	8,100	0	0	0	0	0	5,400	0	8,100	0	13,500	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	2,000	1,000	3,200	1,000	0	0	0	0	2,000	1,000	3,200	1,000	7,200	0	G
H	2,500	1,000	4,200	1,500	0	0	0	0	2,500	1,000	4,200	1,500	9,200	0	H
I	2,000	4,000	4,000	0	0	0	0	0	2,000	4,000	4,000	0	10,000	0	I
J	0	1,000	5,900	0	0	-1,000	0	0	0	0	5,900	0	5,900	0	J
K	0	1,800	5,900	1,800	0	0	0	0	0	1,800	5,900	1,800	9,500	0	K
L	1,000	2,000	5,000	0	0	0	0	0	1,000	2,000	5,000	0	8,000	0	L
Total	29,200	15,300	47,700	10,300	-1,500	-1,000	2,200	0	27,700	14,300	49,900	10,300	102,200	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	359,299	250,815	24,672	54,736	13,720	15,356	32,711	0	-17,355	9,990	9,990	A
B	637,026	351,148	45,340	92,068	10,319	138,151	18,448	35,911	83,792	30,000	7,500	B
C	1,076,289	541,228	56,571	199,050	22,118	257,322	13,763	73,068	170,491	32,250	10,750	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	711,149	384,070	40,937	172,296	15,919	97,927	36,040	18,566	43,321	124,500	12,450	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	378,934	208,344	32,771	95,275	9,618	32,926	12,630	6,089	14,207	1,050	10,500	G
H	571,230	330,169	29,795	134,230	11,621	65,415	16,917	14,549	33,949	2,725	10,900	H
I	538,671	341,802	34,008	89,103	12,418	61,340	21,867	11,842	27,631	0	11,500	I
J	413,650	236,599	32,587	59,240	8,319	76,905	2,763	22,243	51,899	37,500	7,500	J
K	546,576	322,417	38,668	67,816	11,920	105,755	4,139	30,485	71,131	16,875	7,500	K
L	485,596	268,785	31,815	122,931	10,420	51,645	8,815	12,849	29,981	0	9,500	L
	571,842	323,538	36,716	108,675	12,639	90,274	16,809	22,560	50,905	25,489	9,809	

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	144,529	392,399	246,047	0	173,698	0	-27,346	146,352	1.00	2 / 4	A
B	0	204,159	364,402	45,011	0	265,599	0	53,792	319,391	4.00	9 / 1	B
C	22,179	333,428	906,510	90,776	209,860	538,215	-70,580	138,239	605,874	3.00	5 / 1	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	0	257,962	633,721	159,850	425,000	176,470	-46,420	-81,179	48,871	10.00	3 / 1	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	0	216,853	339,233	90,218	0	235,859	0	13,156	249,015	0.10	4 / 5	G
H	0	243,211	443,814	117,717	24,400	270,468	0	31,229	301,697	0.25	1 / 1	H
I	1,799	190,682	477,225	65,829	174,500	248,761	-39,495	27,631	236,896	0.00	0 / 1	I
J	24,165	168,610	291,942	21,474	0	256,065	0	14,402	270,468	5.00	3 / 2	J
K	0	190,813	435,943	55,975	59,580	356,846	-90,714	54,256	320,388	2.25	5 / 1	K
L	0	207,840	381,572	44,250	64,600	242,741	0	29,981	272,722	0.00	1 / 4	L
	4,814	215,809	466,676	93,715	95,794	276,472	-24,721	25,416	277,167	2.56	3 / 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	69.8 %	6.9 %	15.2 %	3.8 %	4.3 %	-4.8 %	0.59	109	0.47	0.57	0.00	N/A	A
B	55.1	7.1	14.5	1.6	21.7	13.2	4.54	53	7.49	0.05	3.69	Low	B
C	50.3	5.3	18.5	2.1	23.9	15.8	3.67	37	18.70	0.27	4.71	Low	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	54.0	5.8	24.2	2.2	13.8	6.1	1.61	117	2.72	0.87	0.00	N/A	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	55.0	8.6	25.1	2.5	8.7	3.7	2.40	214	2.61	0.19	0.43	High	G
H	57.8	5.2	23.5	2.0	11.5	5.9	2.07	119	3.87	0.26	0.60	High	H
I	63.5	6.3	16.5	2.3	11.4	5.1	2.90	77	2.81	0.44	1.39	Medium	I
J	57.2	7.9	14.3	2.0	18.6	12.5	7.85	65	27.83	0.00	10.00	Low	J
K	59.0	7.1	12.4	2.2	19.3	13.0	3.41	61	25.55	0.19	3.30	Low	K
L	55.4	6.6	25.3	2.1	10.6	6.2	4.70	118	5.86	0.22	2.66	Medium	L
	56.6 %	6.4 %	19.0 %	2.2 %	15.8 %	8.9 %	2.30	97	9.79	0.31	2.68	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		8.52	8.26	11.12	11.09	13.11	12.89	
	Private-Label Footwear		8.13	8.11	9.66	9.56	12.48	10.82	
Labor — North America	Total Compensation (\$/year)		17,631	17,726	20,115	20,297	24,305	23,748	
	Productivity (pairs/worker/year)		3,788	3,632	4,944	4,889	5,706	5,563	
	Labor Cost (\$/pair produced)		3.31	3.44	4.40	4.51	5.02	5.68	
Europe Africa	Total Compensation (\$/year)		15,843	17,831	19,425	19,609	21,583	21,687	
	Productivity (pairs/worker/year)		4,043	3,769	4,768	4,595	5,696	5,626	
	Labor Cost (\$/pair produced)		3.95	3.74	4.38	4.55	5.13	5.53	
Asia Pacific	Total Compensation (\$/year)		3,530	3,515	4,645	4,785	5,776	6,289	
	Productivity (pairs/worker/year)		2,228	2,202	2,954	3,008	3,823	3,860	
	Labor Cost (\$/pair produced)		1.08	1.22	1.63	1.70	2.18	2.22	
Latin America	Total Compensation (\$/year)		3,507	3,546	4,331	4,586	5,823	6,241	
	Productivity (pairs/worker/year)		2,290	2,358	2,843	2,943	3,347	3,513	
	Labor Cost (\$/pair produced)		1.27	1.38	1.59	1.71	1.91	1.96	
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.00	1.43	1.32	2.50	2.50	
	Cumulative		0.52	0.49	1.33	1.34	2.37	2.38	
Reject Rates	Branded Production		1.2%	1.2%	4.4%	4.4%	6.7%	6.5%	
	Private-Label Production		2.0%	2.0%	4.2%	3.4%	7.6%	4.3%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	22.00	21.27	27.63	27.21	33.73	36.59	
		E-A	24.12	23.08	27.44	28.68	33.36	34.75	
		A-P	20.87	18.77	24.34	24.21	26.83	27.26	
		L.A.	22.24	21.59	25.56	25.50	29.02	29.98	
		Private-Label	N.A.	21.93	23.09	21.93	25.11	21.93	27.13
		E-A	17.57	17.90	23.71	20.67	30.75	23.44	
		A-P	19.81	19.37	22.68	20.84	25.49	22.99	
		L.A.	18.93	18.86	18.93	18.86	18.93	18.86	

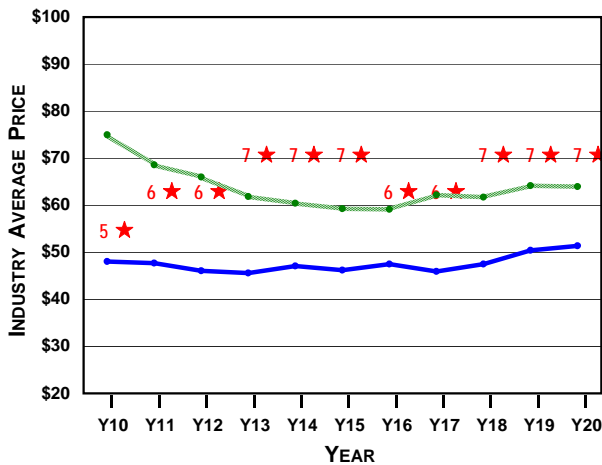
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.64	23.82	28.87	28.96	32.58	33.75
		E-A	27.86	25.95	34.34	34.60	39.91	40.07
		A-P	23.36	21.67	27.45	27.72	34.80	37.50
		L.A.	24.55	24.14	30.79	30.47	36.54	35.68
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.53	10.35	10.83	10.83	11.53	11.24
			2.24	1.89	2.59	2.56	3.31	3.07
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	8.47	8.22	13.64	13.45	24.34	24.49
			5.84	6.01	10.74	11.39	15.50	17.85
Administrative Expenses	(\$/pair sold)		1.01	1.10	1.41	1.40	2.31	2.34
Operating Profit (\$ per pair sold)	Internet	N.A.	6.12	11.81	18.23	18.39	23.69	28.23
		E-A	3.35	-0.08	14.15	13.32	21.49	28.29
		A-P	12.92	11.23	21.10	20.80	30.30	30.23
		L.A.	9.21	12.28	17.47	20.80	25.09	31.92
Wholesale	N.A.	1.12	-0.44	5.29	5.77	10.21	12.53	
	E-A	0.37	-1.00	6.89	5.83	12.25	12.32	
	A-P	3.26	1.64	6.06	6.19	8.54	14.17	
	L.A.	0.40	4.25	4.99	8.95	8.75	16.32	
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.17	23.83	26.14	26.73	29.81	29.63
		E-A	20.07	20.40	28.70	29.26	36.17	41.45
		A-P	22.31	22.06	26.83	23.83	34.58	25.49
		L.A.	21.43	21.36	24.15	26.49	26.87	31.03
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	-0.13	2.75	1.27	4.61	2.67	
	E-A	3.30	-2.16	10.86	7.80	16.23	16.74	
	A-P	2.15	2.58	4.97	6.59	11.63	12.45	
	L.A.	3.00	-0.30	5.42	3.48	7.84	8.22	

CELEBRITY ENDORSEMENTS

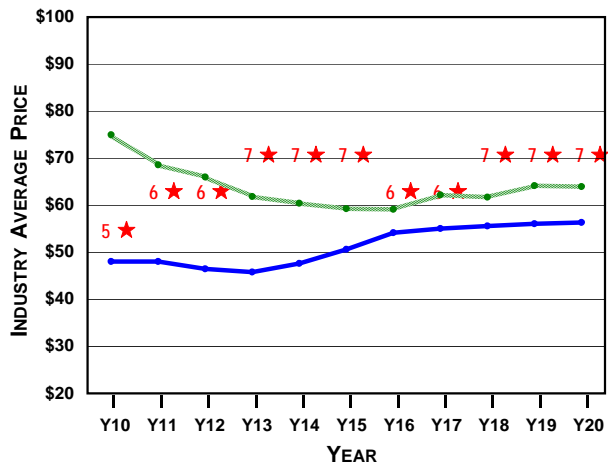
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2ND BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company E	18,000	Y19	2 years	6	18,000	12,222	9,293	3,333
Oprah Letterman	100	70	65	75	Company H	15,501	Y19	3 years	6	25,222	18,000	12,760	3,333
Annika Stockholm	70	100	70	55	Company C	20,110	Y16	5 years	7	20,110	17,888	11,232	500
Tiger Green	95	80	85	75	Company H	21,309	Y20	2 years	2	21,309	9,500	15,405	9,500
José Montaña	60	50	60	95	Company E	16,000	Y18	3 years	7	16,000	15,215	12,979	5,000
Karioki Footsu	55	60	95	90	Company H	21,309	Y20	4 years	2	21,309	1,500	11,405	1,500
Jaques LaFeet	50	90	50	85	Company K	1,500	Y20	1 year	2	21,309	1,500	11,405	1,500
Serenus Willson	70	65	55	60	Company E	18,000	Y19	3 years	6	18,000	16,222	10,593	3,333
Natalie Kwan	75	80	95	50	Company C	18,120	Y17	4 years	7	18,120	17,999	11,175	501
Sergio Milano	45	85	60	100	Company C	18,222	Y19	2 years	6	18,222	18,000	11,760	3,333
Lance deFrance	80	85	75	70	Company K	1,500	Y20	3 years	2	21,309	1,500	11,405	1,500
Yao KungPao	60	35	100	50	Company E	18,000	Y18	4 years	7	18,000	15,101	12,587	5,000

BRANDED PRICE AND S/Q RATING TRENDS

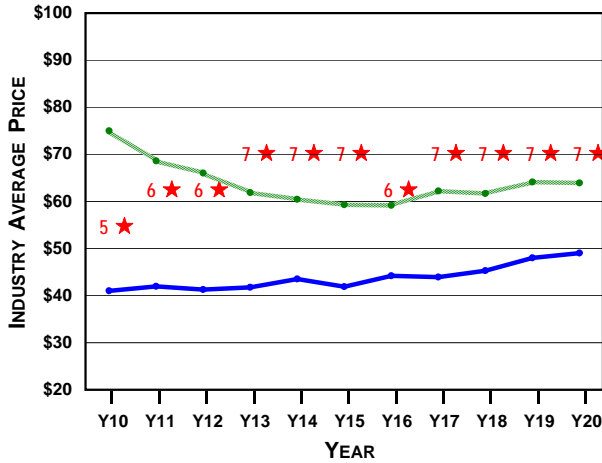
NORTH AMERICA



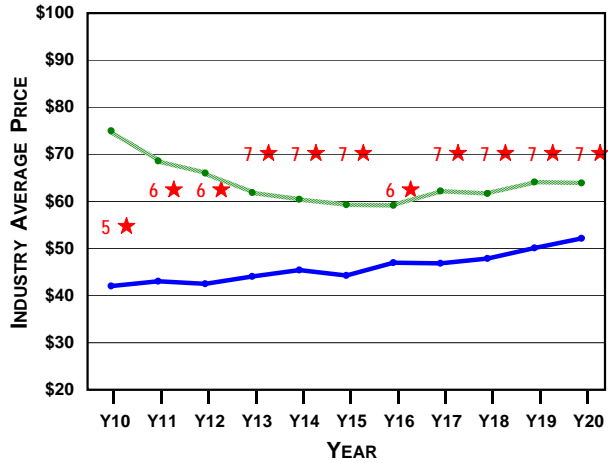
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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