

THE FOOTWEAR INDUSTRY REPORT

The Business Strategy Game © 2007 GLO-BUS Software, Inc. All rights reserved.

INDUSTRY 1

Friday, December 14, 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
LiBiS	119	+10
HOLLLLLLLLLLLLLLER!!	117	+28
Goody2shoes	117	0
E-Fortune 500s	116	-2
C-through.....	109	-5
IFootLoose Inc	105	+7
Brilliant Beginner	100	-7
D-brass	52	-4
Keen Shooz	45	-8
A (deleted)	0	0
F (deleted)	0	0
J (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Goody2shoes	100	+2
Brilliant Beginner	86	+2
C-through.....	85	+3
E-Fortune 500s	85	+4
LiBiS	84	+4
IFootLoose Inc	80	+3
HOLLLLLLLLLLLLLLER!!	65	+6
D-brass	52	0
Keen Shooz	46	0
A (deleted)	0	0
F (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
E-Fortune 500s	80	-5
Goody2shoes	78	-2
C-through.....	73	-14
LiBiS	63	+9
Brilliant Beginner	62	-5
HOLLLLLLLLLLLLLLER!!	59	+17
IFootLoose Inc	46	-2
D-brass	32	-1
Keen Shooz	28	-3
A (deleted)	0	0
F (deleted)	0	0
J (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
E-Fortune 500s	95	-2
Goody2shoes	92	-1
C-through.....	84	-6
LiBiS	69	+6
HOLLLLLLLLLLLLLLER!!	63	+14
Brilliant Beginner	58	-6
IFootLoose Inc	54	-3
D-brass	37	+2
Keen Shooz	32	-5
A (deleted)	0	0
F (deleted)	0	0
J (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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	A
B	1.59	-0.60	0.89	0.63	2.15	3.94	4.88	6.54	5.64	7.83	2.82	10	9	B
C	2.04	2.60	0.11	0.83	2.07	4.93	5.60	11.37	11.70	14.01	5.12	18	17	C
D	3.02	1.12	1.07	-0.33	0.10	0.40	0.38	0.94	1.03	0.67	0.80	1	3	D
E	2.94	-0.36	1.48	-0.21	3.24	5.77	8.00	11.23	12.97	16.00	6.15	20	20	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	3.29	2.54	2.09	3.21	1.87	4.75	5.89	11.68	11.23	14.95	6.12	19	20	G
H	1.64	0.10	-1.65	0.22	0.41	2.36	2.30	5.95	3.60	7.65	2.25	10	7	H
I	3.44	0.19	0.50	1.07	1.32	2.48	3.71	4.77	3.85	5.43	2.58	7	8	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	1.79	-1.09	0.42	0.59	-0.70	0.58	1.01	1.97	0.83	0.82	0.60	1	2	K
L	1.82	2.22	-0.22	0.88	1.44	3.37	3.97	5.64	4.55	9.12	3.26	11	11	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	A
B	10.0	-4.8	6.1	4.1	13.5	25.4	51.7	71.2	74.0	136.2	23.0	20	17	B
C	12.6	13.1	0.7	5.8	13.2	23.7	24.1	47.8	57.9	57.0	26.3	8	20	C
D	18.1	6.1	5.5	-1.7	0.6	2.7	2.4	6.3	7.8	5.1	5.0	1	4	D
E	19.1	-3.3	13.5	-1.7	23.9	32.0	30.2	28.5	29.9	42.6	26.0	6	20	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	20.7	18.3	13.4	18.1	9.3	20.3	20.6	31.4	24.4	30.5	21.8	4	17	G
H	10.7	0.7	-15.7	2.3	4.1	20.5	16.6	33.1	16.2	29.6	14.5	4	11	H
I	21.0	1.1	2.9	6.5	7.4	12.6	16.1	18.0	12.9	15.7	11.7	2	9	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	11.2	-8.6	3.0	4.4	-5.2	4.4	7.2	12.7	4.9	4.6	4.0	1	3	K
L	11.3	14.4	-1.4	5.4	7.9	16.2	17.3	21.6	14.3	22.5	13.8	3	10	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0 %	0	0	A
B	17.19	10.56	7.65	7.08	37.44	61.60	78.98	95.51	82.68	137.77	+17	8	8	B
C	20.18	28.21	16.03	9.76	19.92	70.00	79.25	188.42	240.65	287.51	+25	17	17	C
D	41.44	22.25	13.40	7.94	5.27	4.75	5.40	10.99	13.37	8.01	-12	0	0	D
E	34.34	19.37	14.64	8.61	44.13	87.02	140.04	213.70	240.27	320.62	+27	19	19	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	44.05	25.39	19.71	36.93	19.78	69.58	89.07	205.36	236.72	328.96	+27	20	20	G
H	16.57	9.69	5.89	4.85	5.43	27.42	26.04	87.15	43.86	149.71	+17	9	9	H
I	58.80	29.58	16.44	10.00	13.96	30.08	52.59	72.35	47.59	65.82	+8	4	4	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	16.88	10.21	6.61	4.87	5.41	6.53	12.91	26.47	15.36	8.85	-12	1	1	K
L	16.92	21.87	12.99	8.83	15.18	56.40	68.17	105.11	60.95	170.93	+19 %	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	A
B	B-	C-	B	B+	A+	A-	A-	B+	B-	C	High	4	4	B
C	B	C	C-	C-	C	B	B+	B+	B+	B	High	14	14	C
D	A-	B-	B	C-	C+	B	A+	B+	B+	A+	Low	20	20	D
E	C+	C-	C-	C-	C-	C-	B	A-	A	A-	Medium	18	18	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-	C+	B+	A-	A+	A+	A+	Low	20	20	G
H	C	C-	C-	C-	C-	C-	C	B+	B-	A-	Medium	18	18	H
I	A-	C	C	B	C+	B+	A	A	A-	B+	Medium	17	17	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	B	C-	C	C	C-	B-	A	A	B+	B	Medium	14	14	K
L	C+	C+	C-	C	B-	A-	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	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	75	75	77	77	89	96	96	100	100	100	100	20	20	B
C	63	81	78	74	73	76	81	74	81	78	78	16	16	C
D	78	67	70	63	71	53	49	41	55	52	49	10	10	D
E	63	71	90	77	74	82	85	93	90	85	89	17	18	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	66	65	72	79	72	75	76	78	78	76	77	15	15	G
H	88	99	92	89	86	83	92	96	85	92	91	18	18	H
I	75	55	55	60	62	71	69	81	83	80	81	16	16	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	58	57	58	64	56	53	74	69	57	55	60	11	12	K
L	56	76	83	88	79	86	91	91	90	94	92	19	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	0	0	0	0	0	0	0	0	0	0	0	N/A	A
B	69	27	55	54	95	115	117	116	107	100	86	Good	B
C	79	77	32	39	63	108	114	113	114	109	85	Good	C
D	109	60	57	22	33	39	45	50	56	52	52	Subpar	D
E	91	31	59	25	85	94	110	117	118	116	85	Good	E
F	0	0	0	0	0	0	0	0	0	0	0	N/A	F
G	109	86	71	94	60	112	115	117	117	117	100	Excellent	G
H	63	32	26	29	32	71	71	116	89	117	65	Subpar	H
I	114	39	36	54	51	85	104	113	98	105	80	Good	I
J	0	0	0	0	0	0	0	0	0	0	0	N/A	J
K	72	22	32	34	19	39	65	81	53	45	46	Subpar	K
L	64	77	29	43	59	106	112	118	109	119	84	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	26,639	12,240	63,892	15,600	118,371
– Pairs Rejected	990	479	3,215	1,231	5,915
Net Y20 Production (after rejects)	25,649	11,761	60,677	14,369	112,456
Superior Materials Usage	40.2%	58.9%	27.7%	18.0%	32.5%
Capacity Utilization (branded + P-L prod.)	120.0%	120.0%	109.4%	120.0%	114.0%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	+ 2.10	+ 0.24	8.34
Superior Materials	12.00	– 1.05	+ 0.48	11.43

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	3,426	5,742	2,238	819	12,225
– Pairs Cleared (inventory clearance)	763	812	426	362	2,363
Beginning Y20 Inventories	2,663	4,930	1,812	457	9,862
+ New Production (shipped from plants)	23,897	24,683	23,430	24,264	96,274
Pairs Available for Sale in Y20	26,560	29,613	25,242	24,721	106,136

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)	22,976	23,189	21,339	20,589	88,093
Actual Year 20 Demand	22,889	23,451	21,516	20,449	88,305
Branded Pairs Sold	22,892	23,449	21,516	20,445	88,302
Required Y20 Ending Inventories	1,038	1,084	1,009	953	4,084
Inventory Surplus (Shortfall)	2,630	5,080	2,717	3,247	13,674

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.0%
- Available for shipment to warehouses
- % usage down by 3.9 points from Y19
- % utilization up by 4.1 points over Y19

Lower than normal (32.5% industrywide) superior materials usage led to superior materials prices that were 8.8% below the base and standard materials prices that were 35.0% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 4.0% from the base.

- Average inventory clearance of 19.3%
- 20.2% higher than Y20 demand
- Actual demand in Year 20 was 0.2% greater than expected.
- Needed to achieve delivery times
- { High in N.A. Very high in E-A
High in A-P High in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America	23,804	24,756	25,746	26,776
(internet + wholesale) Europe-Africa	24,389	25,365	26,380	27,435
Asia-Pacific	22,807	24,175	25,626	27,164
Latin America	21,676	22,977	24,356	25,817
Total	92,676	97,273	102,108	107,192
Private-Label — North America	4,230	4,230	4,230	4,230
Europe-Africa	4,257	4,257	4,257	4,257
Asia-Pacific	4,167	4,167	4,167	4,167
Latin America	4,248	4,248	4,248	4,248
Total	16,902	16,902	16,902	16,902

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	17,834
Potential Production (at max OT)	124,560
Potential Global Supply	142,394
Demand — Branded Sales Forecast (000s)	92,676
Private-Label Sales Forecast	16,902
Expected Global Demand	109,578
Conclusion:	Excess supply of 29.9% 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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	3,000	2,200	12,000	0	0	0	0	0	3,000	2,200	12,000	0	17,200	0	B
C	4,900	3,000	3,100	1,000	0	0	0	0	4,900	3,000	3,100	1,000	12,000	0	C
D	0	0	2,300	0	0	0	0	0	0	0	2,300	0	2,300	0	D
E	0	0	10,000	5,000	0	0	0	0	0	0	10,000	5,000	15,000	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	4,800	0	7,000	0	0	0	0	0	4,800	0	7,000	0	11,800	0	G
H	5,000	3,000	0	0	0	0	0	0	5,000	3,000	0	0	8,000	0	H
I	3,500	0	7,300	1,000	0	0	0	0	3,500	0	7,300	1,000	11,800	0	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	1,000	2,000	5,800	0	0	0	0	0	1,000	2,000	5,800	0	8,800	0	K
L	0	0	10,400	6,000	0	0	500	0	0	0	10,900	6,000	16,900	0	L
Total	22,200	10,200	57,900	13,000	0	0	500	0	22,200	10,200	58,400	13,000	103,800	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	0	0	0	0	0	0	0	0	0	0	0	A
B	591,297	344,601	31,378	70,343	19,618	125,357	32,830	27,758	64,769	45,469	8,267	B
C	654,662	309,000	42,934	118,231	14,420	170,077	19,927	45,045	105,105	90,000	7,500	C
D	125,115	68,984	10,648	28,122	4,719	12,642	-1,206	4,154	9,694	0	14,500	D
E	725,464	378,526	48,006	87,519	17,421	193,992	22,614	51,413	119,965	26,250	7,500	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	637,216	341,244	45,431	72,121	14,219	164,201	4,064	48,041	112,096	112,500	7,500	G
H	526,032	263,559	39,362	120,993	10,419	91,699	9,787	24,574	57,338	22,500	7,500	H
I	544,820	321,011	35,559	104,314	14,219	69,717	11,542	17,453	40,722	0	7,500	I
J	0	0	0	0	0	0	0	0	0	0	0	J
K	328,260	175,169	27,789	86,359	11,219	27,724	6,994	6,219	14,511	0	17,700	K
L	833,279	454,568	47,792	120,687	19,320	190,912	134	57,233	133,545	14,640	14,640	L
	551,794	295,185	36,544	89,854	13,953	116,258	11,854	31,321	73,083	34,595	10,290	

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	0	0	0	0	0	0	0	0	0.00	0 / 0	A
B	0	176,519	565,810	139,486	391,054	59,814	-43,840	19,296	35,270	5.50	5 / 2	B
C	0	192,699	446,419	81,505	173,000	176,808	0	15,106	191,914	12.00	2 / 1	C
D	12,985	149,206	199,181	6,039	0	183,448	0	9,694	193,142	0.00	3 / 4	D
E	0	220,263	632,380	86,195	278,300	295,527	-121,358	93,716	267,885	3.50	8 / 1	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	20,499	207,099	454,695	34,888	52,200	368,013	0	-406	367,607	15.00	9 / 1	G
H	8,123	161,484	332,885	49,495	72,000	176,554	0	34,836	211,390	3.00	4 / 1	H
I	0	168,898	449,808	70,340	133,000	271,987	-66,240	40,721	246,468	0.00	1 / 2	I
J	0	0	0	0	0	0	0	0	0	0.00	0 / 0	J
K	33,093	282,966	499,917	50,596	128,000	306,811	0	14,511	321,321	0.00	0 / 1	K
L	18,374	275,980	756,609	60,074	198,000	688,160	-308,530	118,905	498,535	1.00	9 / 1	L
	10,342	203,902	481,967	64,291	158,395	280,791	-59,996	38,487	259,281	4.44	5 / 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	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.00	0	0.00	0.00	0.00	N/A	A
B	58.3	5.3	11.9	3.3	21.2	11.0	1.27	67	3.82	0.88	0.48	High	B
C	47.2	6.6	18.1	2.2	26.0	16.1	2.36	37	8.54	0.50	0.76	High	C
D	55.1	8.5	22.5	3.8	10.1	7.7	24.71	518	100.00	0.00	10.00	Low	D
E	52.2	6.6	12.1	2.4	26.7	16.5	2.56	41	8.58	0.52	2.42	Medium	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	53.6	7.1	11.3	2.2	25.8	17.6	5.94	31	40.40	0.13	4.24	Low	G
H	50.1	7.5	23.0	2.0	17.4	10.9	3.26	31	9.37	0.29	2.12	Medium	H
I	58.9	6.5	19.1	2.6	12.8	7.5	2.40	54	6.04	0.38	1.72	Medium	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	53.4	8.5	26.3	3.4	8.4	4.4	5.59	397	3.96	0.31	1.32	Medium	K
L	54.6	5.7	14.5	2.3	22.9	16.0	4.59	45	1424.72	0.29	7.20	Low	L
	53.5 %	6.6 %	16.3 %	2.5 %	21.1 %	13.2 %	3.17	136	178.38	0.37	3.36	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		7.28	7.95	9.07	9.47	10.71	11.11	
	Private-Label Footwear		6.94	7.50	8.15	8.58	9.64	9.65	
Labor — North America	Total Compensation (\$/year)		15,668	15,751	20,031	20,466	24,238	24,629	
	Productivity (pairs/worker/year)		4,841	4,788	5,244	5,284	5,871	6,000	
	Labor Cost (\$/pair produced)		2.86	3.01	3.84	3.90	4.51	4.63	
Europe Africa	Total Compensation (\$/year)		15,766	15,766	19,242	19,376	24,138	24,343	
	Productivity (pairs/worker/year)		4,265	4,202	4,668	4,657	5,382	5,409	
	Labor Cost (\$/pair produced)		3.18	3.37	4.03	4.12	4.97	5.11	
Asia Pacific	Total Compensation (\$/year)		4,400	4,944	5,381	5,420	6,994	5,936	
	Productivity (pairs/worker/year)		2,315	2,252	2,848	2,843	3,993	3,991	
	Labor Cost (\$/pair produced)		1.61	1.67	2.05	2.12	2.32	2.57	
Latin America	Total Compensation (\$/year)		4,639	4,670	5,701	5,458	7,113	5,858	
	Productivity (pairs/worker/year)		2,541	2,393	3,358	3,285	4,076	4,024	
	Labor Cost (\$/pair produced)		1.64	1.39	1.84	1.85	1.94	2.23	
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.07	0.07	0.94	0.94	2.50	2.50	
	Cumulative		0.14	0.13	0.89	0.89	1.81	1.82	
Reject Rates	Branded Production		2.1%	2.0%	4.7%	4.8%	7.7%	8.6%	
	Private-Label Production		2.6%	2.7%	3.8%	4.0%	5.6%	5.6%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	20.02	20.62	22.44	22.43	24.31	23.49	
		E-A	19.16	19.74	20.84	21.24	22.69	23.15	
		A-P	17.24	17.55	22.01	22.33	40.99	41.61	
		L.A.	18.14	18.74	21.64	20.72	24.72	23.61	
		Private-Label	N.A.	16.49	17.36	19.46	19.70	21.77	21.13
		E-A	14.24	15.13	14.50	15.23	14.76	15.32	
		A-P	17.83	18.84	18.24	19.33	18.65	19.82	
		L.A.	17.20	16.87	19.54	16.97	21.87	17.06	

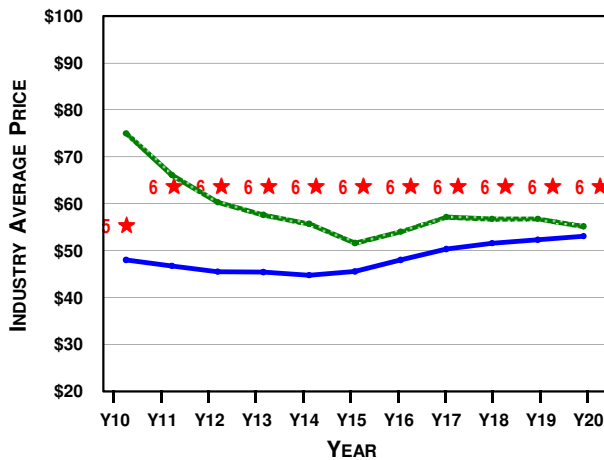
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.11	22.58	27.95	28.51	44.48	48.25
		E-A	22.15	22.36	27.89	27.99	47.68	47.68
		A-P	19.24	19.55	25.22	25.45	41.69	41.69
		L.A.	20.14	20.74	30.37	29.09	50.58	51.08
	Warehouse Expenses - Internet (\$ per pair sold)	Internet	10.31	10.30	10.92	10.92	14.27	13.80
		Wholesale	1.93	1.85	2.51	2.64	4.75	5.56
	Marketing Expenses — Internet (\$ per pair sold)	Internet	7.87	7.09	12.82	13.41	28.98	37.29
		Wholesale	4.40	5.27	9.11	10.33	12.55	14.55
	Administrative Expenses (\$/pair sold)		1.18	1.10	1.79	1.72	3.48	3.20
	Operating Profit (\$ per pair sold)	Internet	-0.21	-11.77	11.86	8.82	23.32	16.47
		N.A.	-4.04	-10.32	11.13	9.86	19.91	20.91
		A-P	-1.40	-6.24	14.64	12.86	26.40	23.79
		L.A.	-16.42	-13.27	7.61	12.96	20.16	23.40
	Wholesale	N.A.	6.52	6.13	10.34	9.13	22.88	11.45
		E-A	3.75	2.28	9.61	9.77	16.85	14.89
		A-P	1.28	0.60	9.65	9.31	18.67	15.86
		L.A.	1.48	6.03	6.61	15.02	11.70	29.91
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	18.49	19.36	22.59	22.63	26.68	26.19
		E-A	16.24	17.13	22.49	23.36	27.75	27.56
		A-P	19.83	20.84	20.24	21.33	20.65	21.82
		L.A.	19.20	18.87	23.98	22.90	28.88	30.78
	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.	2.31	1.80	5.56	5.91	10.50	8.92
		E-A	-0.22	-0.14	6.47	6.55	12.28	10.29
		A-P	-2.87	-3.85	-1.75	-1.13	0.00	1.60
		L.A.	-0.53	4.89	5.80	6.29	10.00	7.94

CELEBRITY ENDORSEMENTS

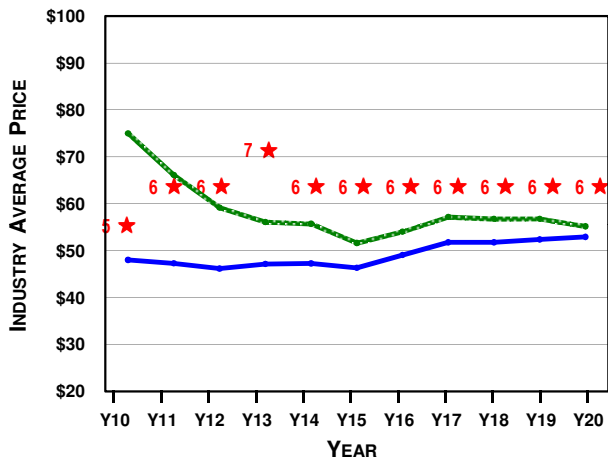
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company H	12,341	Y19	2 years	6	12,501	12,341	8,240	500
Oprah Letterman	100	70	65	75	[unsigned]	0	N/A	3 years	0	0	0	0	0
Annika Stockholm	70	100	70	55	Company H	15,000	Y16	5 years	8	15,000	12,500	10,398	4,777
Tiger Green	95	80	85	75	Company L	18,765	Y20	2 years	1	18,765	0	18,765	18,765
José Montaña	60	50	60	95	Company K	15,001	Y18	3 years	6	16,001	15,001	9,731	500
Karioki Footsu	55	60	95	90	Company L	17,865	Y20	4 years	1	17,865	0	17,865	17,865
Jaques LaFeet	50	90	50	85	[unsigned]	0	N/A	1 year	0	0	0	0	0
Serenus Willson	70	65	55	60	Company H	12,342	Y19	3 years	6	13,500	12,342	8,428	500
Natalie Kwan	75	80	95	50	Company K	18,000	Y17	4 years	6	18,000	14,444	10,417	1,425
Sergio Milano	45	85	60	100	Company C	15,001	Y19	2 years	6	15,001	14,998	9,157	500
Lance deFrance	80	85	75	70	Company D	16,789	Y19	3 years	7	16,789	16,786	12,234	1,111
Yao KungPao	60	35	100	50	Company C	14,444	Y18	4 years	6	14,444	12,501	8,262	500

BRANDED PRICE AND S/Q RATING TRENDS

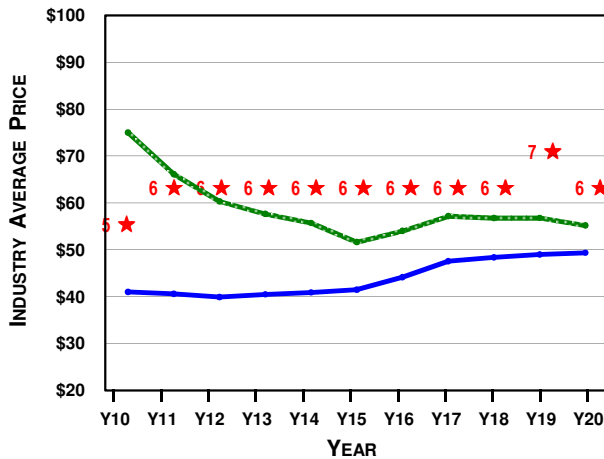
NORTH AMERICA



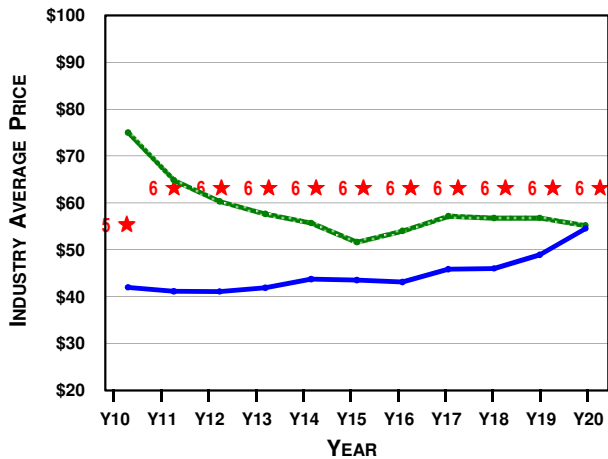
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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