

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 2

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
Federated Footwear	119	+9
Knikidas	118	+14
Idiots Savante	118	+24
Juggernaut	116	+1
E-Moda Yugoslavia	115	+26
Branded Inc	114	+28
D Company	109	+35
ADRENALINE	106	+9
C (deleted)	0	0
G (deleted)	0	0
H (deleted)	0	0
L (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Juggernaut	101	+2
Knikidas	86	+4
Federated Footwear	84	+4
E-Moda Yugoslavia	74	+5
D Company	73	+4
Branded Inc	70	+4
Idiots Savante	69	+5
ADRENALINE	67	+5
C (deleted)	0	0
G (deleted)	0	0
H (deleted)	0	0
L (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
Juggernaut	85	-7
E-Moda Yugoslavia	81	+20
Knikidas	80	+8
Federated Footwear	74	-2
Branded Inc	69	+10
Idiots Savante	68	+3
ADRENALINE	66	-5
D Company	58	+5
C (deleted)	0	0
G (deleted)	0	0
H (deleted)	0	0
L (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Juggernaut	95	-1
Knikidas	85	+6
E-Moda Yugoslavia	80	+27
Federated Footwear	78	+4
Idiots Savante	71	+9
Branded Inc	66	+8
D Company	64	+2
ADRENALINE	60	-2
C (deleted)	0	0
G (deleted)	0	0
H (deleted)	0	0
L (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	3.03	2.36	-0.49	-1.93	0.86	1.52	1.16	2.04	3.26	4.70	1.62	8	7	A
B	2.03	-0.21	-1.03	0.70	2.32	3.03	1.35	3.00	3.66	7.97	2.11	14	9	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	4.47	0.95	0.21	-1.25	1.45	1.62	2.84	2.28	1.89	4.31	1.82	7	8	D
E	4.64	2.94	-5.36	-1.96	3.53	3.87	2.03	1.58	4.50	9.31	2.52	16	11	E
F	5.55	0.83	0.87	0.02	1.24	2.36	2.64	3.23	4.14	6.91	2.65	12	11	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	2.03	0.45	-2.95	3.65	0.28	2.62	1.07	3.08	3.66	5.78	2.24	10	9	I
J	4.89	3.80	1.57	2.18	3.43	3.71	4.43	5.52	7.33	11.71	4.78	20	20	J
K	4.44	-0.36	-0.35	1.69	2.52	3.58	4.33	4.28	4.31	9.35	3.23	16	14	K
L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	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	18.2	12.2	-2.2	-18.3	8.9	14.4	9.1	15.6	22.2	46.1	12.5	20	15	A
B	12.5	-1.4	-7.0	4.7	14.1	16.6	6.0	10.7	12.3	25.5	10.1	11	12	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	28.5	7.6	1.5	-10.2	10.7	10.2	16.3	11.6	9.4	18.9	10.6	8	13	D
E	28.2	20.1	-43.3	-23.8	39.1	30.4	13.0	9.1	21.9	33.9	15.7	15	19	E
F	31.8	4.6	5.1	0.1	6.9	12.2	12.0	14.6	18.1	24.6	13.0	11	16	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	12.6	2.4	-23.1	27.9	1.8	13.3	6.8	14.3	14.8	19.7	10.8	9	13	I
J	29.2	23.2	8.2	10.9	13.3	13.8	14.3	15.4	17.3	25.0	16.4	11	20	J
K	27.8	-3.0	-3.1	10.7	14.1	17.1	17.4	14.6	13.1	27.4	14.9	12	18	K
L	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	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	36.61	23.31	13.32	8.27	9.52	16.74	13.36	24.43	40.93	64.40	+8 %	6	6	A
B	17.46	10.18	6.29	6.72	30.61	42.22	22.48	35.25	39.65	112.56	+14	10	10	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	67.60	31.97	17.50	10.14	16.18	17.90	42.87	25.96	20.21	53.98	+6	5	5	D
E	72.58	34.45	18.79	11.56	36.58	51.11	26.31	14.98	50.17	145.26	+17	14	14	E
F	116.92	47.05	24.98	14.62	13.79	30.30	38.34	42.96	55.83	128.54	+16	12	12	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	20.55	12.42	7.94	41.88	22.18	31.01	17.70	37.73	43.26	96.07	+12	9	9	I
J	88.62	48.77	25.05	21.58	35.91	45.88	57.79	74.16	106.95	214.63	+22	20	20	J
K	76.32	34.35	19.15	15.56	29.72	44.80	56.69	54.75	54.44	163.80	+19	15	15	K
L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0 %	0	0	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+	B+	B	Medium	14	14	A
B	B-	C-	C-	B	A-	B+	B	B+	B	B+	Medium	17	17	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-	B	B	A-	A-	A-	A+	Low	20	20	D
E	B-	C-	C-	C-	C-	C	C-	C-	C-	B+	Low	17	17	E
F	A	C	C+	C	B+	A-	A+	A+	A+	A+	Low	20	20	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-	C-	C	B-	B	A+	Low	20	20	I
J	A-	B	C+	B	B+	B+	A	A+	A+	A+	Low	20	20	J
K	B	C-	C-	C	B-	B	B+	A-	A-	A-	Medium	18	18	K
L	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	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	62	70	86	90	79	80	90	87	82	89	86	18	18	A
B	52	60	72	70	73	86	96	89	84	84	86	17	18	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	99	82	89	66	90	84	98	90	87	91	89	18	18	D
E	73	85	80	74	83	82	87	84	95	93	91	19	19	E
F	70	65	77	76	77	85	86	91	94	94	93	19	19	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	90	100	100	97	100	100	97	95	97	100	97	20	20	I
J	76	66	70	82	74	81	81	74	76	70	73	14	15	J
K	79	71	86	86	81	84	100	100	97	95	97	19	20	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	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	98	71	29	27	43	60	55	82	97			
B	70	23	23	49	89	99	65	86	86	114	70	Fair	B
C	0	0	0	0	0	0	0	0	0	0	0	N/A	C
D	108	58	36	24	69	69	101	82	74	109	73	Fair	D
E	104	85	31	27	83	93	61	48	89	115	74	Fair	E
F	115	59	56	32	64	87	93	100	110	119	84	Good	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	80	37	28	90	39	70	51	85	94	118	69	Subpar	I
J	115	106	63	77	96	100	108	113	115	116	101	Excellent	J
K	109	40	32	58	81	99	109	107	104	118	86	Good	K
L	0	0	0	0	0	0	0	0	0	0	0	N/A	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	24,481	16,680	51,600	10,800	103,561
– Pairs Rejected	753	763	2,892	422	4,830
Net Y20 Production (after rejects)	23,728	15,917	48,708	10,378	98,731
Superior Materials Usage	58.8%	49.0%	36.6%	55.7%	45.8%
Capacity Utilization (branded + P-L prod.)	120.0%	120.0%	120.0%	120.0%	120.0%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	+ 0.50	+ 0.60	7.10
Superior Materials	12.00	– 0.25	+ 1.20	12.95

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	1,981	2,231	2,509	1,100	7,821
– Pairs Cleared (inventory clearance)	912	1,030	1,003	508	3,453
Beginning Y20 Inventories	1,069	1,201	1,506	592	4,368
+ New Production (shipped from plants)	22,722	22,360	22,060	20,099	87,241
Pairs Available for Sale in Y20	23,791	23,561	23,566	20,691	91,609

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)	21,249	20,833	20,327	19,068	81,477
Actual Year 20 Demand	21,464	21,056	20,624	19,410	82,554
Branded Pairs Sold	21,421	21,035	20,626	19,313	82,395
Required Y20 Ending Inventories	1,469	1,467	1,329	1,206	5,471
Inventory Surplus (Shortfall)	694	926	1,383	-234	2,769

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.7%
- Available for shipment to warehouses
- % usage down by 2.8 points from Y19
- % utilization up by 4.2 points over Y19

Lower than normal (45.8% industrywide) superior materials usage led to superior materials prices that were 2.1% below the base and standard materials prices that were 8.4% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 10.0% from the base.

- Average inventory clearance of 44.2%
- 11.0% higher than Y20 demand

Actual demand in Year 20 was 1.3% 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 Low in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded (internet + wholesale)				
— North America	22,323	23,216	24,145	25,111
— Europe-Africa	21,898	22,774	23,685	24,632
— Asia-Pacific	21,861	23,173	24,563	26,037
— Latin America	20,574	21,808	23,116	24,503
— Total	86,656	90,971	95,509	100,283
Private-Label				
— North America	3,792	3,792	3,792	3,792
— Europe-Africa	3,776	3,776	3,776	3,776
— Asia-Pacific	3,768	3,768	3,768	3,768
— Latin America	3,776	3,776	3,776	3,776
— Total	15,112	15,112	15,112	15,112

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	9,214
Potential Production (at max OT)	103,560
Potential Global Supply	112,774
Demand — Branded Sales Forecast (000s)	86,656
Private-Label Sales Forecast	15,112
Expected Global Demand	101,768
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	3,500	2,500	2,000	0	0	0	0	2,000	3,500	2,500	2,000	10,000	0	A
B	0	3,000	10,500	0	0	0	0	0	0	3,000	10,500	0	13,500	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	2,500	0	6,500	0	500	0	0	0	3,000	0	6,500	0	9,500	0	D
E	0	2,000	8,000	2,000	0	0	0	0	0	2,000	8,000	2,000	12,000	0	E
F	2,000	1,400	3,000	0	1,000	0	0	0	3,000	1,400	3,000	0	7,400	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	5,900	2,000	2,500	2,000	0	0	0	0	5,900	2,000	2,500	2,000	12,400	0	I
J	4,500	0	4,500	0	0	0	0	0	4,500	0	4,500	0	9,000	0	J
K	2,000	2,000	5,500	3,000	0	0	0	0	2,000	2,000	5,500	3,000	12,500	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	18,900	13,900	43,000	9,000	1,500	0	0	0	20,400	13,900	43,000	9,000	86,300	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	492,938	249,883	32,100	102,986	12,419	95,550	23,087	21,739	50,724	0	10,800	A
B	724,806	388,421	41,992	147,365	15,920	131,108	24,721	31,916	74,471	0	9,349	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	482,725	272,027	35,631	89,387	11,919	73,761	3,295	21,140	49,326	0	11,450	D
E	670,306	345,965	35,080	137,551	14,419	137,291	37,587	29,911	69,793	0	7,500	E
F	466,018	218,045	35,925	126,760	9,819	75,469	1,484	22,196	51,789	3,750	7,500	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	685,548	407,775	38,731	108,267	14,819	115,956	12,695	30,978	72,283	1,250	12,500	I
J	543,847	271,539	41,133	93,769	11,420	125,986	514	37,642	87,830	75,000	7,500	J
K	667,237	387,795	39,575	113,060	14,917	111,890	11,721	30,051	70,118	7,500	7,500	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	591,678	317,681	37,521	114,893	13,207	108,376	14,388	28,197	65,792	10,938	9,262	

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	3,874	135,019	377,370	53,581	232,100	128,291	-87,326	50,724	91,689	0.00	0 / 1	A
B	3,736	271,888	624,373	81,704	285,000	326,017	-142,821	74,473	257,669	0.00	0 / 1	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	8,490	132,531	307,458	22,435	0	235,698	0	49,325	285,023	0.00	1 / 5	D
E	12,683	204,746	518,743	53,134	225,000	170,815	0	69,793	240,609	0.00	0 / 1	E
F	20,298	140,171	259,126	24,476	0	186,611	0	48,039	234,650	0.50	2 / 3	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	8,595	212,318	521,042	53,920	64,000	332,089	0	71,033	403,122	0.10	9 / 1	I
J	24,188	197,070	376,150	18,305	0	345,013	0	12,832	357,845	10.00	1 / 1	J
K	10,663	233,570	494,879	77,541	225,000	320,327	-190,606	62,616	192,338	1.00	2 / 3	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	11,566	190,914	434,893	48,137	128,888	255,608	-52,594	54,854	257,868	1.45	2 / 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	50.7 %	6.5 %	20.9 %	2.5 %	19.4 %	10.3 %	2.52	14	4.14	0.70	2.48	Medium	A
B	53.6	5.8	20.3	2.2	18.1	10.3	3.33	83	5.30	0.53	2.07	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	56.4	7.4	18.5	2.5	15.3	10.2	5.91	5	22.39	0.00	10.00	Low	D
E	51.6	5.2	20.5	2.2	20.5	10.4	3.85	29	3.65	0.48	3.86	Low	E
F	46.8	7.7	27.2	2.1	16.2	11.1	5.73	6	50.86	0.00	10.00	Low	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	59.5	5.6	15.8	2.2	16.9	10.5	3.94	38	9.13	0.15	6.14	Low	I
J	49.9	7.6	17.2	2.1	23.2	16.1	10.77	56	245.11	0.00	10.00	Low	J
K	58.1	5.9	16.9	2.2	16.8	10.5	3.01	75	9.55	0.55	1.99	Medium	K
L	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	L
	53.7 %	6.3 %	19.4 %	2.2 %	18.3 %	11.1 %	3.97	38	43.77	0.30	5.82	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		7.39	7.11	8.80	9.03	11.10	11.42
	Private-Label Footwear		6.70	7.50	8.02	8.35	9.23	9.91
Labor — North America	Total Compensation (\$/year)		19,588	19,557	23,597	24,716	29,545	32,430
	Productivity (pairs/worker/year)		4,182	4,427	5,538	5,888	6,389	6,698
	Labor Cost (\$/pair produced)		3.84	3.09	4.45	4.26	5.05	4.92
Europe Africa	Total Compensation (\$/year)		17,006	17,856	20,898	21,282	25,853	26,133
	Productivity (pairs/worker/year)		5,677	5,639	5,889	5,931	6,094	6,248
	Labor Cost (\$/pair produced)		3.49	2.84	3.90	3.83	4.48	4.47
Asia Pacific	Total Compensation (\$/year)		5,545	5,427	6,360	6,369	8,324	8,396
	Productivity (pairs/worker/year)		2,512	2,468	3,343	3,360	4,268	4,389
	Labor Cost (\$/pair produced)		1.64	1.61	1.99	1.99	2.51	2.57
Latin America	Total Compensation (\$/year)		5,062	5,090	6,270	6,464	8,224	8,305
	Productivity (pairs/worker/year)		2,825	2,756	3,361	3,399	3,825	3,865
	Labor Cost (\$/pair produced)		1.45	1.58	1.79	1.92	2.25	2.25
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.91	0.70	1.50	1.47	2.50	2.50
	Cumulative		0.88	0.86	1.42	1.43	2.40	2.41
Reject Rates	Branded Production		1.9%	2.3%	4.6%	4.7%	7.0%	7.0%
	Private-Label Production		1.8%	1.8%	3.4%	3.2%	5.4%	5.9%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		22.67	21.53	25.51	24.65	29.74	29.77
	E-A		19.05	19.79	24.00	24.54	29.27	29.65
	A-P		18.05	17.91	22.18	21.77	31.55	29.33
	L.A.		17.60	18.35	22.16	22.70	28.21	28.63
	Private-Label — N.A.		21.65	21.12	21.65	23.08	21.65	25.46
	E-A		18.00	17.10	18.00	17.75	18.00	18.39
	A-P		18.05	17.86	19.37	19.71	20.61	22.77
	L.A.		18.19	18.61	18.77	18.61	19.34	18.61

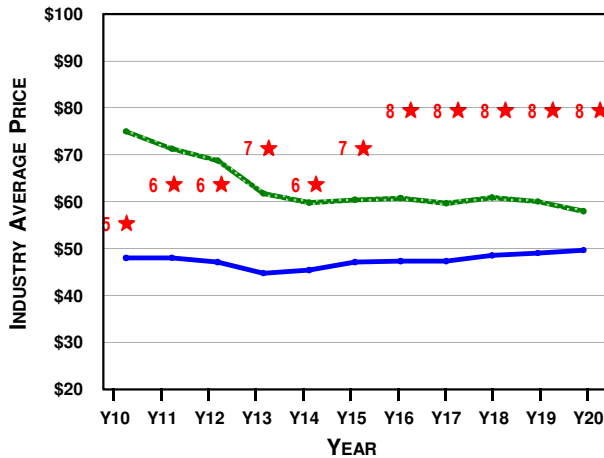
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	24.67	23.54	28.32	27.80	31.75	31.92
		E-A	21.05	21.79	27.80	27.77	32.06	32.61
		A-P	20.05	19.91	24.17	23.77	33.55	31.33
		L.A.	19.60	20.35	27.52	26.66	31.54	30.87
		Wholesale	10.34	10.40	10.48	10.46	10.56	10.55
Warehouse Expenses	Internet		10.34	10.40	10.48	10.46	10.56	10.55
	Wholesale		1.95	2.01	2.22	2.19	2.38	2.32
Marketing Expenses	Internet		8.63	7.92	13.19	12.44	18.29	15.79
	Wholesale		9.23	9.34	11.51	11.04	16.22	15.01
Administrative Expenses	(\$/pair sold)		1.07	1.10	1.36	1.29	1.82	1.59
Operating Profit (\$ per pair sold)	Internet	N.A.	7.90	9.21	15.12	14.37	23.21	18.13
		E-A	9.87	11.14	16.53	16.95	24.21	25.01
		A-P	14.25	14.03	20.80	20.45	29.54	27.65
		L.A.	5.00	12.31	15.76	21.44	30.75	31.64
		Wholesale		1.57	2.50	3.90	5.65	7.27
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.65	24.65	23.65	26.06	23.65	27.46
		E-A	20.00	19.10	26.24	24.38	29.72	31.43
		A-P	20.05	19.86	21.37	20.69	22.62	21.24
		L.A.	20.19	25.34	20.77	26.95	21.34	29.37
		Wholesale		1.00	1.00	1.00	1.00	1.00
Margin Over Direct Costs (\$ per pair sold)		N.A.	3.32	4.11	3.32	6.58	3.32	9.04
		E-A	4.23	3.62	7.04	7.72	11.47	11.05
		A-P	3.55	2.79	6.04	5.38	7.77	7.61
		L.A.	9.91	6.03	10.73	9.73	11.55	13.20

CELEBRITY ENDORSEMENTS

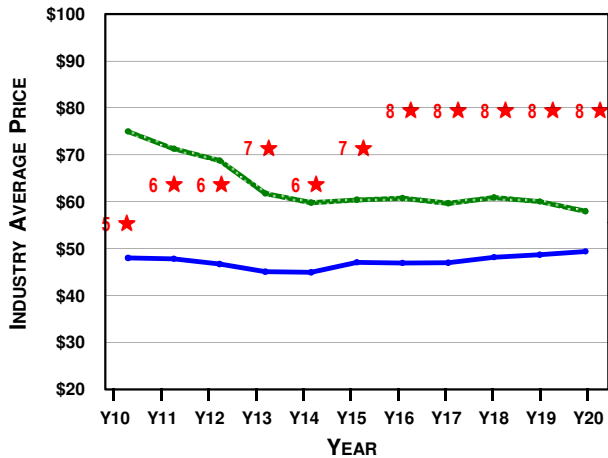
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company I	11,100	Y19	2 years	3	12,000	11,100	7,885	555
Oprah Letterman	100	70	65	75	[unsigned]	0	N/A	3 years	1	11,300	0	11,300	11,300
Annika Stockholm	70	100	70	55	Company J	22,725	Y16	5 years	7	22,725	18,005	14,893	5,005
Tiger Green	95	80	85	75	[unsigned]	0	N/A	2 years	1	11,400	0	11,400	11,400
José Montaña	60	50	60	95	Company E	11,112	Y18	3 years	5	15,250	14,000	11,762	7,346
Karioki Footsu	55	60	95	90	Company I	11,100	Y20	4 years	1	11,100	0	11,100	11,100
Jaques LaFeet	50	90	50	85	[unsigned]	0	N/A	1 year	1	11,500	0	11,500	11,500
Serenus Willson	70	65	55	60	Company I	11,400	Y19	3 years	3	12,000	11,400	7,985	555
Natalie Kwan	75	80	95	50	Company B	18,636	Y17	4 years	5	20,003	18,636	15,551	9,444
Sergio Milano	45	85	60	100	Company D	19,000	Y19	2 years	3	19,000	11,300	11,290	3,569
Lance deFrance	80	85	75	70	Company I	11,200	Y20	3 years	1	11,200	0	11,200	11,200
Yao KungPao	60	35	100	50	Company F	14,667	Y18	4 years	5	14,667	14,000	11,845	7,346

BRANDED PRICE AND S/Q RATING TRENDS

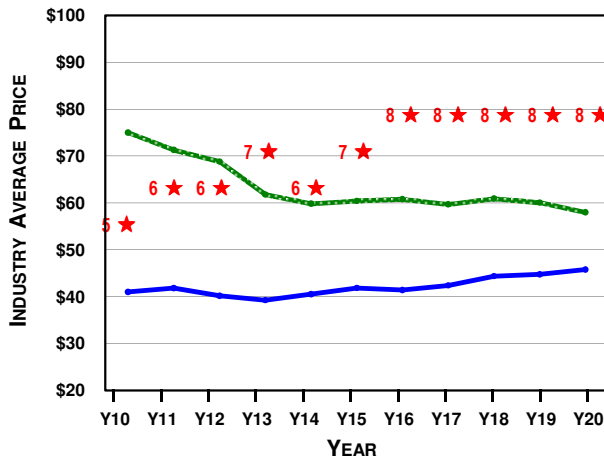
NORTH AMERICA



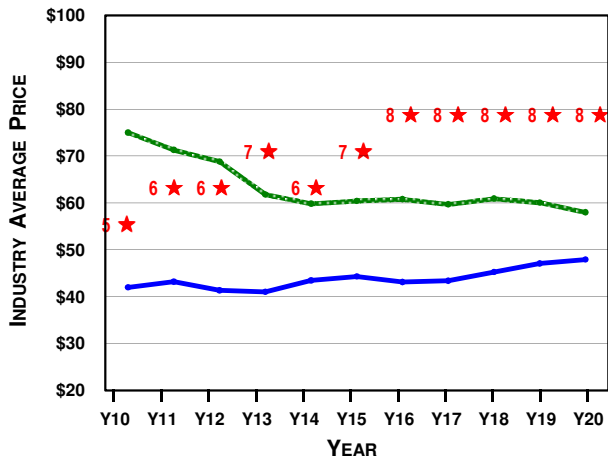
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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