

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 6

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
Joyo Inc.	118	+13
Dynamo	117	0
Bring it on!	114	-2
High Level	112	-3
G-force	108	+26
Cookie	94	+27
King of hell	27	-18
Flight Team	17	-1
E Company	15	-6
A (deleted)	0	0
I (deleted)	0	0
L (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Bring it on!	114	0
Joyo Inc.	114	0
High Level	111	0
G-force	98	+1
Dynamo	97	+2
Cookie	63	+4
King of hell	52	-3
E Company	33	-2
Flight Team	28	-1
A (deleted)	0	0
I (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
Dynamo	95	0
Joyo Inc.	74	+20
Bring it on!	61	-5
High Level	56	-4
G-force	49	+5
Cookie	44	+3
King of hell	20	-7
Flight Team	11	0
E Company	9	-5
A (deleted)	0	0
I (deleted)	0	0
L (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Dynamo	96	+2
Bring it on!	74	-6
Joyo Inc.	72	+3
High Level	68	-7
G-force	58	0
Cookie	43	-1
King of hell	27	-6
Flight Team	12	0
E Company	11	-1
A (deleted)	0	0
I (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	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	5.07	4.02	6.38	7.14	8.38	10.38	7.42	7.48	9.02	11.38	7.61	9	17	B
C	1.37	2.17	1.98	1.58	1.15	1.10	0.15	1.43	1.63	3.93	1.59	3	4	C
D	4.26	2.85	1.09	3.80	5.44	9.08	4.57	12.95	18.79	25.36	8.72	20	20	D
E	3.68	2.26	-1.06	-5.75	-8.68	-10.75	-10.44	-10.22	-12.51	-14.20	-7.14	0	0	E
F	2.47	-3.28	-0.78	-0.01	-0.13	0.34	-3.17	-2.08	-3.47	-2.63	-1.27	0	0	F
G	2.29	2.69	2.69	3.87	2.59	5.37	4.04	6.33	2.70	5.49	3.70	4	8	G
H	3.29	4.02	4.33	5.47	5.92	6.49	4.66	6.02	5.92	7.48	5.32	6	12	H
I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	I
J	4.01	4.38	4.27	4.78	4.96	5.62	7.72	7.57	5.45	17.88	6.31	14	14	J
K	2.82	1.70	2.13	0.96	1.24	0.73	1.43	0.98	1.22	-0.91	0.93	0	2	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	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	30.2	22.4	26.6	26.4	24.2	24.6	15.7	15.0	17.3	21.6	20.2	13	17	B
C	8.9	13.5	11.5	8.6	5.8	5.3	0.7	6.4	5.9	14.8	7.7	9	7	C
D	26.4	20.1	6.8	20.5	23.4	31.7	12.4	24.9	29.7	33.9	23.3	20	20	D
E	21.9	14.1	-8.4	-62.6	-441.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	E
F	15.1	-21.8	-6.1	-0.1	-1.0	2.7	-28.9	-24.9	-62.4	-104.9	-12.6	0	0	F
G	14.0	14.3	12.6	15.4	9.9	17.5	11.9	16.4	7.2	14.2	12.8	8	11	G
H	20.1	25.5	30.9	30.7	26.7	24.3	14.8	17.2	16.3	22.4	21.1	13	18	H
I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	I
J	23.3	19.9	15.4	14.8	13.3	13.2	15.7	16.5	10.4	26.8	15.8	16	14	J
K	17.9	13.7	16.7	8.5	10.1	5.9	9.8	6.2	7.2	-6.1	6.2	0	5	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	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	87.09	55.78	109.31	125.80	159.83	218.80	122.44	112.94	136.08	193.80	+21	7	7	B
C	16.50	23.50	19.33	16.14	10.30	9.44	6.19	15.38	21.26	46.38	+5	2	2	C
D	68.77	32.52	17.65	41.17	74.87	186.41	75.02	188.35	366.89	558.38	+34	20	20	D
E	49.68	26.00	14.34	8.45	5.70	4.75	4.98	5.94	4.60	4.88	-17	0	0	E
F	25.36	14.93	9.12	5.38	4.80	5.00	4.70	5.51	4.60	5.44	-16	0	0	F
G	22.69	27.01	27.18	49.42	26.00	75.65	51.29	108.22	43.90	64.86	+8	2	2	G
H	40.59	60.46	61.20	98.47	101.56	107.96	50.23	96.76	83.69	112.87	+14	4	4	H
I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	I
J	70.24	70.45	54.98	64.24	62.95	73.91	101.27	99.34	61.76	173.51	+19	6	6	J
K	31.77	19.07	22.00	12.66	12.23	7.96	14.71	9.93	12.47	7.59	-13	0	0	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	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+	A-	A	A	A	A	A+	A+	A+	A-	High	18	18	B
C	B-	B+	B-	B-	C+	C+	C	A+	A+	B+	High	17	17	C
D	B	C	C-	C+	B-	B-	C	B+	A	A+	Low	20	20	D
E	B	C	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	E
F	B-	C-	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	F
G	B-	B+	B+	A-	B+	A	A	A+	B+	A+	Low	20	20	G
H	B+	B+	B-	B+	A-	A-	A	A	A-	B	N/A	14	14	H
I	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	I
J	A-	A	A-	A+	A+	A+	A-	A-	A-	A-	Medium	18	18	J
K	C	C-	C-	C-	C-	C-	C-	C-	C-	C-	High	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	76	67	66	69	73	75	75	72	84	69	75	14	15	B
C	58	58	66	77	77	70	66	65	68	67	67	13	13	C
D	59	57	65	63	65	82	75	80	81	75	79	15	16	D
E	68	58	53	52	67	43	58	51	68	46	55	9	11	E
F	76	39	56	79	78	70	67	62	57	54	58	11	12	F
G	64	63	92	94	96	83	88	85	86	77	83	15	17	G
H	56	73	73	71	74	78	79	100	100	95	98	19	20	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	84	91	94	97	97	100	100	100	100	100	100	20	20	J
K	100	93	92	91	93	90	94	100	100	98	99	20	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	0	0	0	0	0	0	0	0	0	0	0	N/A	A
B	113	113	114	115	115	116	113	112	116	114	114	Superior	B
C	61	84	70	62	49	45	28	65	67	94	63	Subpar	C
D	105	82	45	92	103	106	88	113	117	117	97	Very Good	D
E	107	71	23	19	22	14	19	17	21	15	33	Subpar	E
F	88	20	21	24	23	28	21	20	18	17	28	Subpar	F
G	80	92	93	110	84	115	104	115	82	108	98	Very Good	G
H	104	112	104	112	115	115	107	116	115	112	111	Superior	H
I	0	0	0	0	0	0	0	0	0	0	0	N/A	I
J	116	117	113	116	114	114	114	115	105	118	114	Superior	J
K	91	64	70	46	49	39	49	41	45	27	52	Subpar	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	29,562	8,321	54,128	16,360	108,371
– Pairs Rejected	1,865	461	3,597	895	6,818
Net Y20 Production (after rejects)	27,697	7,860	50,531	15,465	101,553
Superior Materials Usage	43.2%	37.9%	48.0%	53.1%	46.7%
Capacity Utilization (branded + P-L prod.)	112.0%	108.1%	104.3%	118.6%	108.6%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.00	+ 0.40	0.00	6.40
Superior Materials	12.00	– 0.20	0.00	11.80

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	3,667	3,855	3,905	5,355	16,782
– Pairs Cleared (inventory clearance)	260	213	249	164	886
Beginning Y20 Inventories	3,407	3,642	3,656	5,191	15,896
+ New Production (shipped from plants)	21,829	21,572	23,495	22,183	89,079
Pairs Available for Sale in Y20	25,236	25,214	27,151	27,374	104,975

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)	21,162	21,256	20,616	19,661	82,695
Actual Year 20 Demand	21,480	21,455	21,604	20,336	84,876
Branded Pairs Sold	21,407	21,380	21,590	20,336	84,713
Required Y20 Ending Inventories	1,713	1,815	1,974	1,865	7,367
Inventory Surplus (Shortfall)	1,517	1,565	3,364	5,173	11,619

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 6.3%
- Available for shipment to warehouses
- % usage down by 11.4 points from Y19
- % utilization down by 0.6 points from Y19

Lower than normal (46.7% industrywide) superior materials usage led to superior materials prices that were 1.7% below the base and standard materials prices that were 6.6% above the base.

- Average inventory clearance of 5.3%
- 23.7% higher than Y20 demand

Actual demand in Year 20 was 2.6% greater than expected due to decreases in industry average prices.

- Needed to achieve delivery times

{ Okay in N.A. Okay in E-A
 { High in A-P Very high in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America	22,340	23,234	24,163	25,130
(internet + wholesale) Europe-Africa	22,313	23,206	24,134	25,099
Asia-Pacific	22,901	24,275	25,732	27,276
Latin America	21,556	22,849	24,220	25,673
Total	89,110	93,564	98,249	103,178
Private-Label — North America	4,194	4,194	4,194	4,194
Europe-Africa	4,230	4,230	4,230	4,230
Asia-Pacific	4,230	4,230	4,230	4,230
Latin America	4,266	4,266	4,266	4,266
Total	16,920	16,920	16,920	16,920

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	20,262
Potential Production (at max OT)	119,760
Potential Global Supply	140,022
Demand — Branded Sales Forecast (000s)	89,110
Private-Label Sales Forecast	16,920
Expected Global Demand	106,030
Conclusion:	Excess supply of 32.1% 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	2,000	0	6,700	0	0	0	0	0	2,000	0	6,700	0	8,700	0	B
C	1,000	0	2,000	1,000	0	0	2,200	0	1,000	0	4,200	1,000	6,200	0	C
D	12,000	0	3,500	0	0	0	4,200	0	12,000	0	7,700	0	19,700	0	D
E	2,000	0	4,400	0	0	0	0	0	2,000	0	4,400	0	6,400	0	E
F	1,000	1,000	2,000	0	0	0	0	0	1,000	1,000	2,000	0	4,000	0	F
G	1,500	1,500	3,000	1,000	0	0	0	0	1,500	1,500	3,000	1,000	7,000	0	G
H	0	0	4,900	4,800	0	0	0	0	0	0	4,900	4,800	9,700	0	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	0	0	11,700	0	6,900	0	300	0	6,900	0	12,000	0	18,900	0	J
K	1,000	5,200	10,000	8,500	-1,000	0	-3,000	-1,500	0	5,200	7,000	7,000	19,200	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	20,500	7,700	48,200	15,300	5,900	0	3,700	-1,500	26,400	7,700	51,900	13,800	99,800	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	490,919	221,577	29,340	107,320	11,119	121,563	-386	36,585	85,364	97,500	7,500	B
C	253,331	137,415	17,845	48,530	8,620	40,921	-1,198	12,636	29,483	0	7,500	C
D	901,227	359,848	58,988	168,158	22,120	292,113	20,415	81,509	190,189	18,750	7,500	D
E	78,807	77,313	6,793	54,204	8,819	-68,322	70,445	0	-138,767	0	9,770	E
F	171,314	115,815	13,976	50,863	6,418	-15,758	9,505	0	-25,263	0	9,600	F
G	335,379	186,224	28,637	52,311	9,421	58,786	-25	17,643	41,168	0	7,500	G
H	575,781	238,177	31,710	206,169	12,120	87,605	7,469	24,041	56,095	97,500	7,500	H
I	0	0	0	0	0	0	0	0	0	0	0	I
J	920,427	510,280	59,047	131,873	21,317	197,910	6,330	57,474	134,106	0	7,500	J
K	1,032,856	735,444	66,362	135,966	21,621	73,463	98,468	0	-25,005	0	27,500	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	528,893	286,899	34,744	106,155	13,508	87,587	23,447	25,543	38,597	23,750	10,208	

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	0.00	0 / 0	A	
B	36,921	230,965	416,144	26,737	0	401,544	0	-12,137	389,407	13.00	8 / 1	B
C	0	92,194	276,172	62,536	0	184,152	0	29,484	213,636	0.00	1 / 2	C
D	50,999	408,865	964,086	67,138	250,000	475,524	0	171,425	646,948	2.50	3 / 2	D
E	0	25,386	135,949	693,112	9,000	-427,397	0	-138,766	-566,163	0.00	0 / 1	E
F	0	47,929	111,000	99,545	0	36,717	0	-25,262	11,455	0.00	0 / 1	F
G	48,225	160,728	324,923	15,345	0	268,407	0	41,172	309,578	0.00	5 / 3	G
H	0	210,058	458,774	83,552	145,000	271,626	0	-41,404	230,222	13.00	8 / 2	H
I	0	0	0	0	0	0	0	0	0	0.00	0 / 0	I
J	0	334,198	883,105	169,629	180,000	465,496	-66,101	134,082	533,476	0.00	0 / 1	J
K	0	334,873	883,929	439,111	25,000	393,821	51,000	-25,003	419,818	0.00	2 / 3	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	15,127	205,022	494,898	184,078	67,667	229,988	-1,678	14,843	243,153	3.17	3 / 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	45.1	6.0	21.9	2.3	24.8	17.4	8.64	119	100.00	0.02	0.90	High	B
C	54.2	7.0	19.2	3.4	16.2	11.6	1.47	77	100.00	0.18	0.87	High	C
D	39.9	6.5	18.7	2.5	32.4	21.1	6.09	136	14.31	0.29	6.98	Low	D
E	98.1	8.6	68.8	11.2	###	###	0.04	26	-0.97	5.14	0.00	N/A	E
F	67.6	8.2	29.7	3.7	-9.2	###	0.48	16	-1.66	0.82	0.00	N/A	F
G	55.5	8.5	15.6	2.8	17.5	12.3	10.47	61	100.00	0.00	10.00	Low	G
H	41.4	5.5	35.8	2.1	15.2	9.7	2.51	108	11.73	0.43	0.00	N/A	H
I	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	I
J	55.4	6.4	14.3	2.3	21.5	14.6	1.97	76	31.27	0.34	1.46	Medium	J
K	71.2	6.4	13.2	2.1	7.1	-2.4	0.76	55	0.75	0.48	0.05	High	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
	54.2 %	6.6 %	20.1 %	2.6 %	16.6 %	7.3 %	1.11	75	39.49	0.86	2.25	Medium	

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		5.96	6.12	10.77	9.00	13.24	10.98
	Private-Label Footwear		5.05	7.37	6.52	7.86	8.54	8.34
Labor — North America	Total Compensation (\$/year)		16,295	17,663	19,910	20,873	23,824	24,332
	Productivity (pairs/worker/year)		4,204	4,226	4,948	5,129	5,765	5,907
	Labor Cost (\$/pair produced)		0.00	2.80	3.58	4.36	5.39	5.44
Europe Africa	Total Compensation (\$/year)		17,668	17,868	19,435	19,741	22,118	22,481
	Productivity (pairs/worker/year)		3,864	3,884	4,984	5,029	6,245	6,214
	Labor Cost (\$/pair produced)		3.79	3.89	4.24	4.32	4.97	5.03
Asia Pacific	Total Compensation (\$/year)		5,066	4,699	5,841	5,726	8,731	7,846
	Productivity (pairs/worker/year)		2,416	2,299	2,972	2,944	3,978	3,783
	Labor Cost (\$/pair produced)		1.61	1.66	2.06	2.15	2.38	2.43
Latin America	Total Compensation (\$/year)		4,810	4,838	5,870	5,933	7,776	7,888
	Productivity (pairs/worker/year)		2,805	2,788	3,307	3,244	3,939	3,832
	Labor Cost (\$/pair produced)		1.50	1.57	1.95	2.01	2.18	2.31
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.00	1.13	0.89	2.50	2.40
	Cumulative		0.04	0.04	0.97	0.93	1.75	1.60
Reject Rates	Branded Production		2.8%	2.7%	6.1%	6.2%	9.5%	10.0%
	Private-Label Production		2.3%	3.3%	3.8%	4.0%	5.9%	4.7%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		15.59	16.44	30.41	30.30	39.12	49.56
	E-A		30.38	23.32	38.15	32.13	44.87	43.87
	A-P		18.96	16.51	27.25	31.46	41.92	100.22
	L.A.		22.79	15.57	26.43	22.49	32.73	31.04
	Private-Label — N.A.		12.82	18.57	18.50	18.57	24.01	18.57
	E-A		21.30	17.66	21.30	17.66	21.30	17.66
	A-P		13.90	16.75	16.73	20.29	19.44	23.83
	L.A.		16.10	15.33	16.10	15.33	16.10	15.33

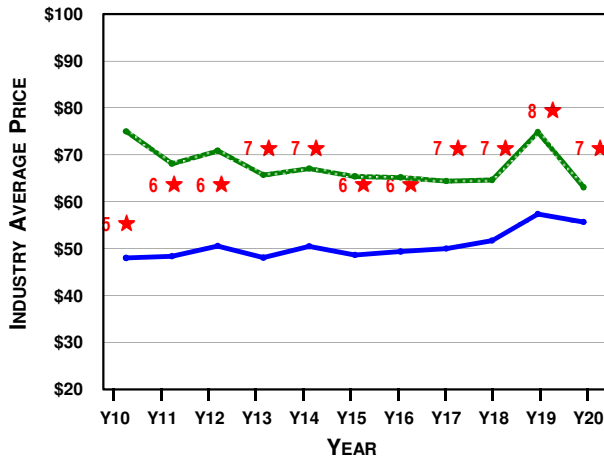
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	17.74	18.39	32.92	31.93	41.05	51.16
		E-A	26.33	25.57	35.99	40.32	50.37	105.85
		A-P	21.28	18.99	29.12	33.76	42.92	100.13
		L.A.	21.70	20.88	31.98	31.13	43.53	52.44
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.39	10.27	11.09	11.07	13.75	14.10
			1.92	1.79	2.89	2.79	5.52	5.75
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	10.97	8.44	28.03	23.71	83.77	97.89
			9.46	6.97	15.56	15.74	43.98	47.12
Administrative Expenses	(\$/pair sold)		1.08	1.14	2.60	2.27	7.65	8.30
Operating Profit (\$ per pair sold)	— Internet	N.A.	-16.92	-40.26	10.68	6.19	26.09	21.80
		E-A	-51.40	#####	4.05	-3.37	22.30	18.47
		A-P	-46.00	#####	11.98	1.37	33.14	24.67
		L.A.	-49.19	-65.00	5.38	6.43	26.79	25.92
Wholesale	—	N.A.	-18.98	-32.59	4.26	4.28	18.60	19.32
		E-A	-41.71	-98.23	0.12	-3.33	15.91	19.80
		A-P	-35.54	#####	2.29	-6.09	26.32	15.85
		L.A.	-37.45	-45.94	2.90	5.34	23.03	34.20
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	14.82	20.57	20.50	20.57	26.01	20.57
		E-A	22.97	19.66	24.94	19.66	28.54	19.66
		A-P	16.75	18.75	19.67	22.29	21.44	25.83
		L.A.	18.10	17.33	24.30	17.33	30.49	17.33
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.	-2.51	3.42	1.65	3.42	4.16	3.42
		E-A	-4.93	2.68	-1.17	2.68	0.85	2.68
		A-P	-1.07	-5.84	1.08	-2.36	4.01	1.13
		L.A.	-8.39	3.97	-1.80	3.97	4.80	3.97

CELEBRITY ENDORSEMENTS

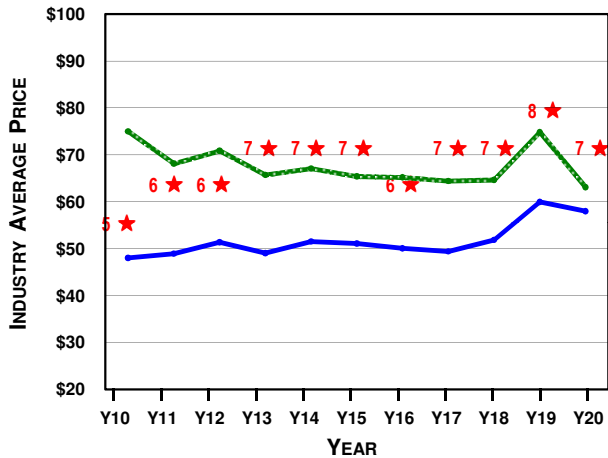
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company H	21,234	Y19	2 years	5	21,234	18,339	12,779	1,232
Oprah Letterman	100	70	65	75	Company B	10,001	Y20	3 years	2	10,001	1,001	5,501	1,001
Annika Stockholm	70	100	70	55	Company H	15,123	Y16	5 years	8	15,123	14,999	11,314	5,000
Tiger Green	95	80	85	75	Company B	10,001	Y20	2 years	2	10,001	1,001	5,501	1,001
José Montaña	60	50	60	95	Company G	16,444	Y18	3 years	7	16,444	16,321	15,114	12,000
Karioki Footsu	55	60	95	90	Company B	10,001	Y20	4 years	2	10,001	1,001	5,501	1,001
Jaques LaFeet	50	90	50	85	Company F	17,000	Y20	1 year	4	17,000	10,001	7,175	696
Serenus Willson	70	65	55	60	Company H	21,234	Y19	3 years	5	21,234	20,009	17,789	14,000
Natalie Kwan	75	80	95	50	Company J	22,000	Y17	4 years	6	22,000	21,999	16,766	11,888
Sergio Milano	45	85	60	100	Company H	21,234	Y19	2 years	5	21,234	19,009	14,569	596
Lance deFrance	80	85	75	70	Company B	10,001	Y20	3 years	2	10,001	1,001	5,501	1,001
Yao KungPao	60	35	100	50	Company G	16,444	Y18	4 years	5	16,444	16,006	14,484	9,000

BRANDED PRICE AND S/Q RATING TRENDS

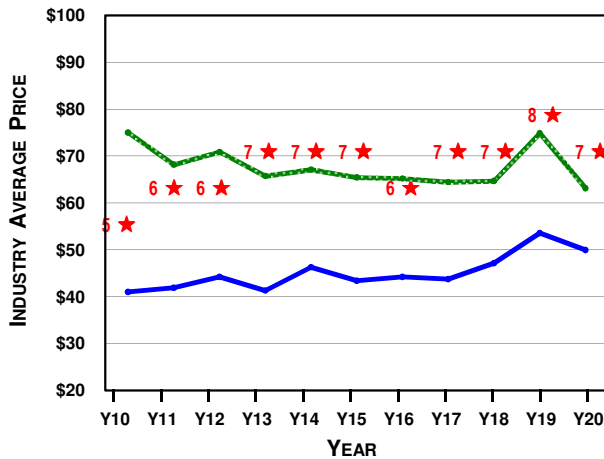
NORTH AMERICA



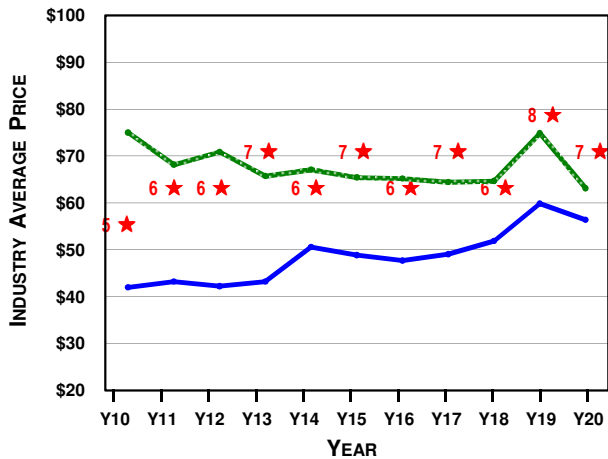
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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