

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 1

Friday, May 4, 2007

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
Kryptonite	117	+1
L egend	117	+1
A Shoe Company	116	0
Executor	108	-3
J-Walkers	97	+25
ICandy	91	-6
Campo Pasa Shoes	81	+9
Force Trainers Inc.	80	-17
Bo Bos	72	-10
Dieux des Chaussures	61	+34
G (deleted)	0	0
H (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
A Shoe Company	95	+2
L egend	92	+3
Kryptonite	82	+4
Executor	78	+4
Bo Bos	66	+1
ICandy	61	+3
Campo Pasa Shoes	57	+3
Force Trainers Inc.	56	+3
J-Walkers	55	+5
Dieux des Chaussures	43	+2
G (deleted)	0	0
H (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
L egend	94	+11
A Shoe Company	84	-10
Kryptonite	80	+9
Executor	54	-8
J-Walkers	51	+4
Campo Pasa Shoes	47	+2
Force Trainers Inc.	46	-11
ICandy	45	-7
Bo Bos	41	-7
Dieux des Chaussures	37	+20
G (deleted)	0	0
H (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
A Shoe Company	91	-3
L egend	85	+8
Kryptonite	72	+8
Executor	57	-2
J-Walkers	45	+3
ICandy	45	-1
Campo Pasa Shoes	44	+1
Bo Bos	42	-5
Dieux des Chaussures	36	+15
Force Trainers Inc.	33	-9
G (deleted)	0	0
H (deleted)	0	0

EARNINGS PER SHARE (\$)

Bold numbers indicate achievement of investor expectation for EPS shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the 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	4.46	3.91	2.47	3.22	2.46	3.66	6.02	9.21	12.42	14.74	6.20	17	20	A
B	2.50	1.80	0.41	1.97	1.71	-0.08	2.82	2.76	3.16	2.96	2.02	3	7	B
C	2.38	1.50	0.05	0.04	0.23	0.63	1.30	1.01	1.40	1.96	0.99	2	3	C
D	3.55	-0.14	0.12	-1.52	0.81	0.72	0.33	0.35	0.21	1.36	0.59	2	2	D
E	3.40	3.35	-0.73	1.47	1.16	1.26	2.50	2.52	4.36	4.31	2.38	5	8	E
F	2.28	1.39	-3.10	-1.08	0.48	1.72	0.27	1.50	3.35	3.01	0.93	3	3	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	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	2.81	1.00	-1.58	0.57	-1.71	1.60	1.69	2.55	3.63	3.74	1.42	4	5	I
J	3.30	1.03	-0.47	-0.76	-0.02	-0.37	0.59	1.00	1.67	3.51	0.86	4	3	J
K	2.28	5.41	-1.53	-1.72	1.64	2.44	3.57	6.28	8.29	12.91	3.55	14	11	K
L	1.67	2.31	1.12	1.85	4.42	3.10	5.56	9.76	10.91	17.83	5.06	20	16	L

RETURN ON EQUITY (%)

Bold numbers indicate achievement of investor expectation for ROE shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the 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	29.0	28.9	14.9	16.8	11.6	16.5	22.5	27.2	29.0	28.1	22.1	16	20	A
B	15.8	10.7	2.3	18.8	14.1	-0.6	18.2	16.9	23.0	28.1	14.6	16	13	B
C	15.2	9.5	0.3	0.3	1.5	4.1	8.6	6.5	9.6	13.1	6.4	8	6	C
D	21.1	-0.8	0.7	-8.7	5.1	4.4	2.0	2.0	1.2	7.5	3.5	4	3	D
E	20.1	16.6	-3.4	6.7	6.8	6.4	11.6	10.7	17.1	18.0	10.9	10	10	E
F	14.6	8.5	-21.2	-11.0	4.9	15.7	2.2	12.6	26.3	34.3	8.0	20	7	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	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	17.1	5.5	-8.9	3.2	-9.8	9.2	8.9	12.2	15.3	13.7	6.9	8	6	I
J	19.6	5.4	-2.3	-4.5	-0.1	-2.1	3.3	5.4	8.4	14.6	4.5	9	4	J
K	14.0	26.5	-7.5	-6.6	6.3	8.8	10.6	18.6	20.3	26.7	11.9	16	11	K
L	10.7	11.8	5.3	8.1	14.3	12.2	18.7	26.0	22.8	30.4	16.5	18	15	L

STOCK PRICE (\$ per share)

Bold numbers indicate achievement of investor expectation for stock price shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the 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	98.95	50.04	25.09	30.69	25.98	42.41	82.41	134.44	261.80	310.10	+26 %	17	17	A
B	30.11	19.03	11.64	20.50	17.32	9.90	40.07	31.30	38.04	29.13	-0	2	2	B
C	30.55	17.18	10.69	6.49	4.80	7.44	19.49	14.86	21.77	28.39	-1	2	2	C
D	55.52	27.31	15.85	9.67	6.52	6.07	4.70	4.97	4.99	15.39	-7	1	1	D
E	43.47	39.07	21.61	12.65	10.64	15.49	30.06	37.96	82.89	69.46	+9	4	4	E
F	27.67	15.38	9.11	6.08	5.27	21.64	12.59	20.84	45.49	42.95	+4	2	2	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	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	34.06	18.40	10.97	6.92	4.80	16.87	19.12	37.00	48.13	46.29	+4	3	3	I
J	42.55	22.70	12.89	8.36	5.14	4.75	7.40	12.35	21.76	48.37	+5	3	3	J
K	24.57	87.28	38.47	20.96	14.95	28.03	42.93	87.95	133.31	267.46	+25	15	15	K
L	16.58	24.57	14.68	19.29	56.82	35.08	74.64	166.63	180.95	362.47	+28 %	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	C+	C	C+	C-	C	C+	B	A	A	Low	19	19	A
B	B-	C	C-	C-	C-	C-	C	C+	C	C-	High	0	0	B
C	B	B-	C-	C	C+	A+	A+	A+	A+	A+	Low	20	20	C
D	A-	C-	C-	C-	C+	C+	C	C+	C	B+	Medium	17	17	D
E	B-	C+	C-	C	C+	B	A-	A	A	A-	Medium	18	18	E
F	B-	C+	C-	C-	C	B+	C	C+	B+	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	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-	B-	B	A-	A	A	Low	19	19	I
J	B+	C+	C-	C-	C-	C-	A	A+	A+	A+	Low	20	20	J
K	B	C+	C-	C-	C	C+	B-	B	A-	A	Low	19	19	K
L	B	B+	C+	B	B	C+	B+	A	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 (70)	Best-In-Ind. Score		
	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)		Year 20	Overall	
A	74	70	61	66	70	70	74	78	75	75	76	15	15	A
B	74	77	83	82	84	90	100	100	100	100	100	20	20	B
C	65	70	62	56	57	57	60	60	69	73	67	15	13	C
D	74	79	63	53	57	66	59	61	62	65	63	13	13	D
E	78	84	71	64	82	85	82	80	90	84	85	17	17	E
F	62	71	48	59	60	70	63	62	68	63	64	13	13	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	84	70	63	61	49	65	66	61	62	57	60	11	12	I
J	76	73	80	81	83	85	76	76	78	73	76	15	15	J
K	71	95	95	98	98	92	83	83	82	81	82	16	16	K
L	69	78	72	73	74	74	77	80	78	88	82	18	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	109	100	71	84	61	84	101	109	116			
B	92	63	34	67	59	27	82	80	82	72	66	Subpar	B
C	92	66	24	23	29	51	67	61	72	81	57	Subpar	C
D	114	37	29	20	39	40	28	32	27	61	43	Subpar	D
E	103	94	32	46	51	61	85	87	111	108	78	Fair	E
F	83	58	19	20	34	79	31	59	97	80	56	Subpar	F
G	0	0	0	0	0	0	0	0	0	0	0	N/A	G
H	0	0	0	0	0	0	0	0	0	0	0	N/A	H
I	101	49	24	28	16	60	64	83	97	91	61	Subpar	I
J	109	55	28	26	24	24	54	62	72	97	55	Subpar	J
K	87	104	44	35	52	69	86	108	116	117	82	Good	K
L	73	87	50	68	103	78	111	116	116	117	92	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	22,253	10,246	57,610	29,659	119,768
– Pairs Rejected	1,121	392	2,733	1,780	6,026
Net Y20 Production (after rejects)	21,132	9,854	54,877	27,879	113,742
Superior Materials Usage	32.4%	41.9%	42.5%	19.7%	34.9%
Capacity Utilization (branded + P-L prod.)	105.0%	105.6%	111.4%	104.4%	107.9%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	+ 1.96	0.00	8.46
Superior Materials	14.00	- 1.06	0.00	12.94

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	1,727	1,212	1,575	1,149	5,663
– Pairs Cleared (inventory clearance)	274	255	248	216	993
Beginning Y20 Inventories	1,453	957	1,327	933	4,670
+ New Production (shipped from plants)	24,045	24,716	23,869	23,731	96,361
Pairs Available for Sale in Y20	25,498	25,673	25,196	24,664	101,031

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)	23,431	24,284	22,663	22,461	92,839
Actual Year 20 Demand	23,700	24,020	23,340	22,924	93,984
Branded Pairs Sold	23,684	24,006	23,125	22,919	93,734
Required Y20 Ending Inventories	1,280	1,184	1,129	1,131	4,724
Inventory Surplus (Shortfall)	368	350	579	516	1,813

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.0%
- Available for shipment to warehouses
- % usage down by 0.1 points from Y19
- % utilization down by 7.4 points from Y19

Lower than normal (34.9% industrywide) superior materials usage led to superior materials prices that were 7.6% below the base and standard materials prices that were 30.2% above the base.

- Average inventory clearance of 17.5%
- 7.5% higher than Y20 demand

Actual demand in Year 20 was 1.2% greater than expected due to decreases in industry average prices.

- 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)	24,648	25,634	26,659	27,725
Europe-Africa	24,981	25,980	27,019	28,100
Asia-Pacific	24,740	26,224	27,797	29,465
Latin America	24,299	25,757	27,302	28,940
Total	98,668	103,595	108,777	114,230
Private-Label — North America	4,720	4,720	4,720	4,720
Europe-Africa	4,660	4,660	4,660	4,660
Asia-Pacific	4,690	4,690	4,690	4,690
Latin America	4,730	4,730	4,730	4,730
Total	18,800	18,800	18,800	18,800

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	6,537
Potential Production (at max OT)	133,200
Potential Global Supply	139,737
Demand — Branded Sales Forecast (000s)	98,668
Private-Label Sales Forecast	18,800
Expected Global Demand	117,468
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	0	0	3,000	8,700	0	0	0	0	0	0	3,000	8,700	11,700	0	A
B	0	0	12,000	5,300	0	0	0	0	0	0	12,000	5,300	17,300	0	B
C	2,600	1,200	2,600	0	0	0	0	0	2,600	1,200	2,600	0	6,400	0	C
D	2,000	1,000	2,000	1,000	0	0	0	0	2,000	1,000	2,000	1,000	6,000	0	D
E	0	1,000	5,400	4,800	0	0	0	0	0	1,000	5,400	4,800	11,200	0	E
F	0	2,900	2,800	1,900	0	0	0	0	0	2,900	2,800	1,900	7,600	0	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	1,700	1,600	2,000	1,500	0	0	0	0	1,700	1,600	2,000	1,500	6,800	0	I
J	2,000	0	5,200	0	0	0	0	0	2,000	0	5,200	0	7,200	0	J
K	4,400	2,000	6,800	1,700	0	0	0	0	4,400	2,000	6,800	1,700	14,900	0	K
L	0	0	8,000	3,500	8,500	0	1,900	0	8,500	0	9,900	3,500	21,900	0	L
Total	12,700	9,700	49,800	28,400	8,500	0	1,900	0	21,200	9,700	51,700	28,400	111,000	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	686,211	304,049	39,825	151,041	14,119	177,177	19,278	47,370	110,529	37,500	7,500	A
B	718,817	444,095	35,041	118,349	19,719	101,613	47,122	16,347	38,144	0	12,875	B
C	378,318	237,816	26,736	66,734	8,819	38,213	1,739	10,942	25,532	14,950	13,000	C
D	260,182	151,633	18,784	61,037	8,418	20,310	3,450	5,058	11,802	522	8,700	D
E	529,608	284,976	40,912	101,276	13,618	88,826	8,657	24,051	56,118	46,872	13,020	E
F	321,173	154,584	27,035	64,311	10,017	65,226	17,723	14,251	33,252	5,525	11,050	F
G	0	0	0	0	0	0	0	0	0	0	0	G
H	0	0	0	0	0	0	0	0	0	0	0	H
I	262,739	146,198	24,332	18,963	9,220	64,026	2,510	18,455	43,061	0	11,500	I
J	394,657	199,997	28,254	104,112	9,620	52,674	-775	16,035	37,414	0	10,650	J
K	762,006	377,125	49,591	165,405	17,319	152,566	14,256	41,493	96,817	45,000	7,500	K
L	988,570	556,002	51,146	156,260	24,316	200,846	9,822	57,307	133,717	52,500	7,500	L
	530,228	285,648	34,166	100,749	13,519	96,148	12,378	25,131	58,639	20,287	10,330	

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	44,972	242,788	655,366	49,425	176,000	356,912	0	73,029	429,941	5.00	7 / 2	A
B	25,325	244,850	703,323	149,130	470,500	187,663	-142,115	38,146	83,693	0.00	4 / 2	B
C	13,628	120,926	260,508	27,583	32,000	190,341	0	10,584	200,925	1.15	5 / 3	C
D	27,693	96,492	213,641	31,556	18,200	152,604	0	11,281	163,885	0.06	3 / 5	D
E	15,108	150,817	479,295	44,708	129,600	319,450	-23,708	9,244	304,987	3.60	3 / 1	E
F	23,559	109,068	349,077	54,512	215,520	114,620	-63,300	27,724	79,045	0.50	3 / 2	F
G	0	0	0	0	0	0	0	0	0	0.00	0 / 0	G
H	0	0	0	0	0	0	0	0	0	0.00	0 / 0	H
I	57,919	162,175	373,213	36,618	0	293,532	0	43,063	336,595	0.00	1 / 3	I
J	20,023	123,906	258,698	18,068	0	270,393	-67,175	37,412	240,630	0.00	0 / 1	J
K	19,894	234,622	562,887	48,651	125,550	336,867	0	51,818	388,686	6.00	9 / 1	K
L	29,536	303,968	929,342	102,671	346,000	399,455	0	81,215	480,671	7.00	1 / 1	L
	27,766	178,961	478,535	56,292	151,337	262,184	-29,630	38,352	270,906	2.33	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	Mktng. Expenses	Admin. Expenses	Operating Profit	Net Profit							
A	44.3 %	5.8 %	22.0 %	2.1 %	25.8 %	16.1 %	4.91	32	9.19	0.30	4.63	Low	A
B	61.8	4.9	16.5	2.7	14.1	5.3	1.64	44	2.16	0.82	0.74	High	B
C	62.9	7.1	17.6	2.3	10.1	6.7	4.38	21	21.97	0.14	6.27	Low	C
D	58.3	7.2	23.5	3.2	7.8	4.5	3.06	12	5.89	0.17	1.36	Medium	D
E	53.8	7.7	19.1	2.6	16.8	10.6	3.37	5	10.26	0.30	2.22	Medium	E
F	48.1	8.4	20.0	3.1	20.3	10.4	2.00	12	3.68	0.74	1.13	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	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	55.6	9.3	7.2	3.5	24.4	16.4	4.43	106	25.51	0.05	3.01	Low	I
J	50.7	7.2	26.4	2.4	13.3	9.5	6.86	10	100.00	0.00	10.00	Low	J
K	49.5	6.5	21.7	2.3	20.0	12.7	4.82	23	10.70	0.25	5.88	Low	K
L	56.2	5.2	15.8	2.5	20.3	13.5	2.96	29	20.45	0.43	2.31	Medium	L
	53.9 %	6.4 %	19.0 %	2.5 %	18.1 %	11.1 %	3.18	29	20.98	0.32	3.76	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		8.21	8.09	10.18	9.85	14.13	13.45	
	Private-Label Footwear		8.10	7.91	9.40	9.29	10.66	11.07	
Labor — North America	Total Compensation (\$/year)		18,777	18,046	20,446	20,040	22,440	22,154	
	Productivity (pairs/worker/year)		3,918	4,017	4,582	4,685	5,281	5,382	
	Labor Cost (\$/pair produced)		4.14	4.11	4.61	4.55	4.91	4.81	
Europe Africa	Total Compensation (\$/year)		17,614	17,711	19,685	19,972	23,744	24,027	
	Productivity (pairs/worker/year)		3,862	3,948	4,760	4,904	5,575	5,686	
	Labor Cost (\$/pair produced)		3.90	3.63	4.22	4.30	4.39	4.83	
Asia Pacific	Total Compensation (\$/year)		3,648	3,646	4,466	4,577	5,939	6,272	
	Productivity (pairs/worker/year)		2,248	2,233	2,798	2,842	3,581	3,738	
	Labor Cost (\$/pair produced)		1.33	1.32	1.65	1.67	1.87	1.87	
Latin America	Total Compensation (\$/year)		3,538	3,538	4,856	4,882	7,070	6,441	
	Productivity (pairs/worker/year)		2,373	2,317	3,013	3,056	3,508	3,636	
	Labor Cost (\$/pair produced)		1.40	1.41	1.68	1.64	1.98	1.94	
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.50	0.37	1.17	1.07	2.43	2.43	
	Cumulative		0.44	0.44	1.00	0.99	1.88	1.92	
Reject Rates	Branded Production		1.9%	1.9%	4.8%	4.9%	8.9%	8.9%	
	Private-Label Production		2.0%	2.3%	3.1%	3.6%	5.0%	5.7%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	23.57	22.57	27.19	26.71	32.41	31.67	
		E-A	19.04	18.15	22.69	25.77	24.93	34.67	
		A-P	19.11	18.00	22.61	22.96	28.82	33.79	
		L.A.	18.25	17.13	20.63	20.27	24.36	24.13	
		Private-Label	N.A.	26.49	19.09	26.49	19.09	26.49	19.09
		E-A	20.80	28.45	24.20	28.45	27.11	28.45	
		A-P	17.62	17.17	22.77	20.96	37.23	23.84	
		L.A.	15.51	17.32	20.31	22.67	24.90	28.60	

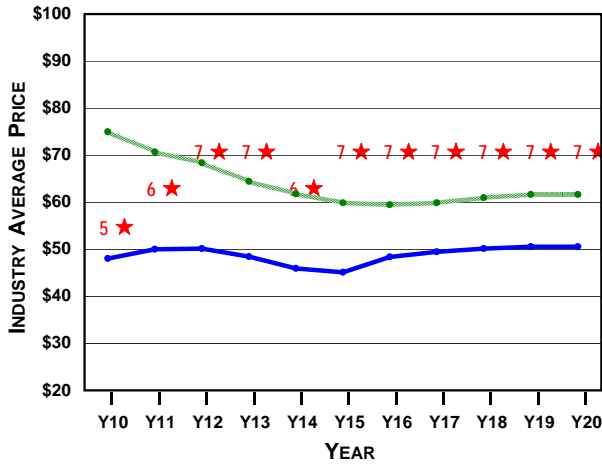
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.63	23.90	27.26	27.52	34.42	33.71
		E-A	23.69	23.11	28.91	28.82	37.11	36.78
		A-P	21.12	20.05	24.61	24.96	30.81	35.66
		L.A.	21.66	21.36	26.72	25.90	36.50	35.50
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale		10.26	10.27	10.59	10.55	10.99	11.00
			1.78	1.79	2.40	2.34	2.99	2.99
Marketing Expenses — Internet (\$ per pair sold)	Wholesale		2.33	1.99	13.51	11.88	21.06	18.99
			3.62	3.59	11.72	10.77	18.22	15.41
Administrative Expenses (\$/pair sold)		1.01	1.02	1.53	1.52	2.38	2.08	
Operating Profit (\$ per pair sold)	Internet	N.A.	10.37	11.75	18.01	18.95	26.79	29.48
		E-A	7.84	10.54	15.38	17.51	22.40	25.22
		A-P	14.02	7.30	21.11	21.57	31.48	30.67
		L.A.	10.42	15.50	18.15	22.51	26.96	35.01
Wholesale		N.A.	1.94	1.84	7.18	7.50	11.52	10.93
		E-A	-0.27	1.68	5.49	6.83	12.34	12.73
		A-P	-5.18	-0.57	6.18	6.15	10.32	9.79
		L.A.	0.69	4.12	6.19	9.47	14.39	16.23
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	19.51	21.09	23.51	21.09	28.49	21.09
		E-A	24.45	25.07	27.55	29.24	29.27	33.40
		A-P	19.62	19.65	25.47	23.71	39.23	25.84
		L.A.	17.51	22.94	22.84	24.47	26.90	26.64
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.	0.44	5.36	4.97	5.36	7.44	5.36
		E-A	-1.76	-6.08	3.03	-2.29	9.58	1.51
		A-P	-12.28	-2.81	-2.09	-0.08	3.01	0.92
		L.A.	0.30	-1.73	1.74	0.20	3.04	1.42

CELEBRITY ENDORSEMENTS

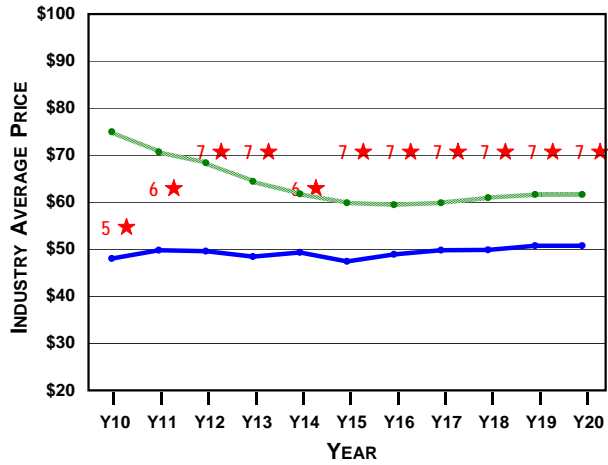
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company L	14,555	Y19	2 years	4	17,777	14,555	12,709	5,046
Oprah Letterman	100	70	65	75	Company L	18,757	Y20	3 years	3	18,757	10,001	12,919	10,000
Annika Stockholm	70	100	70	55	Company B	15,750	Y16	5 years	6	18,000	15,750	12,105	2,992
Tiger Green	95	80	85	75	Company L	18,757	Y20	2 years	3	18,757	11,111	13,289	10,000
José Montaña	60	50	60	95	Company C	15,001	Y18	3 years	6	15,236	15,001	10,870	2,000
Karioki Footsu	55	60	95	90	Company L	18,757	Y20	4 years	3	18,757	12,222	13,660	10,000
Jaques LaFeet	50	90	50	85	Company L	18,757	Y20	1 year	3	18,757	10,000	12,918	9,998
Serenus Willson	70	65	55	60	Company A	17,777	Y19	3 years	4	17,777	16,888	13,889	6,348
Natalie Kwan	75	80	95	50	Company K	16,874	Y17	4 years	7	17,000	16,874	10,370	555
Sergio Milano	45	85	60	100	Company A	17,777	Y19	2 years	4	17,777	16,888	13,621	4,385
Lance deFrance	80	85	75	70	Company L	18,757	Y20	3 years	3	18,757	11,001	13,253	10,000
Yao KungPao	60	35	100	50	Company K	17,832	Y18	4 years	6	17,832	15,875	11,840	2,000

BRANDED PRICE AND S/Q RATING TRENDS

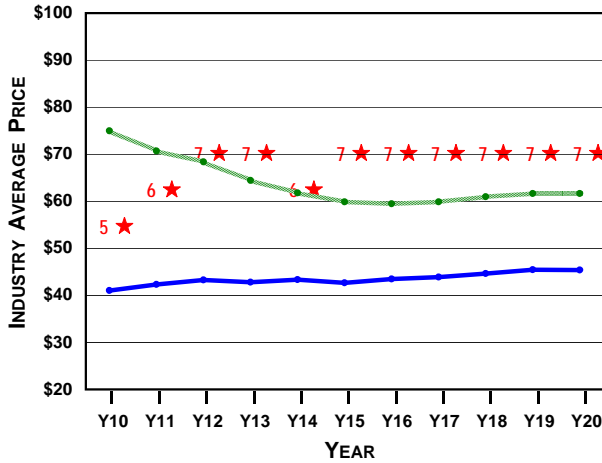
NORTH AMERICA



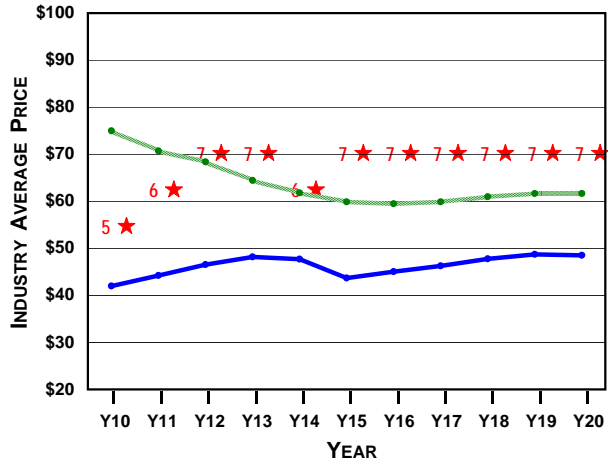
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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