

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 6

Friday, December 15, 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
Future Shoes	120	+1
Jesus still loves me	120	+3
Lucky Feet Shoes	120	0
G Company	104	+29
I Company	67	-44
Extra Inc.	66	+6
A A-Town Shoes	57	+6
B (deleted)	0	0
C Company	0	0
D (deleted)	0	0
H (deleted)	0	0
K (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Jesus still loves me	111	+1
Lucky Feet Shoes	106	+1
Future Shoes	105	+1
G Company	90	+1
I Company	71	0
A A-Town Shoes	67	-1
Extra Inc.	66	0
B (deleted)	0	0
C Company	0	0
D (deleted)	0	0
H (deleted)	0	0
K (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
Jesus still loves me	97	+20
Lucky Feet Shoes	94	-4
Future Shoes	87	+5
G Company	51	+7
Extra Inc.	39	-1
A A-Town Shoes	36	0
I Company	35	-27
B (deleted)	0	0
C Company	0	0
D (deleted)	0	0
H (deleted)	0	0
K (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Lucky Feet Shoes	97	0
Future Shoes	89	+5
Jesus still loves me	89	+9
G Company	58	+4
Extra Inc.	44	+1
A A-Town Shoes	44	-1
I Company	43	-13
B (deleted)	0	0
C Company	0	0
D (deleted)	0	0
H (deleted)	0	0
K (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 (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	3.91	4.01	2.82	0.40	1.94	1.51	1.23	1.11	0.80	1.19	1.73	1	4	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	3.53	2.96	1.28	1.67	2.60	1.45	0.40	1.20	1.25	1.59	1.68	2	4	E
F	3.74	4.99	3.00	3.66	3.90	4.34	5.01	8.59	8.73	12.61	5.73	13	13	F
G	3.11	4.89	2.51	2.23	2.87	3.55	2.32	4.52	2.61	5.03	3.34	5	8	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	4.26	2.72	0.37	1.06	1.45	1.64	1.92	2.84	4.94	2.23	2.24	2	5	I
J	1.91	4.14	4.12	3.86	4.71	5.88	6.59	10.36	9.80	19.91	6.74	20	15	J
K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	K
L	2.34	6.54	3.66	3.31	4.99	8.46	8.90	15.69	15.89	19.85	8.81	20	20	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 (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	23.9	23.5	14.3	1.9	8.6	6.6	5.3	6.3	4.1	5.8	8.4	4	8	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	20.9	15.1	6.0	6.8	9.5	5.0	1.9	6.7	7.9	8.9	8.1	6	8	E
F	22.3	26.0	14.8	17.6	19.3	18.7	16.7	25.1	22.8	29.1	20.9	18	20	F
G	18.6	23.6	10.3	8.2	9.5	10.8	6.4	12.0	6.3	11.2	10.7	7	10	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	26.8	14.8	1.3	4.6	6.1	6.6	6.9	9.6	15.7	6.9	8.7	4	8	I
J	12.2	22.7	18.6	15.1	16.7	18.1	17.3	23.2	18.9	31.5	19.4	20	19	J
K	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	K
L	14.3	30.7	13.8	9.5	13.0	18.9	16.8	24.3	20.9	22.8	17.9	14	17	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	79.15	69.09	32.94	18.53	18.12	14.52	14.75	11.66	8.24	12.25	-9 %	1	1	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	49.91	31.38	17.85	16.35	27.78	15.86	9.33	10.88	13.84	18.56	-5	1	1	E
F	60.29	80.31	35.46	45.79	46.23	52.08	57.89	146.71	158.10	265.80	+24	16	16	F
G	41.22	85.69	36.92	22.35	27.31	40.07	23.11	58.98	29.63	67.95	+9	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	0	0	H
I	81.48	35.93	19.07	11.26	13.73	18.41	22.90	34.11	82.35	36.41	+2	2	2	I
J	19.34	67.00	57.22	50.92	56.59	85.90	92.72	186.90	142.62	285.48	+25	17	17	J
K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	K
L	24.78	112.22	45.88	41.37	60.38	132.10	133.95	268.04	270.50	328.50	+27 %	20	20	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-	C+	C+	B+	C+	B	B+	A-	A	Medium	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	A-	B+	B	A-	B	C	C	B-	B+	A-	Medium	18	18	E
F	B+	B	B-	C	C-	C+	B-	A-	A	A+	Low	20	20	F
G	B+	A	B+	B+	B	B+	B	A	A-	A+	Low	20	20	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	C-	C	C	C+	C+	B	A-	B-	Medium	11	11	I
J	B	A	A+	A+	A	A+	A	A+	A+	A+	Low	20	20	J
K	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	K
L	B	B	C+	C	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	67	70	70	62	58	64	60	61	58	57	59	11	12	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	69	64	61	65	64	64	68	65	63	62	63	12	13	E
F	87	85	80	89	86	96	95	99	100	100	100	20	20	F
G	64	68	71	68	65	74	71	81	76	76	78	15	16	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	72	82	80	85	80	87	87	84	88	82	85	16	17	I
J	64	76	71	75	73	80	83	89	87	100	92	20	18	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	78	86	87	97	100	100	100	100	99	100	100	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	107	104	83	40	68	50	52	56	51			
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	113	96	59	68	75	44	32	50	60	66	66	Subpar	E
F	114	110	92	92	87	98	103	118	119	120	105	Excellent	F
G	105	114	90	75	77	92	67	104	75	104	90	Very Good	G
H	0	0	0	0	0	0	0	0	0	0	0	N/A	H
I	108	97	35	45	48	56	59	79	111	67	71	Fair	I
J	76	116	114	110	110	115	115	119	117	120	111	Superior	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	K
L	89	110	92	82	101	115	115	120	120	120	106	Excellent	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	25,064	11,520	42,046	14,725	93,355
– Pairs Rejected	994	555	1,691	765	4,005
Net Y20 Production (after rejects)	24,070	10,965	40,355	13,960	89,350
Superior Materials Usage	32.7%	44.4%	39.9%	47.0%	39.7%
Capacity Utilization (branded + P-L prod.)	116.0%	120.0%	110.6%	118.8%	114.4%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	7.00	+ 1.44	+ 0.31	8.75
Superior Materials	14.00	- 0.72	+ 0.62	13.90

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	5,107	1,838	1,765	3,504	12,214
– Pairs Cleared (inventory clearance)	324	382	286	271	1,263
Beginning Y20 Inventories	4,783	1,456	1,479	3,233	10,951
+ New Production (shipped from plants)	21,520	18,119	18,688	18,953	77,280
Pairs Available for Sale in Y20	26,303	19,575	20,167	22,186	88,231

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)	21,124	20,317	19,950	19,920	81,311
Actual Year 20 Demand	19,943	18,510	18,739	18,750	75,942
Branded Pairs Sold	19,934	18,148	18,426	18,249	74,757
Required Y20 Ending Inventories	689	627	666	612	2,594
Inventory Surplus (Shortfall)	5,157	-3	298	2,327	7,779

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.3%
- Available for shipment to warehouses
- % usage up by 16.0 points over Y19
- % utilization up by 0.6 points over Y19

Lower than normal (39.7% industrywide) superior materials usage led to superior materials prices that were 5.2% below the base and standard materials prices that were 20.6% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 4.4% from the base.

- Average inventory clearance of 10.3%
- 16.2% higher than Y20 demand

Actual demand in Year 20 was 6.6% less than expected due to increases in industry average prices.

- Needed to achieve delivery times
- { Very high in N.A. Low in E-A
Okay in A-P High in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America (internet + wholesale)	20,741	21,571	22,434	23,331
Europe-Africa	19,250	20,020	20,821	21,654
Asia-Pacific	19,863	21,055	22,318	23,657
Latin America	19,875	21,068	22,332	23,672
Total	79,729	83,714	87,905	92,314
Private-Label — North America	3,283	3,283	3,283	3,283
Europe-Africa	3,262	3,262	3,262	3,262
Asia-Pacific	3,248	3,248	3,248	3,248
Latin America	3,283	3,283	3,283	3,283
Total	13,076	13,076	13,076	13,076

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	10,376
Potential Production (at max OT)	97,920
Potential Global Supply	108,296
Demand — Branded Sales Forecast (000s)	79,729
Private-Label Sales Forecast	13,076
Expected Global Demand	92,805
Conclusion:	Currently, there is a good balance between supply and demand, given available capacity w/OT. However, growth-minded companies should consider construction of new capacity now to meet future demand.

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	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	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	2,500	0	4,500	0	0	0	0	0	2,500	0	4,500	0	7,000	0	E
F	3,000	1,000	4,000	2,600	0	0	0	0	3,000	1,000	4,000	2,600	10,600	0	F
G	2,000	1,000	4,700	2,000	0	0	0	0	2,000	1,000	4,700	2,000	9,700	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	2,300	0	9,400	0	0	0	0	0	2,300	0	9,400	0	11,700	0	I
J	3,600	2,200	5,300	2,400	0	0	0	0	3,600	2,200	5,300	2,400	13,500	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	6,200	5,400	6,100	5,400	0	0	0	0	6,200	5,400	6,100	5,400	23,100	0	L
Total	21,600	9,600	38,000	12,400	0	0	0	0	21,600	9,600	38,000	12,400	81,600	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	352,861	173,744	28,326	115,361	8,419	27,011	1,547	7,639	17,825	0	14,950	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	357,069	187,000	28,291	85,775	9,420	46,583	2,773	13,143	30,667	0	19,340	E
F	612,800	288,365	40,053	128,461	13,020	142,901	7,836	40,520	94,545	28,500	7,500	F
G	468,337	298,300	34,603	63,346	12,119	59,969	6,065	16,171	37,733	0	7,500	G
H	0	0	0	0	0	0	0	0	0	0	0	H
I	451,504	281,622	25,851	91,996	14,120	37,915	12,397	7,655	17,863	9,440	8,000	I
J	807,015	397,880	46,973	132,325	15,920	213,917	589	63,998	149,330	0	7,500	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	1,104,679	619,934	69,214	132,547	25,518	257,466	9,995	74,241	173,230	0	8,725	L
	593,466	320,978	39,044	107,116	14,077	112,252	5,886	31,910	74,456	5,420	10,502	

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	45,044	239,639	345,639	31,677	0	296,137	0	17,825	313,962	0.00	4 / 4	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	292,264	407,755	49,441	0	327,645	0	30,669	358,314	0.00	3 / 4	E
F	14,781	171,659	425,107	39,000	32,000	296,019	-7,958	66,046	354,107	3.80	6 / 2	F
G	61,128	188,062	407,715	29,464	21,000	319,517	0	37,734	357,251	0.00	0 / 1	G
H	0	0	0	0	0	0	0	0	0	0.00	0 / 0	H
I	7,164	125,910	392,460	54,333	87,000	268,335	-25,632	8,424	251,127	1.18	9 / 1	I
J	52,997	264,084	553,807	44,539	0	437,620	-77,683	149,331	509,268	0.00	0 / 2	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	48,792	355,355	951,766	75,690	73,000	713,787	-83,940	173,229	803,076	0.00	1 / 2	L
	32,844	233,853	497,750	46,306	30,429	379,866	-27,888	69,037	421,015	0.71	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	49.2 %	8.0 %	32.7 %	2.4 %	7.7 %	5.1 %	7.57	226	17.46	0.04	2.22	Medium	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	52.4	7.9	24.0	2.6	13.0	8.6	5.91	394	16.80	0.07	1.66	Medium	E
F	47.1	6.5	21.0	2.1	23.3	15.4	4.40	6	18.24	0.09	11.67	Low	F
G	63.7	7.4	13.5	2.6	12.8	8.1	6.38	14	9.89	0.06	20.64	Low	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	62.4	5.7	20.4	3.1	8.4	4.0	2.32	11	3.06	0.31	1.09	Medium	I
J	49.3	5.8	16.4	2.0	26.5	18.5	5.93	9	363.19	0.00	10.00	Low	J
K	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	K
L	56.1	6.3	12.0	2.3	23.3	15.7	4.69	22	25.76	0.09	15.94	Low	L
	54.1 %	6.6 %	18.0 %	2.4 %	18.9 %	12.5 %	5.05	97	64.91	0.09	9.03	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		9.62	9.31	10.97	10.14	13.07	11.74
	Private-Label Footwear		9.68	8.24	10.55	8.85	12.24	10.73
Labor	North America	Total Compensation (\$/year)	16,406	16,570	21,653	21,708	29,900	31,570
		Productivity (pairs/worker/year)	4,066	4,078	5,171	5,362	6,815	7,088
		Labor Cost (\$/pair produced)	3.52	3.67	4.56	4.46	5.64	5.56
	Europe	Total Compensation (\$/year)	15,150	15,150	21,741	22,332	32,060	33,860
		Productivity (pairs/worker/year)	3,563	3,548	5,509	5,532	6,892	7,167
		Labor Cost (\$/pair produced)	3.54	3.59	4.24	4.31	5.41	5.42
	Asia Pacific	Total Compensation (\$/year)	3,247	3,277	5,322	5,333	6,877	7,439
		Productivity (pairs/worker/year)	2,169	2,169	3,049	3,175	4,062	4,170
		Labor Cost (\$/pair produced)	1.43	1.44	1.85	1.69	2.63	2.00
	Latin America	Total Compensation (\$/year)	4,726	4,644	5,652	5,767	7,087	7,033
		Productivity (pairs/worker/year)	2,341	2,349	3,259	3,371	3,878	4,020
		Labor Cost (\$/pair produced)	1.42	1.21	1.78	1.71	2.16	2.14
TQM / 6Σ Quality Expenditures (\$ per pair of capacity)	Year 20	0.50	0.10	1.35	0.84	2.50	2.04	
	Cumulative	0.40	0.41	1.16	1.05	2.24	1.99	
Reject Rates	Branded Production	1.5%	1.4%	4.1%	4.1%	7.1%	7.2%	
	Private-Label Production	1.5%	1.6%	3.5%	3.6%	6.1%	6.0%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	23.51	21.59	27.59	24.36	40.83	26.82
		E-A	22.92	23.23	24.42	23.73	25.75	24.47
		A-P	20.63	18.92	23.09	20.96	33.42	23.82
		L.A.	19.98	18.42	21.80	20.73	25.22	22.59
	Private-Label	N.A.	19.88	17.83	22.96	21.09	24.88	25.99
		E-A	18.77	16.23	23.08	21.18	27.38	26.12
		A-P	20.14	16.68	20.14	18.83	20.14	21.79
		L.A.	18.59	16.49	20.98	16.75	23.36	17.01

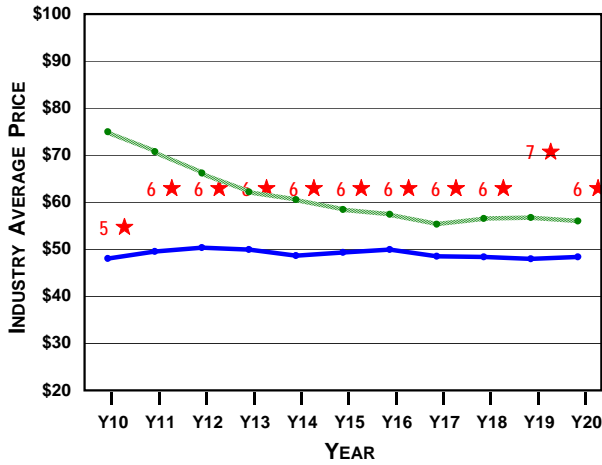
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High		
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	25.06	23.36	28.50	26.38	40.56	29.00	
		E-A	27.03	25.23	32.02	30.01	44.16	34.42	
		A-P	22.71	20.95	25.91	23.17	41.69	25.72	
		L.A.	23.09	20.73	29.80	26.83	45.38	33.49	
	Warehouse Expenses - Internet (\$ per pair sold)	Wholesale	10.24	10.23	10.68	10.68	11.22	11.42	
			1.70	1.69	2.43	2.40	3.10	3.31	
	Marketing Expenses - Internet (\$ per pair sold)	Wholesale	7.42	6.52	12.33	11.30	20.32	17.72	
			6.34	6.37	11.66	11.43	19.46	18.18	
	Administrative Expenses (\$/pair sold)		1.15	1.08	1.43	1.40	1.97	2.28	
	Private-Label Market Segments	Operating Profit (\$ per pair sold)	N.A.	-8.93	5.99	11.20	14.82	24.81	21.89
E-A			-10.96	1.37	8.67	9.36	24.78	19.30	
A-P			-9.07	10.98	14.82	18.14	27.78	24.68	
L.A.			-15.44	1.95	8.18	14.81	24.67	24.86	
Warehouse Expenses (\$ per pair sold)		Wholesale	-6.02	1.64	3.10	6.13	8.05	10.97	
			-7.80	2.18	5.37	6.97	11.63	13.72	
			-9.50	7.29	5.99	9.36	10.73	13.81	
			-15.40	1.43	1.90	7.98	10.25	14.44	
		Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	21.88	19.83	24.96	22.78	26.88	27.06
			E-A	20.77	18.23	28.33	25.09	32.61	28.92
	A-P	22.14	18.68	22.14	20.83	22.14	23.79		
	L.A.	20.59	18.49	26.06	23.15	29.62	29.88		
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.	-1.13	1.94	1.25	4.60	3.62	6.17		
	E-A	-0.07	2.13	3.23	5.45	8.16	10.06		
	A-P	3.55	1.43	3.55	3.12	3.55	6.14		
	L.A.	-0.70	3.26	1.51	6.95	5.58	9.14		

CELEBRITY ENDORSEMENTS

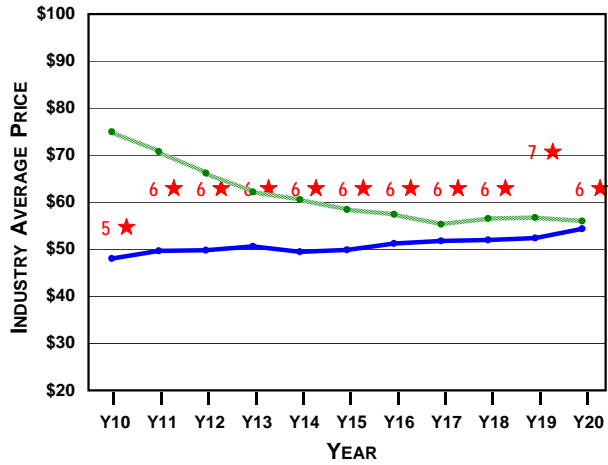
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# of BIDS	HIGH BID	2nd BID	AVG BID	Low Bid
Payton Manyon	85	45	35	40	Company J	6,804	Y19	2 years	5	6,804	6,000	5,486	4,325
Oprah Letterman	100	70	65	75	Company I	15,006	Y20	3 years	2	15,006	2,345	8,676	2,345
Annika Stockholm	70	100	70	55	Company I	14,006	Y16	5 years	4	14,006	11,053	10,764	7,995
Tiger Green	95	80	85	75	Company I	5,006	Y20	2 years	2	5,006	3,666	4,336	3,666
José Montaña	60	50	60	95	Company F	15,555	Y18	3 years	2	15,555	6,995	11,275	6,995
Karioki Footsu	55	60	95	90	Company F	5,666	Y20	4 years	2	5,666	5,006	5,336	5,006
Jaques LaFeet	50	90	50	85	Company I	5,006	Y20	1 year	2	5,006	1,006	3,006	1,006
Serenus Willson	70	65	55	60	Company J	6,804	Y19	3 years	4	6,804	5,995	5,840	5,006
Natalie Kwan	75	80	95	50	Company I	15,006	Y17	4 years	3	19,324	15,006	14,110	7,999
Sergio Milano	45	85	60	100	Company J	6,804	Y19	2 years	4	6,804	5,695	5,515	4,555
Lance deFrance	80	85	75	70	Company F	5,023	Y20	3 years	2	5,023	5,006	5,015	5,006
Yao KungPao	60	35	100	50	Company L	5,995	Y18	4 years	2	8,460	5,995	7,228	5,995

BRANDED PRICE AND S/Q RATING TRENDS

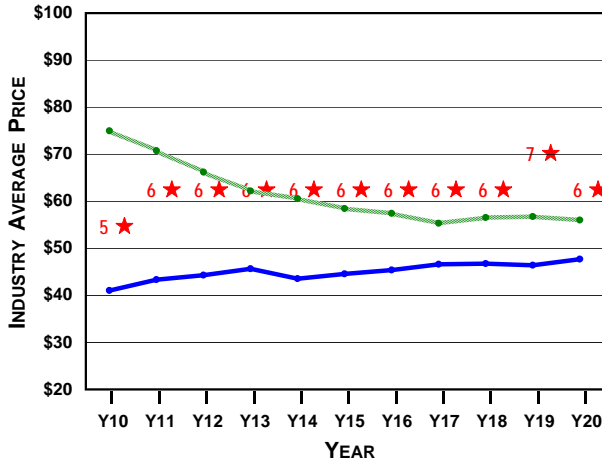
NORTH AMERICA



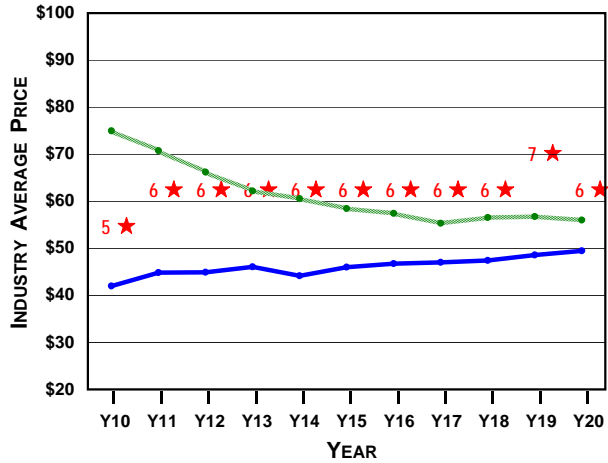
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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