

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 4

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
Acme Ltd.	119	+1
Gatekeepers	119	+1
L Company	118	+3
H Company	116	+75
Clairvoyance Ltd.	115	+6
Doraemon	114	+4
Kasmir	113	+4
Jeco Footwear	110	+17
Il Dolce Vita	102	+28
F Company	24	0
B (deleted)	0	0
E (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Gatekeepers	105	+1
L Company	96	+2
Acme Ltd.	85	+4
Kasmir	83	+3
Clairvoyance Ltd.	82	+3
H Company	82	+4
Jeco Footwear	71	+4
Doraemon	68	+6
Il Dolce Vita	58	+5
F Company	32	-1
B (deleted)	0	0
E (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
Acme Ltd.	97	+5
Gatekeepers	97	0
Clairvoyance Ltd.	87	+16
L Company	85	-1
H Company	81	+56
Doraemon	71	-4
Kasmir	64	-6
Jeco Footwear	63	+1
Il Dolce Vita	58	+8
F Company	17	-2
B (deleted)	0	0
E (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Gatekeepers	98	-1
Acme Ltd.	92	+2
L Company	90	-2
Clairvoyance Ltd.	82	+5
H Company	72	+26
Kasmir	66	-6
Doraemon	64	+2
Jeco Footwear	61	0
Il Dolce Vita	54	+4
F Company	18	-3
B (deleted)	0	0
E (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	1.61	1.15	0.51	-0.27	3.34	5.27	5.72	6.17	7.33	11.37	4.17	20	17	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	2.56	2.75	1.39	1.88	1.44	2.82	3.00	6.79	5.54	10.62	3.83	19	15	C
D	1.91	0.51	-2.42	-1.54	-2.72	5.95	3.92	4.09	4.98	6.43	2.07	11	8	D
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	E
F	2.38	0.67	-1.46	-4.76	-0.80	-0.43	-3.73	-2.29	-0.94	-0.84	-1.36	0	0	F
G	3.43	3.03	2.13	2.37	4.15	5.17	5.33	5.86	7.81	11.24	4.96	20	20	G
H	2.29	1.01	1.08	1.65	3.69	4.29	3.68	4.98	0.68	8.61	3.08	15	12	H
I	2.31	-1.58	-1.21	0.14	1.07	1.67	1.55	2.35	1.89	3.60	1.22	6	5	I
J	3.50	1.74	0.66	0.95	-0.84	2.55	2.88	2.10	3.43	4.52	2.05	8	8	J
K	1.70	1.42	1.54	1.29	2.72	3.16	2.96	4.70	4.92	6.10	3.01	11	12	K
L	4.69	2.15	2.03	3.49	4.14	4.35	3.55	6.07	7.04	9.43	4.67	17	19	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	10.1	6.3	2.8	-1.5	17.8	23.0	20.5	18.2	18.8	26.3	15.6	18	16	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	16.6	21.2	9.2	11.3	7.8	13.9	12.9	24.0	16.4	26.2	16.3	18	17	C
D	12.5	4.3	-22.4	-17.5	-40.7	71.7	29.9	24.5	24.3	26.3	14.9	18	15	D
E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	E
F	15.0	4.9	-9.2	-38.4	-8.2	-4.7	-52.7	-56.5	-38.4	-54.2	-16.1	0	0	F
G	20.4	16.5	11.8	13.0	19.9	21.7	19.7	19.3	22.6	27.9	19.4	19	20	G
H	14.0	5.5	6.2	8.8	16.0	17.0	13.3	17.2	2.3	28.8	13.1	20	14	H
I	14.2	-9.6	-10.8	1.2	8.6	12.3	10.3	13.8	10.0	16.3	7.6	11	8	I
J	20.7	8.9	3.2	4.4	-3.9	11.3	11.3	7.5	10.3	15.2	8.5	11	9	J
K	10.8	7.8	9.2	7.6	14.2	14.7	12.3	16.7	16.3	17.3	12.9	12	13	K
L	29.3	15.6	12.9	18.8	19.2	16.9	12.2	18.5	18.7	21.4	17.5	15	18	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	16.77	9.61	6.00	4.85	30.08	82.64	92.43	108.58	132.21	244.50	+23 %	20	20	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	25.65	30.49	16.55	16.49	13.36	32.35	35.33	93.15	81.06	195.51	+21	16	16	C
D	17.41	10.26	6.77	4.99	5.38	29.14	55.54	59.77	62.54	106.87	+14	9	9	D
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	E
F	26.83	14.85	9.00	6.10	4.80	5.52	4.70	5.34	4.60	4.78	-17	0	0	F
G	47.72	33.48	20.07	25.03	58.83	96.12	90.97	94.11	137.37	236.51	+23	19	19	G
H	23.67	13.65	9.63	16.61	48.19	62.99	53.65	79.84	36.49	137.33	+16	11	11	H
I	23.52	13.38	7.88	4.85	10.44	19.59	17.42	27.06	22.22	55.81	+6	5	5	I
J	47.63	24.62	14.29	9.01	6.11	32.66	38.41	28.00	41.19	75.00	+10	6	6	J
K	17.15	11.90	12.63	12.00	36.30	44.40	35.75	68.26	69.05	83.89	+11	7	7	K
L	89.79	38.73	21.37	34.13	49.69	50.95	40.12	91.72	116.20	184.66	+20 %	15	15	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-	B+	A	A	A	A+	A+	Low	20	20	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	C+	C	C-	C-	C	B-	B	A-	A+	A+	Low	20	20	C
D	C	C-	C-	C-	C-	B	B	B+	A-	A	Medium	19	19	D
E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	E
F	B-	C	C-	C-	C-	C-	C-	C-	C-	C-	High	0	0	F
G	A-	B	B-	B	B+	B+	B+	A-	A	A+	Low	20	20	G
H	B	C	C	B-	B	A-	B+	A-	C-	A	Low	19	19	H
I	B	C-	C-	C-	C-	C	C+	B	A	A+	Low	20	20	I
J	B	C	C-	C-	C-	A	A+	A+	A	A-	Medium	18	18	J
K	B-	C	C	C+	B+	A-	A	A+	A+	A+	Low	20	20	K
L	B+	C	C	C+	C	C	B-	B+	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	79	72	91	80	77	79	85	86	90	91	89	19	19	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	65	75	71	67	80	71	76	64	59	68	64	14	14	C
D	66	66	57	55	60	56	57	55	69	65	63	14	13	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	64	62	80	92	76	78	87	83	84	82	83	17	18	F
G	76	76	66	61	79	80	84	83	88	90	87	19	19	G
H	78	76	78	74	73	78	73	77	76	75	76	16	16	H
I	64	71	70	80	73	81	82	73	71	78	74	16	16	I
J	72	66	66	55	66	59	53	91	95	96	94	20	20	J
K	68	66	73	72	67	65	68	66	68	67	67	14	14	K
L	79	72	80	75	78	83	72	87	82	84	84	18	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	68	46	33	23	96	116	117	115	118			
B	0	0	0	0	0	0	0	0	0	0	0	N/A	B
C	83	86	50	54	49	81	85	112	109	115	82	Good	C
D	65	35	20	19	20	93	98	102	110	114	68	Subpar	D
E	0	0	0	0	0	0	0	0	0	0	0	N/A	E
F	85	43	26	26	23	23	24	24	24	24	32	Subpar	F
G	114	99	72	78	110	113	113	115	118	119	105	Excellent	G
H	88	47	45	63	99	110	99	110	41	116	82	Good	H
I	85	28	24	26	42	60	60	77	74	102	58	Subpar	I
J	107	61	35	33	22	84	86	78	93	110	71	Fair	J
K	69	50	53	52	91	98	88	110	109	113	83	Good	K
L	113	80	67	90	92	91	83	112	115	118	96	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	29,225	14,160	63,936	10,920	118,241
– Pairs Rejected	1,272	583	3,161	712	5,728
Net Y20 Production (after rejects)	27,953	13,577	60,775	10,208	112,513
Superior Materials Usage	35.1%	49.2%	44.0%	56.8%	43.6%
Capacity Utilization (branded + P-L prod.)	118.3%	120.0%	118.2%	120.0%	118.6%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	+ 0.77	+ 0.52	7.29
Superior Materials	12.00	– 0.38	+ 1.03	12.65

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	2,019	2,139	1,985	1,371	7,514
– Pairs Cleared (inventory clearance)	858	1,059	966	871	3,754
Beginning Y20 Inventories	1,161	1,080	1,019	500	3,760
+ New Production (shipped from plants)	24,049	24,374	23,820	23,905	96,148
Pairs Available for Sale in Y20	25,210	25,454	24,839	24,405	99,908

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)	24,398	23,743	22,673	22,195	93,009
Actual Year 20 Demand	24,120	23,740	23,140	22,854	93,854
Branded Pairs Sold	23,857	23,673	22,950	22,523	93,003
Required Y20 Ending Inventories	1,297	1,494	1,418	1,431	5,640
Inventory Surplus (Shortfall)	-691	0	-136	-336	-1,163

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.8%
- Available for shipment to warehouses
- % usage up by 1.5 points over Y19
- % utilization up by 3.0 points over Y19

Lower than normal (43.6% industrywide) superior materials usage led to superior materials prices that were 3.2% below the base and standard materials prices that were 12.8% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 8.6% from the base.

- Average inventory clearance of 50.0%
- 6.5% higher than Y20 demand
- Actual demand in Year 20 was 0.9% greater than expected.
- Needed to achieve delivery times
- { Low in N.A. Okay in E-A
Low in A-P Low in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America (internet + wholesale)	25,085	26,088	27,132	28,217
Europe-Africa	24,690	25,678	26,705	27,773
Asia-Pacific	24,528	26,000	27,560	29,214
Latin America	24,225	25,679	27,220	28,853
Total	98,528	103,445	108,617	114,057
Private-Label — North America	4,690	4,690	4,690	4,690
Europe-Africa	4,650	4,650	4,650	4,650
Asia-Pacific	4,700	4,700	4,700	4,700
Latin America	4,730	4,730	4,730	4,730
Total	18,770	18,770	18,770	18,770

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	6,905
Potential Production (at max OT)	119,640
Potential Global Supply	126,545
Demand — Branded Sales Forecast (000s)	98,528
Private-Label Sales Forecast	18,770
Expected Global Demand	117,298
Conclusion:	Even at full overtime production, capacity is shy of what's needed to meet future demand. Opportunistic companies should consider building new capacity or purchasing used capacity.

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	4,500	2,000	3,500	2,000	0	0	500	0	4,500	2,000	4,000	2,000	12,500	0	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	1,700	0	6,400	0	0	0	900	0	1,700	0	7,300	0	9,000	0	C
D	0	0	6,000	0	0	0	0	0	0	0	6,000	0	6,000	0	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	6,000	1,100	5,400	2,100	0	0	0	0	6,000	1,100	5,400	2,100	14,600	0	F
G	0	4,100	3,300	4,000	0	0	400	0	0	4,100	3,700	4,000	11,800	0	G
H	3,500	1,500	4,500	0	0	0	0	0	3,500	1,500	4,500	0	9,500	0	H
I	3,500	3,100	3,500	0	0	0	0	0	3,500	3,100	3,500	0	10,100	0	I
J	0	0	7,000	0	0	0	0	0	0	0	7,000	0	7,000	0	J
K	2,500	0	5,400	1,000	0	0	400	0	2,500	0	5,800	1,000	9,300	0	K
L	3,000	0	6,100	0	0	0	800	0	3,000	0	6,900	0	9,900	0	L
Total	24,700	11,800	51,100	9,100	0	0	3,000	0	24,700	11,800	54,100	9,100	99,700	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	664,303	373,497	41,314	85,052	14,921	149,519	6,522	42,899	100,098	70,400	8,800	A
B	0	0	0	0	0	0	0	0	0	0	0	B
C	533,021	279,370	35,461	89,282	11,420	117,488	3,692	34,139	79,657	18,750	7,500	C
D	381,522	187,591	29,807	78,549	8,420	77,155	8,244	20,673	48,238	7,500	7,500	D
E	0	0	0	0	0	0	0	0	0	0	0	E
F	587,237	400,065	36,452	86,520	17,019	47,181	60,222	0	-13,041	0	15,500	F
G	559,520	329,217	38,379	46,462	14,219	131,243	10,766	36,143	84,334	33,900	7,500	G
H	572,310	279,623	36,519	140,682	11,918	103,568	11,369	27,660	64,539	30,000	7,500	H
I	474,801	286,561	35,539	68,670	12,519	71,512	978	21,160	49,374	4,795	13,700	I
J	442,946	263,210	26,802	89,652	9,419	53,863	5,477	14,516	33,870	30,000	7,500	J
K	421,307	232,377	31,830	72,965	11,720	72,415	944	21,441	50,030	0	8,200	K
L	528,007	323,812	35,446	49,046	12,318	107,385	6,356	30,309	70,720	13,500	7,500	L
	516,497	295,532	34,755	80,688	12,389	93,133	11,457	24,894	56,782	20,885	9,120	

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	816	197,642	529,984	46,857	87,500	365,926	0	29,701	395,627	8.00	8 / 1	A
B	0	0	0	0	0	0	0	0	0	0.00	0 / 0	B
C	21,876	181,612	391,101	24,133	32,100	273,962	0	60,907	334,868	2.50	4 / 3	C
D	76,229	182,163	309,663	32,186	80,000	168,922	-12,183	40,738	197,477	1.00	4 / 2	D
E	0	0	0	0	0	0	0	0	0	0.00	0 / 0	E
F	0	166,613	501,649	482,116	2,000	30,574	0	-13,041	17,533	0.00	1 / 1	F
G	11,865	179,613	473,615	42,123	103,500	277,555	0	50,437	327,992	4.52	9 / 1	G
H	55,586	216,079	385,982	39,257	105,000	207,186	0	34,539	241,725	4.00	8 / 1	H
I	7,676	137,091	333,242	24,612	0	295,680	-31,629	44,579	308,630	0.35	3 / 6	I
J	12,927	137,029	340,093	34,539	80,600	221,084	0	3,870	224,954	4.00	1 / 1	J
K	74,335	185,953	343,996	29,655	0	264,311	0	50,029	314,341	0.00	4 / 4	K
L	20,311	173,278	387,837	28,259	0	302,357	0	57,220	359,578	1.80	3 / 2	L
	28,162	175,707	399,716	78,374	49,070	240,756	-4,381	35,898	272,273	2.62	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	56.2 %	6.2 %	12.8 %	2.2 %	22.5 %	15.1 %	4.22	35	22.93	0.19	4.39	Low	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	52.4	6.7	16.8	2.1	22.0	14.9	7.53	38	31.82	0.09	20.92	Low	C
D	49.2	7.8	20.6	2.2	20.2	12.6	5.66	21	9.36	0.32	2.71	Medium	D
E	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	E
F	68.1	6.2	14.7	2.9	8.0	-2.2	0.35	25	0.78	0.89	0.04	High	F
G	58.8	6.9	8.3	2.5	23.5	15.1	4.26	38	12.19	0.24	6.44	Low	G
H	48.9	6.4	24.6	2.1	18.1	11.3	5.50	24	9.11	0.31	3.89	Low	H
I	60.4	7.5	14.5	2.6	15.1	10.4	5.57	19	73.12	0.00	10.00	Low	I
J	59.4	6.1	20.2	2.1	12.2	7.6	3.97	21	9.83	0.27	1.99	Medium	J
K	55.2	7.6	17.3	2.8	17.2	11.9	6.27	11	76.71	0.03	6.90	Low	K
L	61.3	6.7	9.3	2.3	20.3	13.4	6.13	36	16.90	0.00	10.00	Low	L
	57.2 %	6.7 %	15.6 %	2.4 %	18.0 %	11.0 %	2.24	27	26.28	0.23	6.73	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		6.99	7.07	9.01	9.24	12.13	12.56
	Private-Label Footwear		6.63	7.22	7.77	8.48	9.00	10.25
Labor — North America	Total Compensation (\$/year)		17,731	19,420	21,150	22,347	25,048	27,759
	Productivity (pairs/worker/year)		4,451	4,519	5,290	5,454	6,305	6,697
	Labor Cost (\$/pair produced)		3.26	3.51	4.33	4.50	5.05	5.02
Europe Africa	Total Compensation (\$/year)		18,964	19,576	20,910	22,421	22,786	26,116
	Productivity (pairs/worker/year)		4,435	4,711	4,994	5,139	5,357	5,415
	Labor Cost (\$/pair produced)		3.30	3.27	4.42	4.56	5.26	5.86
Asia Pacific	Total Compensation (\$/year)		4,400	4,840	5,855	5,931	9,695	8,889
	Productivity (pairs/worker/year)		2,676	2,644	3,147	3,163	3,891	3,923
	Labor Cost (\$/pair produced)		1.17	1.43	1.92	1.95	2.91	2.84
Latin America	Total Compensation (\$/year)		5,038	5,329	5,474	5,589	5,887	5,823
	Productivity (pairs/worker/year)		2,566	2,512	2,833	2,819	3,056	3,071
	Labor Cost (\$/pair produced)		1.78	1.75	2.04	2.08	2.38	2.60
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.10	0.10	0.94	0.87	2.50	2.50
	Cumulative		0.30	0.28	1.05	1.02	2.10	2.15
Reject Rates	Branded Production		3.7%	3.5%	4.9%	5.0%	8.5%	8.7%
	Private-Label Production		2.0%	1.9%	3.2%	3.3%	5.8%	5.6%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	19.85	19.94	23.24	23.60	28.52	28.58
		E-A	20.78	20.96	24.19	24.57	26.30	26.68
		A-P	16.27	16.37	21.67	21.38	25.83	26.35
		L.A.	17.91	18.32	21.75	21.56	24.50	24.06
	Private-Label	N.A.	15.63	16.74	20.98	20.23	27.07	22.91
		E-A	13.52	13.85	16.62	17.56	19.72	21.26
		A-P	16.56	16.70	18.75	18.50	23.55	22.21
		L.A.	15.91	16.82	15.91	17.51	15.91	18.20

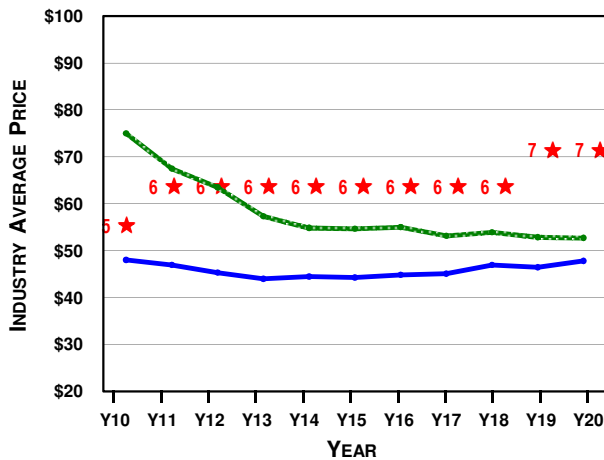
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.60	22.72	28.30	28.61	36.20	37.25
		E-A	22.78	22.96	28.20	28.12	34.57	34.93
		A-P	18.27	18.37	23.55	23.36	27.83	28.30
		L.A.	21.66	22.89	29.54	28.39	37.63	36.44
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.38	10.39	10.54	10.51	10.80	10.70
			2.06	2.08	2.32	2.26	2.67	2.52
Marketing Expenses - Internet	(\$ per pair sold)	Wholesale	6.28	6.16	10.03	10.21	14.37	16.06
			4.23	3.97	7.92	8.62	14.15	13.32
Administrative Expenses	(\$/pair sold)		1.09	1.11	1.38	1.34	1.62	1.67
Operating Profit (\$ per pair sold)	Internet	N.A.	7.63	4.67	13.20	12.59	17.45	17.11
		E-A	8.63	9.76	11.70	13.01	17.79	18.53
		A-P	6.85	9.69	15.88	16.29	19.30	20.03
		L.A.	3.70	8.55	9.53	15.56	14.59	21.94
Wholesale		N.A.	-0.96	3.11	6.70	6.98	13.73	13.23
		E-A	-1.12	1.09	6.03	8.32	10.79	12.76
		A-P	2.49	3.29	7.36	8.88	13.88	13.21
		L.A.	-3.86	4.90	4.43	10.79	11.25	16.66
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	17.63	18.74	22.98	22.23	29.07	24.91
		E-A	15.53	15.86	23.75	24.05	28.73	29.72
		A-P	18.56	19.17	21.11	21.27	25.55	24.21
		L.A.	17.91	18.82	23.40	24.78	28.63	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.	-4.60	-0.91	0.89	1.10	6.37	4.26
		E-A	-0.20	0.75	4.67	6.79	11.71	14.65
		A-P	-2.32	-1.21	1.54	0.59	3.66	2.09
		L.A.	-0.14	0.70	3.62	6.76	6.20	14.47

CELEBRITY ENDORSEMENTS

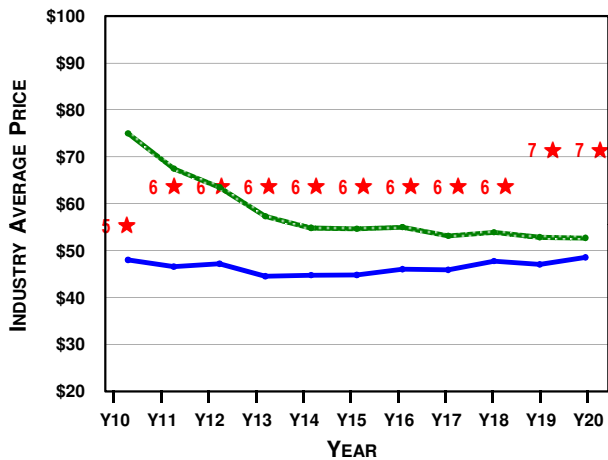
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company D	11,252	Y19	2 years	5	16,754	11,252	9,212	500
Oprah Letterman	100	70	65	75	Company G	1,234	Y20	3 years	2	1,234	1,000	1,117	1,000
Annika Stockholm	70	100	70	55	Company K	18,500	Y16	5 years	8	18,500	15,757	10,965	1,000
Tiger Green	95	80	85	75	[unsigned]	0	N/A	2 years	1	1,234	0	1,234	1,234
José Montaña	60	50	60	95	Company H	16,003	Y18	3 years	4	16,003	12,021	9,270	500
Karioki Footsu	55	60	95	90	Company C	1,000	Y20	4 years	2	1,234	1,000	1,117	1,000
Jaques LaFeet	50	90	50	85	[unsigned]	0	N/A	1 year	1	1,234	0	1,234	1,234
Serenus Willson	70	65	55	60	Company J	16,754	Y19	3 years	4	16,754	14,504	10,162	500
Natalie Kwan	75	80	95	50	Company F	17,000	Y17	4 years	7	17,000	15,003	9,719	500
Sergio Milano	45	85	60	100	Company J	16,754	Y19	2 years	5	16,754	15,000	11,389	500
Lance deFrance	80	85	75	70	Company C	1,000	Y20	3 years	2	1,234	1,000	1,117	1,000
Yao KungPao	60	35	100	50	Company D	13,133	Y18	4 years	4	13,133	13,003	8,548	500

BRANDED PRICE AND S/Q RATING TRENDS

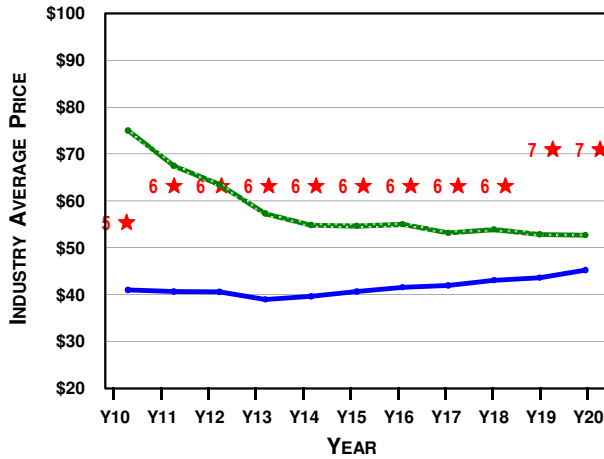
NORTH AMERICA



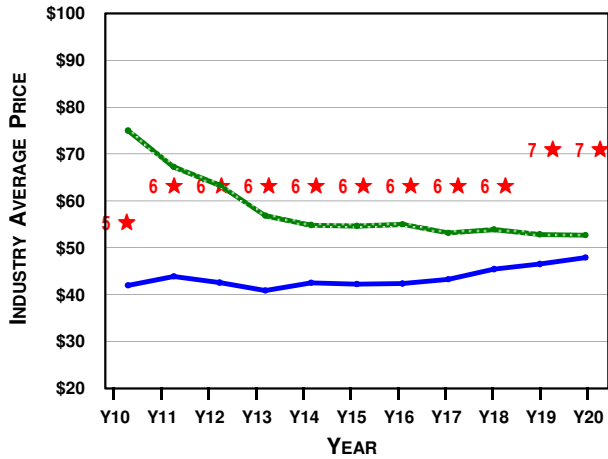
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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