

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 5

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
G-Money Inc.	119	+1
Italdesign	118	+2
Jupiter Athletics	115	0
Executioner Footwear	114	-5
Blaze	109	-8
L DASH	105	-9
ACONVERSE	92	+7
Happy feet shoes	28	-14
Dip Set Sneaks	19	-2
C (deleted)	0	0
F (deleted)	0	0
K (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Italdesign	105	+1
Jupiter Athletics	98	+2
G-Money Inc.	98	+3
L DASH	93	+1
Blaze	84	+3
Executioner Footwear	76	+4
ACONVERSE	66	+3
Happy feet shoes	39	-2
Dip Set Sneaks	26	0
C (deleted)	0	0
F (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
Italdesign	94	+20
G-Money Inc.	93	+10
Jupiter Athletics	81	+4
L DASH	74	-12
Executioner Footwear	71	-28
Blaze	59	-6
ACONVERSE	52	+4
Happy feet shoes	21	-4
Dip Set Sneaks	13	-1
C (deleted)	0	0
F (deleted)	0	0
K (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Italdesign	94	+9
G-Money Inc.	93	+5
Jupiter Athletics	89	-1
Executioner Footwear	80	-14
L DASH	78	-10
Blaze	66	-6
ACONVERSE	50	+1
Happy feet shoes	23	-1
Dip Set Sneaks	14	0
C (deleted)	0	0
F (deleted)	0	0
K (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	1.48	0.84	-0.43	0.36	0.55	0.74	1.51	2.15	2.46	2.94	1.30	4	4	A
B	3.12	2.84	0.43	1.19	2.61	1.56	3.40	4.26	6.02	5.34	3.22	7	11	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	1.26	-0.85	-2.63	-1.54	-1.39	-1.87	-1.19	0.16	-1.51	-2.12	-1.28	0	0	D
E	2.63	2.15	0.61	0.66	0.21	0.63	5.69	10.07	14.54	9.62	4.49	13	16	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	3.05	2.88	-0.37	1.73	2.73	4.02	6.42	7.21	10.37	12.70	4.83	17	17	G
H	2.60	0.75	-2.12	-1.00	-1.48	-1.87	0.73	2.33	0.77	0.08	0.10	0	0	H
I	4.04	3.32	2.81	3.65	2.83	3.90	5.99	8.04	9.92	15.06	5.78	20	20	I
J	2.16	2.23	2.49	3.49	4.50	4.73	6.08	7.83	9.63	10.72	5.37	14	19	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	2.79	2.91	1.94	2.10	2.83	3.89	4.86	8.28	11.22	10.35	4.79	14	17	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	10.4	5.4	-2.5	2.2	3.3	4.3	8.6	12.5	12.2	13.0	7.0	8	7	A
B	18.7	14.4	2.0	5.4	10.9	7.4	13.0	14.2	17.1	14.0	11.7	8	11	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	8.2	-5.9	-33.8	-28.8	-31.1	-65.7	-90.7	20.5	-1211.8	0.0	-39.2	0	0	D
E	15.9	11.3	2.8	3.7	1.2	3.3	25.9	33.9	36.6	21.8	17.8	13	17	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	18.5	15.5	-1.9	8.8	12.4	15.7	22.2	22.4	27.0	27.3	17.5	16	17	G
H	15.9	4.4	-12.6	-6.7	-11.9	-16.9	7.0	19.4	5.6	0.5	0.7	0	1	H
I	23.5	15.9	11.8	13.5	9.3	11.6	15.6	17.7	18.2	26.6	16.4	16	16	I
J	13.8	14.4	14.8	19.1	21.3	19.3	20.9	23.1	25.4	27.1	20.4	16	20	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	17.4	16.2	10.0	10.3	13.0	16.2	17.7	26.5	37.2	34.2	20.2	20	20	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	16.25	9.88	6.56	4.85	5.69	10.70	21.46	40.10	32.95	44.55	+4 %	3	3	A
B	43.03	31.46	17.49	10.94	25.16	16.94	47.22	56.97	97.11	65.84	+8	5	5	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	17.17	10.56	6.25	4.85	5.44	4.75	5.34	4.65	5.49	4.55	-17	0	0	D
E	29.31	20.51	12.03	7.05	4.99	5.76	30.64	123.06	246.39	140.10	+17	10	10	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	39.71	32.64	17.67	16.24	28.31	69.34	125.73	140.97	212.79	266.86	+24	20	20	G
H	27.54	15.81	9.90	6.53	4.80	4.96	6.03	27.98	15.45	9.43	-11	1	1	H
I	70.91	39.17	32.00	44.20	30.50	49.45	89.99	149.31	164.08	271.99	+25	20	20	I
J	25.79	25.16	27.44	44.44	62.22	62.02	88.62	161.24	202.27	214.54	+22	16	16	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	34.13	35.65	20.80	23.46	31.94	52.16	65.39	133.33	196.51	160.95	+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	B	B+	B-	A+	A+	A+	A+	A+	A+	A+	Low	20	20	A
B	B+	C+	C-	C	C+	B-	A-	A	A+	A	Medium	19	19	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	B-	C-	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	D
E	B+	B	C	C	C-	C-	A	A+	A+	B+	N/A	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+	B	C	B+	A	A+	A+	A+	A+	A+	Low	20	20	G
H	B-	C-	C-	C-	C-	C-	C-	B-	C+	C+	High	8	8	H
I	A	A-	A	A	A	A+	A+	A+	A+	A+	Low	20	20	I
J	C+	C-	C	C+	B	B	A	A+	A+	A	Medium	19	19	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	C	B-	B	B+	B+	B-	Medium	11	11	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	70	71	64	66	64	67	65	68	73	78	73	17	16	A
B	75	89	77	67	68	78	78	79	96	91	89	20	20	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	61	46	47	57	60	61	60	62	65	61	63	13	14	D
E	79	60	64	63	68	70	81	83	93	84	87	18	20	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	75	80	69	74	66	70	74	77	82	93	84	20	19	G
H	71	69	66	67	58	63	63	62	59	54	58	12	13	H
I	64	59	68	62	62	63	70	75	81	86	81	18	18	I
J	86	85	62	61	61	62	65	64	68	73	68	16	15	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	69	82	85	78	76	76	76	79	87	78	81	17	18	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	71	59	34	50	52	58	71	87	85			
B	108	88	37	43	69	60	98	106	117	109	84	Good	B
C	0	0	0	0	0	0	0	0	0	0	0	N/A	C
D	60	19	16	18	20	19	19	45	21	19	26	Subpar	D
E	100	75	37	35	24	30	106	118	119	114	76	Fair	E
F	0	0	0	0	0	0	0	0	0	0	0	N/A	F
G	106	96	34	72	88	109	117	117	118	119	98	Very Good	G
H	89	40	24	22	19	20	34	76	42	28	39	Subpar	H
I	113	103	93	101	84	99	112	115	116	118	105	Excellent	I
J	80	72	73	90	104	104	114	114	115	115	98	Very Good	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	K
L	99	95	63	64	73	97	106	113	114	105	93	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	23,735	12,255	58,563	11,210	105,763
– Pairs Rejected	916	699	3,091	912	5,618
Net Y20 Production (after rejects)	22,819	11,556	55,472	10,298	100,145
Superior Materials Usage	31.9%	45.1%	36.9%	26.7%	35.6%
Capacity Utilization (branded + P-L prod.)	102.3%	101.3%	112.4%	95.0%	106.6%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	+ 1.87	0.00	8.37
Superior Materials	14.00	- 1.01	0.00	12.99

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	4,624	4,120	3,670	1,574	13,988
– Pairs Cleared (inventory clearance)	617	206	578	384	1,785
Beginning Y20 Inventories	4,007	3,914	3,092	1,190	12,203
+ New Production (shipped from plants)	20,898	21,658	19,498	22,005	84,059
Pairs Available for Sale in Y20	24,905	25,572	22,590	23,195	96,262

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)	21,575	21,500	19,643	19,154	81,872
Actual Year 20 Demand	21,330	21,086	19,808	19,509	81,734
Branded Pairs Sold	21,329	20,992	19,804	19,503	81,628
Required Y20 Ending Inventories	1,979	1,975	1,822	1,717	7,493
Inventory Surplus (Shortfall)	1,571	2,216	842	1,890	6,519

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.3%
- Available for shipment to warehouses
- % usage down by 6.3 points from Y19
- % utilization down by 7.6 points from Y19

Lower than normal (35.6% industrywide) superior materials usage led to superior materials prices that were 7.2% below the base and standard materials prices that were 28.8% above the base.

- Average inventory clearance of 12.8%
- 17.8% higher than Y20 demand
- Actual demand in Year 20 was 0.2% less than expected.
- Needed to achieve delivery times
 - Okay in N.A. High 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)	22,183	23,070	23,993	24,953
Europe-Africa	21,930	22,807	23,719	24,668
Asia-Pacific	20,997	22,257	23,592	25,008
Latin America	20,680	21,921	23,236	24,630
Total	85,790	90,055	94,540	99,259
Private-Label — North America	4,239	4,239	4,239	4,239
Europe-Africa	4,221	4,221	4,221	4,221
Asia-Pacific	4,176	4,176	4,176	4,176
Latin America	4,176	4,176	4,176	4,176
Total	16,812	16,812	16,812	16,812

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	14,012
Potential Production (at max OT)	119,040
Potential Global Supply	133,052
Demand — Branded Sales Forecast (000s)	85,790
Private-Label Sales Forecast	16,812
Expected Global Demand	102,602
Conclusion:	Excess supply of 29.7% is likely to boost competitive pressures in Year 21 significantly. Additional production capacity will not be needed for several years.

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	4,300	0	6,500	1,500	0	0	0	0	4,300	0	6,500	1,500	12,300	0	A
B	0	5,600	7,200	0	0	0	0	0	0	5,600	7,200	0	12,800	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	1,300	0	4,000	0	0	0	0	0	1,300	0	4,000	0	5,300	0	D
E	4,800	1,000	4,000	0	0	0	0	0	4,800	1,000	4,000	0	9,800	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	5,800	1,000	4,500	0	2,900	0	0	0	8,700	1,000	4,500	0	14,200	0	G
H	1,800	0	2,000	1,500	0	0	0	0	1,800	0	2,000	1,500	5,300	0	H
I	2,300	1,500	7,100	3,700	0	0	0	0	2,300	1,500	7,100	3,700	14,600	0	I
J	0	0	7,500	2,200	0	0	0	0	0	0	7,500	2,200	9,700	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	0	3,000	9,300	2,900	0	0	0	0	0	3,000	9,300	2,900	15,200	0	L
Total	20,300	12,100	52,100	11,800	2,900	0	0	0	23,200	12,100	52,100	11,800	99,200	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	565,709	314,121	33,987	106,440	19,515	91,646	-622	27,680	64,588	22,000	22,000	A
B	619,840	325,261	41,232	134,899	15,222	103,226	4,674	29,566	68,986	0	12,917	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	251,947	181,853	22,110	44,598	7,721	-4,335	37,089	0	-41,424	0	19,500	D
E	444,412	219,615	26,597	81,157	12,218	104,825	1,709	30,935	72,181	105,000	7,500	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	692,307	395,549	45,892	82,782	16,621	151,463	3,587	44,363	103,513	24,541	8,153	G
H	235,976	158,641	15,502	50,063	7,720	4,050	2,952	329	769	0	10,000	H
I	743,172	391,139	51,325	108,326	17,020	175,362	1,936	52,028	121,398	403	8,059	I
J	539,619	259,068	33,100	91,075	12,118	144,258	6,404	41,356	96,498	99,000	9,000	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	729,077	337,907	40,785	185,541	17,619	147,225	36,351	33,262	77,612	11,250	7,500	L
	535,784	287,017	34,503	98,320	13,975	101,969	10,453	28,835	62,680	29,133	11,625	

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	7,709	233,934	532,440	32,933	0	492,871	-34,450	41,086	499,507	1.00	4 / 3	A
B	0	197,039	558,788	67,833	11,900	507,211	-97,144	68,989	479,055	0.00	0 / 1	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	0	158,927	239,784	293,533	0	-12,328	0	-41,420	-53,749	0.00	1 / 2	D
E	55,102	179,737	376,319	33,847	28,000	347,292	0	-32,820	314,472	14.00	4 / 2	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	5,006	215,505	531,932	61,081	57,934	345,079	-11,136	78,973	412,917	3.01	8 / 2	G
H	0	74,651	166,981	26,656	0	139,556	0	769	140,325	0.00	0 / 4	H
I	1,840	233,074	638,305	67,174	251,400	593,678	-394,945	120,998	319,731	0.05	2 / 2	I
J	9,955	169,482	451,266	29,038	67,500	357,232	0	-2,504	354,728	11.00	9 / 1	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	226,827	657,116	125,335	318,310	240,844	-93,735	66,362	213,471	1.50	9 / 0	L
	8,846	187,686	461,437	81,937	81,672	334,604	-70,157	33,381	297,829	3.40	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	55.5 %	6.0 %	18.8 %	3.4 %	16.2 %	11.4 %	7.10	107	100.00	0.00	10.00	Low	A
B	52.5	6.7	21.8	2.5	16.7	11.1	2.90	59	22.09	0.09	2.41	Medium	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	72.2	8.8	17.7	3.1	-1.7	-16.4	0.54	253	-0.12	1.16	0.00	N/A	D
E	49.4	6.0	18.3	2.7	23.6	16.2	5.31	28	61.34	0.11	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	57.1	6.6	12.0	2.4	21.9	15.0	3.53	46	42.23	0.16	4.19	Low	G
H	67.2	6.6	21.2	3.3	1.7	0.3	2.80	44	1.37	0.09	0.90	High	H
I	52.6	6.9	14.6	2.3	23.6	16.3	3.47	61	90.58	0.44	4.87	Low	I
J	48.0	6.1	16.9	2.2	26.7	17.9	5.84	36	22.53	0.17	2.98	Medium	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	46.3	5.6	25.4	2.4	20.2	10.6	1.81	48	4.05	0.62	1.13	Medium	L
	53.6 %	6.4 %	18.4 %	2.6 %	19.0 %	11.7 %	2.29	76	38.23	0.32	2.94	Medium	

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		8.36	8.46	10.02	9.73	11.87	11.55
	Private-Label Footwear		7.13	7.47	9.83	9.06	14.27	11.19
Labor — North America	Total Compensation (\$/year)		19,775	18,633	20,873	20,691	22,640	23,554
	Productivity (pairs/worker/year)		3,528	3,457	4,775	4,862	6,134	6,405
	Labor Cost (\$/pair produced)		3.22	3.39	4.82	4.87	6.61	6.56
Europe Africa	Total Compensation (\$/year)		16,890	16,890	20,829	20,039	23,811	23,191
	Productivity (pairs/worker/year)		4,483	4,533	5,401	5,517	6,520	6,736
	Labor Cost (\$/pair produced)		2.76	3.15	3.91	4.09	4.56	5.01
Asia Pacific	Total Compensation (\$/year)		4,240	4,226	5,296	5,304	6,524	6,257
	Productivity (pairs/worker/year)		2,569	2,610	3,022	3,075	3,880	3,967
	Labor Cost (\$/pair produced)		1.52	1.56	1.84	1.83	2.31	2.30
Latin America	Total Compensation (\$/year)		3,248	3,313	4,410	4,231	5,312	4,857
	Productivity (pairs/worker/year)		2,606	2,483	2,835	2,824	3,051	3,043
	Labor Cost (\$/pair produced)		0.00	0.00	1.39	1.35	1.90	1.74
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.00	0.89	0.93	2.50	2.50
	Cumulative		0.30	0.28	0.95	0.94	2.34	2.36
Reject Rates	Branded Production		1.9%	1.9%	5.6%	5.7%	9.8%	9.8%
	Private-Label Production		1.0%	0.8%	3.9%	3.6%	10.4%	5.8%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	20.41	22.58	29.55	30.91	45.27	47.51
		E-A	20.74	21.35	24.24	24.98	27.68	26.86
		A-P	19.63	18.84	22.64	22.66	29.72	29.24
		L.A.	19.45	18.80	23.54	23.68	31.18	33.17
	Private-Label	N.A.	18.04	19.22	25.45	23.38	35.35	31.41
		E-A	18.10	19.51	20.45	20.87	24.01	21.65
		A-P	16.01	18.48	19.52	20.60	22.86	23.71
		L.A.	16.29	17.73	18.64	17.73	20.98	17.73

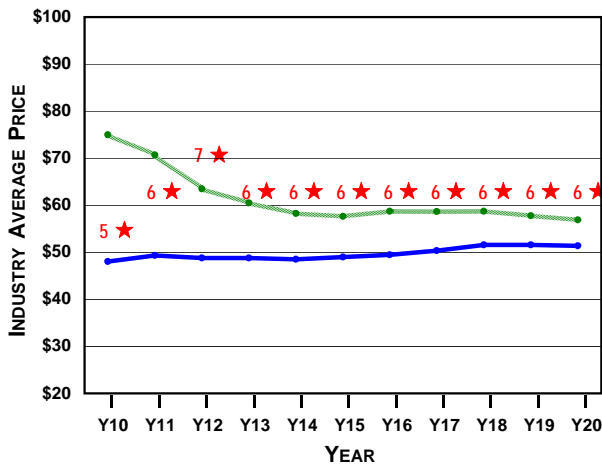
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.44	22.60	29.02	29.17	46.85	49.51
		E-A	23.73	24.44	30.12	30.01	38.58	38.78
		A-P	21.65	20.95	24.65	24.68	31.75	31.24
		L.A.	21.60	20.83	27.84	27.81	33.58	35.06
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale		10.35	10.33	10.68	10.70	11.64	11.57
			1.89	1.90	2.46	2.49	3.74	3.64
Marketing Expenses — Internet (\$ per pair sold)	Wholesale		9.14	8.69	13.63	13.65	21.87	23.79
			7.18	7.23	10.38	10.82	13.67	14.23
Administrative Expenses (\$/pair sold)		1.21	1.20	1.62	1.65	2.27	2.30	
Operating Profit (\$ per pair sold)	Internet	N.A.	-17.29	-20.31	9.15	7.91	21.11	21.32
		E-A	-6.07	-6.72	9.02	9.28	20.23	21.76
		A-P	-2.70	-4.47	14.70	12.89	22.85	21.95
		L.A.	0.84	-0.46	13.75	14.33	27.01	25.39
Wholesale	Internet	N.A.	-10.67	-12.88	6.28	5.35	12.84	11.83
		E-A	-2.57	-7.42	6.40	6.49	11.90	12.74
		A-P	4.06	2.80	9.21	8.44	13.89	12.46
		L.A.	3.48	8.20	12.31	14.38	18.89	21.21
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	20.04	21.22	25.59	24.42	37.35	28.92
		E-A	20.10	21.51	25.58	22.87	33.12	23.65
		A-P	19.92	20.48	22.90	23.32	28.24	29.34
		L.A.	20.48	19.73	24.36	24.98	31.73	32.41
Warehouse Expenses (\$ per pair sold)		1.00	1.00	1.00	1.00	1.00	1.00	
Margin Over Direct Costs (\$ per pair sold)	Internet	N.A.	-0.26	-0.92	9.39	2.68	18.73	7.62
		E-A	-0.55	2.62	9.10	5.31	14.79	7.30
		A-P	-0.28	-1.89	11.99	8.63	18.28	12.85
		L.A.	-2.73	-2.49	12.11	6.66	20.48	11.70

CELEBRITY ENDORSEMENTS

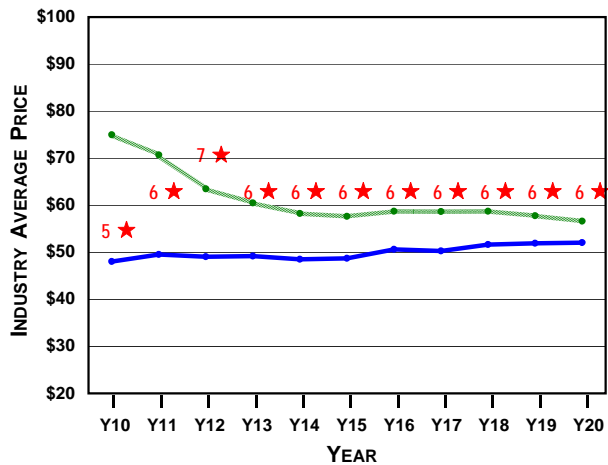
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company L	5,009	Y19	2 years	4	5,009	5,000	4,630	4,004
Oprah Letterman	100	70	65	75	Company D	21,000	Y20	3 years	3	21,000	6,000	10,670	5,009
Annika Stockholm	70	100	70	55	Company B	28,006	Y16	5 years	4	28,006	25,000	19,254	7,000
Tiger Green	95	80	85	75	Company D	20,000	Y20	2 years	3	20,000	5,009	9,136	2,400
José Montaña	60	50	60	95	Company D	16,000	Y18	3 years	6	16,000	16,000	9,540	2,000
Karioki Footsu	55	60	95	90	Company D	20,000	Y20	4 years	3	20,000	7,000	10,670	5,009
Jaques LaFeet	50	90	50	85	Company D	10,000	Y20	1 year	3	10,000	5,009	5,336	1,000
Serenus Willson	70	65	55	60	Company B	8,000	Y19	3 years	4	8,000	5,009	4,778	2,097
Natalie Kwan	75	80	95	50	Company L	14,909	Y17	4 years	4	14,909	12,005	9,566	4,004
Sergio Milano	45	85	60	100	Company L	15,009	Y19	2 years	4	15,009	15,000	11,648	3,004
Lance deFrance	80	85	75	70	Company L	5,009	Y20	3 years	2	5,009	5,000	5,005	5,000
Yao KungPao	60	35	100	50	Company D	16,000	Y18	4 years	6	17,500	16,000	10,582	5,001

BRANDED PRICE AND S/Q RATING TRENDS

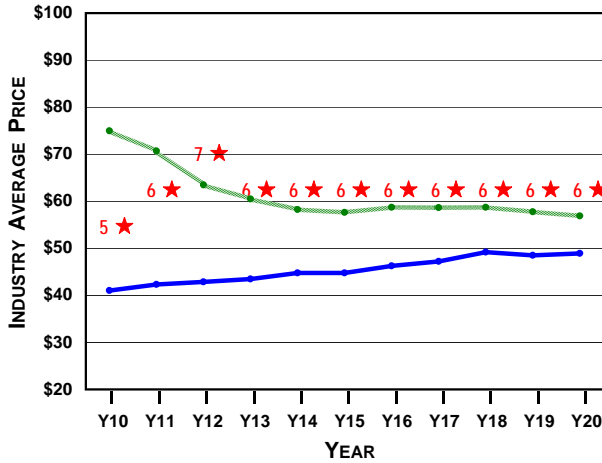
NORTH AMERICA



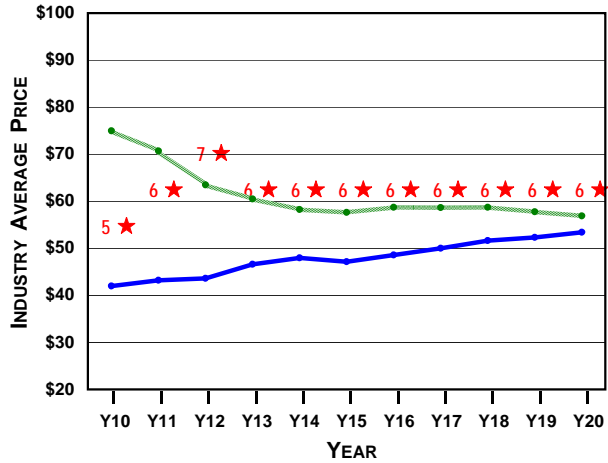
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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