

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 1

Friday, December 19, 2008

YEAR 20

YEAR 20 SCOREBOARD

Rank	Company Name	Investor Expectation Score	Best-In-Industry Score	Overall Score	Change from Y19
1	H Company	118	90	104	-1
2	Legend	112	91	102	+12
3	GloBiz	117	83	100	+6
4	Daredevil Shoes	113	66	90	+3
5	Adidas	112	65	89	+2
6	Eagle Earnings	112	64	88	-4
7	J Company	61	36	49	-13
8	C Company	62	34	48	-33
9	F Company	46	25	36	-30
10	B Company	0	0	0	0
10	I Company	0	0	0	0
10	K (deleted)	0	0	0	0

GAME-TO-DATE SCOREBOARD

Rank	Company Name	Investor Expectation Score	Best-In-Industry Score	Overall Score	Change from Y19
1	GloBiz	118	94	106	+8
2	H Company	117	93	105	+3
3	Legend	112	84	98	+4
4	Daredevil Shoes	117	77	97	0
5	Adidas	115	74	95	+1
6	Eagle Earnings	109	65	87	-3
7	J Company	74	46	60	-10
8	C Company	73	42	58	-18
9	F Company	51	29	40	-19
10	B Company	0	0	0	0
10	I Company	0	0	0	0
10	K (deleted)	0	0	0	0

Investor Expectation Score (I.E.) — 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). Pages 2 and 3 of this report show the investor expectation targets (in parenthesis just under the column heads for each year). 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 Expectation Score ranges from 0 to a max of 120 (if all targets are exceeded by 40% or more).

Best-In-Industry Score (B-I-I) — This scoring standard is based on how well each company performs relative to the best-performing company in the industry on EPS (20 points max), ROE (20 points max), Stock Price (20 points max), Credit Rating (20 points max), and Image Rating (20 points max). In order to get a score of 100, a company must be the best performing company in the industry on all 5 measures, achieve no lower than the investor expectation on EPS, ROE, Stock Price, and Image Rating, and have an A+ Credit Rating.

Overall Score — This measure is used to determine each company's ranking in the Year 20 Scoreboard and Game-To-Date Scoreboard above. The overall score is determined by combining the Investor Expectation Score and the Best-In-Industry Score into a single score using the 50%-50% weighting that was specified by your instructor.

EARNINGS PER SHARE (\$)

Scores are based on a 20% or 20-point weighting. Bold numbers indicate achievement of the investor-expected EPS target shown below each yearly column head. Best-In-Industry performers earn the top score, and scores of other companies are a percentage of the industry-leading EPS performance. Game-To-Date scores are based on weighted average annual EPS performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Wgt. Avg.	Y20 Score		G-T-D Score		
	(2.67)	(2.85)	(3.05)	(3.26)	(3.49)	(3.66)	(3.84)	(4.03)	(4.23)	(4.44)	(3.55)	I. E.	B-I-I	I. E.	B-I-I	
A	4.17	3.19	4.42	1.33	4.59	9.56	11.52	5.65	8.30	9.15	6.10	24	10	24	15	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	0	0	B
C	2.44	0.86	1.35	1.85	1.89	2.58	5.83	2.78	4.60	1.96	2.58	9	2	15	6	C
D	3.41	2.66	2.63	1.02	7.98	9.89	11.91	10.23	8.71	9.12	6.73	24	10	24	17	D
E	1.49	2.06	0.69	-2.79	1.87	4.53	7.03	6.30	9.05	7.47	4.19	24	8	22	11	E
F	3.10	0.60	-0.03	-0.55	0.42	4.02	3.77	1.21	3.80	1.92	1.72	9	2	10	4	F
G	3.61	4.89	4.78	1.93	4.84	12.16	11.29	10.30	13.22	14.47	7.96	24	16	24	20	G
H	3.25	2.68	1.68	1.21	2.65	8.84	9.91	10.11	17.81	15.64	7.16	24	17	24	18	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	0	0	I
J	3.70	2.77	2.04	0.59	2.56	3.01	5.50	1.91	2.97	2.32	2.74	10	3	15	7	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	0	0	K
L	4.98	3.11	2.65	-0.15	5.06	10.83	11.96	4.57	9.47	18.10	6.93	24	20	24	17	L

RETURN ON EQUITY (%)

Scores are based on a 20% or 20-point weighting. Bold numbers indicate achievement of the investor-expected 15% ROE target. Best-In-Industry performers earn the top score, and other companies earn scores based on their ROE as a % of the industry-leading ROE performance. Game-To-Date scores are based on weighted average annual ROE performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Wgt. Avg.	Y20 Score		G-T-D Score		
	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	I. E.	B-I-I	I. E.	B-I-I	
A	24.2	15.1	17.3	5.1	17.6	28.2	25.9	10.8	13.9	14.1	17.2	19	10	21	12	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	0	0	B
C	16.2	4.7	6.9	9.2	8.6	10.8	20.8	9.1	14.9	7.7	11.6	10	5	15	8	C
D	21.5	20.1	18.5	6.4	39.3	34.0	29.9	20.2	14.5	13.3	21.3	18	9	24	15	D
E	9.5	10.5	3.4	-17.9	18.2	31.4	35.2	24.2	28.5	24.0	21.1	24	17	24	15	E
F	18.6	3.1	-0.2	-2.5	1.9	16.7	12.9	4.3	11.9	5.6	7.3	7	4	10	5	F
G	21.3	26.2	33.5	15.7	30.8	50.3	31.5	23.2	24.5	21.4	27.6	24	15	24	20	G
H	19.3	14.1	9.2	7.4	14.6	37.1	29.8	23.3	31.4	21.7	23.8	24	15	24	17	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	0	0	I
J	22.4	14.8	10.1	2.9	12.2	13.3	21.2	6.7	9.9	7.4	12.0	10	5	16	9	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	0	0	K
L	29.5	16.5	11.4	-0.7	20.9	36.5	34.6	11.1	18.5	28.7	22.2	24	20	24	16	L

STOCK PRICE (\$ per share)

Scores are based on a 20% or 20-point weighting. Bold numbers indicate achievement of the investor-expected stock price shown below each yearly column head. Best-In-Industry performers earn the top score, and other companies earn scores based on their stock price as a % of the industry-leading stock price. Game-To-Date scores are based solely on the most recent year's stock price.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Y20 Score		G-T-D Score		
	(32.00)	(34.25)	(36.75)	(39.25)	(42.00)	(44.25)	(46.25)	(48.75)	(51.25)	(53.50)	I. E.	B-I-I	I. E.	B-I-I	
A	73.47	37.77	60.88	29.48	56.32	163.27	195.85	79.12	97.87	114.58	24	9	24	9	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	0	B
C	30.73	17.04	13.44	18.07	21.98	31.62	111.08	45.11	61.72	29.66	11	2	11	2	C
D	48.59	28.52	27.63	16.12	77.41	188.19	221.25	133.24	104.54	109.51	24	8	24	8	D
E	16.76	20.82	12.42	7.89	21.04	59.19	112.70	104.04	158.83	104.60	24	8	24	8	E
F	43.36	23.09	13.73	8.19	5.81	31.28	51.55	26.73	39.20	21.19	8	2	8	2	F
G	56.71	70.99	59.78	29.47	57.46	167.21	192.11	190.74	162.47	210.65	24	16	24	16	G
H	48.08	28.97	16.40	11.41	25.47	108.36	178.89	172.01	330.48	258.78	24	20	24	20	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	0	I
J	72.39	34.39	21.63	12.29	27.02	37.15	88.21	38.59	32.29	22.67	8	2	8	2	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	0	K
L	95.60	39.24	26.68	15.65	71.70	187.02	245.55	99.22	109.06	218.71	24	17	24	17	L

CREDIT RATING

Scores are based on a 20% or 20-point weighting. Bolded credit ratings indicate meeting or beating the B+ investor-expectation. For the Best-In-Industry scoring, companies with an A+ credit rating earn a score of 20 points and lesser credit ratings earn lower scores. Game-To-Date scores are based solely on the most recent year's credit rating.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Default Risk	Y20 Score		G-T-D Score		
	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)		I. E.	B-I-I	I. E.	B-I-I	
A	B+	C+	B-	C-	B-	A-	A-	A-	A	A	Low	23	19	23	19	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	0	0	B
C	B+	C+	B+	A+	A+	A+	A+	A+	A+	B-	High	12	11	12	11	C
D	B-	C-	C-	C-	B	A-	A	A	A	A	Low	23	19	23	19	D
E	C+	C	C-	C-	C-	B	A-	A-	A	B+	Medium	20	17	20	17	E
F	A-	C	C-	C-	B-	A+	A-	B+	B+	C	High	4	4	4	4	F
G	B+	B	C+	C-	C-	B	B	B	A-	A-	Low	22	18	22	18	G
H	B+	C+	C-	C-	C-	C	B-	B-	B+	A-	Low	22	18	22	18	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	0	0	I
J	A-	B	C	C-	C+	B	A-	B-	A-	B	High	16	14	16	14	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	0	0	K
L	B+	C+	C	C-	C+	B	B-	C-	B+	B	Medium	16	14	16	14	L

IMAGE RATING

Scores are based on a 20% or 20-point weighting. Bolded image ratings indicate meeting or beating the yearly target of 70. Best-In-Industry performers earn the top score, and scores of other companies are based on their image rating as a % of the leading image rating. Game-To-Date scores are based on the average of image ratings in Y18, Y19, and Y20.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Y18-Y20 Average	Y20 Score		G-T-D Score		
	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)		I. E.	B-I-I	I. E.	B-I-I	
A	82	85	100	94	87	92	97	90	91	83	88	22	17	23	19	A
B	0	0	0	2	2	2	1	0	0	0	0	0	0	0	0	B
C	75	81	71	73	83	77	80	71	74	71	72	20	14	20	15	C
D	83	81	100	81	86	79	89	76	86	99	87	24	20	22	18	D
E	85	91	87	85	64	66	65	70	65	69	68	20	14	19	14	E
F	68	70	74	66	70	72	70	69	64	63	65	18	13	19	14	F
G	78	77	75	95	89	100	100	94	100	90	95	23	18	24	20	G
H	81	90	93	90	89	86	92	88	91	99	93	24	20	23	20	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	70	76	70	66	70	68	70	71	66	61	66	17	12	19	14	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	96	87	76	98	100	86	82	88	96	100	95	24	20	24	20	L

CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP

Industry 1 Expenditures for Corporate Social Responsibility and Citizenship

	Total (\$000s)			Per Pair Sold (\$ / pair)		
	High	Avg.	Low	High	Avg.	Low
	Year 11	9356	0	0	1.54	0.49
Year 12	5003	0	0	1.80	0.49	0.00
Year 13	5461	0	0	2.44	0.57	0.00
Year 14	5155	2471	0	0.73	0.31	0.00
Year 15	5048	1918	0	0.53	0.22	0.00
Year 16	21584	5675	0	2.20	0.57	0.00
Year 17	23839	7656	0	2.23	0.71	0.00
Year 18	29535	8203	0	2.83	0.79	0.00
Year 19	38132	13421	1050	3.29	1.11	0.06
Year 20	41851	12724	1050	2.90	1.08	0.04

Image Rating Points Generated from CSRC Expenditures

	Image Rating Points Generated from CSRC Expenditures		
	High	Avg.	Low
Year 11	4	2	0
Year 12	6	3	0
Year 13	9	5	0
Year 14	10	7	0
Year 15	12	8	0
Year 16	13	7	0
Year 17	15	8	0
Year 18	18	9	0
Year 19	20	12	3
Year 20	20	13	4

★ GOLD STAR AWARD ★

for Corporate Citizenship

Beginning in Year 14, the World Council for Exemplary Corporate Citizenship presents a Gold Star Award to the company spending the highest % of its revenues for social responsibility and citizenship initiatives.

	Award Winner	2nd Place
Y14	Copious Sneaks	Eagle Earnings
Y15	Copious Sneaks	Addidas
Y16	Legend	Eagle Earnings
Y17	Legend	Copious Sneaks
Y18	Legend	Copious Sneaks
Y19	Daredevil Shoes	C Company
Y20	Daredevil Shoes	C Company

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	18,457	2,400	74,158	38,453	133,468
- Pairs Rejected	1,024	74	3,723	2,507	7,328
Net Y20 Production (after rejects)	17,433	2,326	70,435	35,946	126,140
Superior Materials Usage	35.7%	65.2%	41.8%	40.5%	41.0%
Capacity Utilization (branded + P-L prod.)	99.2%	120.0%	111.7%	113.1%	110.3%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	7.00	+ 1.26	+ 0.02	8.28
Superior Materials	15.00	- 0.68	+ 0.04	14.36

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	6,208	6,871	6,436	3,465	22,980
- Pairs Cleared (inventory clearance)	1,944	1,464	2,400	856	6,664
Beginning Y20 Inventories	4,264	5,407	4,036	2,609	16,316
+ New Production (shipped from plants)	28,655	27,169	29,221	25,021	110,066
Pairs Available for Sale in Y20	32,919	32,576	33,257	27,630	126,382

BRANDED DEMAND & SALES (000s of pair)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Projected Y20 Demand (see Y19 FIR)	26,536	26,826	25,493	25,138	103,993
Actual Year 20 Demand	26,298	27,117	26,012	25,206	104,633
Branded Pairs Sold	26,261	26,994	26,007	24,497	103,759
Required Y20 Ending Inventories	2,486	2,527	2,445	2,296	9,754
Inventory Surplus (Shortfall)	3,096	1,400	4,197	-1,061	7,632

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.5%
- Available for shipment to warehouses
- % usage down by 11.8 points from Y19
- % utilization down by 3.2 points from Y19

Lower than normal (41.0% industrywide) superior materials usage led to superior materials prices that were 4.5% below the base and standard materials prices that were 18.0% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 0.3% from the base.

- Average inventory clearance of 29.0%
- 20.8% higher than Y20 demand
- Actual demand in Year 20 was 0.6% greater than expected.
- Needed to achieve delivery times
- { High in N.A. Okay in E-A
High 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	27,350	28,444	29,582	30,765
Europe-Africa	28,202	29,330	30,503	31,723
Asia-Pacific	27,573	29,227	30,981	32,840
Latin America	26,719	28,322	30,021	31,822
Total	109,844	115,323	121,087	127,150
Private-Label				
North America	4,158	4,158	4,158	4,158
Europe-Africa	4,221	4,221	4,221	4,221
Asia-Pacific	4,194	4,194	4,194	4,194
Latin America	4,221	4,221	4,221	4,221
Total	16,794	16,794	16,794	16,794

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply (000s)	Beginning Year 21 Inventory	22,623
	Potential Production (at max OT)	146,400
	Potential Global Supply	169,023
Demand (000s)	Branded Sales Forecast	109,844
	Private-Label Sales Forecast	16,794
	Expected Global Demand	126,638
Conclusion:	Excess supply of 33.5% 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	1,700	0	7,300	5,600	-1,700	0	0	0	0	0	0	7,300	5,600	12,900	0	A
B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	B
C	4,000	2,000	1,500	1,500	0	0	0	0	4,000	2,000	1,500	1,500	9,000	0	0	C
D	0	0	12,000	2,000	0	0	0	0	0	0	12,000	2,000	14,000	0	0	D
E	0	0	7,000	2,000	0	0	0	0	0	0	7,000	2,000	9,000	0	0	E
F	0	0	5,000	5,000	0	0	0	0	0	0	5,000	5,000	10,000	1,000	0	F
G	0	0	12,000	8,500	0	0	0	0	0	0	12,000	8,500	20,500	0	0	G
H	9,500	0	4,800	4,900	0	0	0	0	9,500	0	4,800	4,900	19,200	0	0	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	5,100	0	4,800	0	0	0	0	0	5,100	0	4,800	0	9,900	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	0	0	12,000	4,500	0	0	0	0	0	0	12,000	4,500	16,500	0	0	L
Total	20,300	2,000	66,400	34,000	-1,700	0	0	0	18,600	2,000	66,400	34,000	121,000	1,000		

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	704,149	378,401	46,210	145,395	16,371	117,772	14,272	29,990	69,977	15,300	7,650	A
B	0	0	0	0	0	0	0	0	0	0	0	B
C	289,226	209,631	18,565	11,895	12,769	36,366	4,557	6,543	15,266	1,560	7,800	C
D	705,200	417,079	49,889	99,099	17,469	121,664	11,760	29,321	68,417	2,250	7,500	D
E	539,372	245,903	38,753	113,962	12,469	128,285	11,217	34,736	81,049	40,688	10,850	E
F	438,983	259,663	29,981	102,550	13,468	33,321	10,011	6,993	16,317	765	8,500	F
G	1,092,650	527,443	89,681	252,379	23,969	199,178	44,138	46,512	108,528	3,750	7,500	G
H	1,018,335	574,766	74,041	138,785	22,819	207,924	38,364	50,268	117,292	9,000	7,500	H
I	0	0	0	0	0	0	0	0	0	0	0	I
J	384,849	232,741	24,149	76,072	12,869	39,018	5,862	9,947	23,209	10,993	9,994	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	912,703	417,237	59,281	181,528	18,917	235,740	41,855	58,166	135,719	75,000	7,500	L
	676,163	362,540	47,839	124,629	16,791	124,363	20,226	30,275	70,642	17,701	8,310	

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	37,244	294,688	689,113	57,452	157,500	517,923	-98,442	54,680	474,161	2.00	2 / 2	A
B	0	0	0	0	0	0	0	0	0	0.00	0 / 0	B
C	0	83,990	324,582	107,202	90,000	268,773	-155,100	13,707	127,380	0.20	3 / 1	C
D	54,016	307,341	734,287	66,292	120,000	481,827	0	66,168	547,995	0.30	8 / 2	D
E	7,926	199,338	504,095	79,243	140,000	390,071	-145,580	40,361	284,852	3.75	8 / 2	E
F	0	179,745	507,650	146,739	82,800	306,371	-43,810	15,550	278,111	0.09	8 / 1	F
G	2,207	325,261	935,839	84,241	293,000	453,821	0	104,777	558,598	0.50	2 / 2	G
H	3,082	307,159	856,251	93,054	168,000	486,903	0	108,294	595,197	1.20	6 / 2	H
I	0	0	0	0	0	0	0	0	0	0.00	0 / 0	I
J	0	233,626	455,915	89,951	44,850	308,899	0	12,215	321,114	1.10	7 / 0	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	314,891	894,351	126,145	313,000	491,040	-96,552	60,718	455,206	10.00	4 / 2	L
	11,608	249,560	655,787	94,480	156,572	411,736	-59,943	52,941	404,735	2.13	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	53.7 %	6.6 %	20.6 %	2.3 %	16.7 %	9.9 %	5.13	98	8.25	0.25	4.94	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	72.5	6.4	4.1	4.4	12.6	5.3	0.78	36	7.98	0.55	0.38	High	C
D	59.1	7.1	14.1	2.5	17.3	9.7	4.64	123	10.35	0.20	4.17	Low	D
E	45.6	7.2	21.1	2.3	23.8	15.0	2.52	86	11.44	0.39	1.17	Medium	E
F	59.2	6.8	23.4	3.1	7.6	3.7	1.22	97	3.33	0.40	0.34	High	F
G	48.3	8.2	23.1	2.2	18.2	9.9	3.86	38	4.51	0.36	3.67	Low	G
H	56.4	7.3	13.6	2.2	20.4	11.5	3.30	41	5.42	0.25	3.19	Low	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	60.5	6.3	19.8	3.3	10.1	6.0	2.60	215	6.66	0.23	0.59	High	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	45.7	6.5	19.9	2.1	25.8	14.9	2.50	82	5.63	0.45	1.20	Medium	L
	53.6 %	7.1 %	18.4 %	2.5 %	18.4 %	10.4 %	2.64	91	7.06	0.34	2.18	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		7.43	7.65	11.49	10.51	14.73	13.55
	Private-Label Footwear		6.62	7.30	9.99	9.30	12.91	12.17
Labor — North America	Total Compensation (\$/year)		19,821	19,207	21,485	20,523	23,780	22,382
	Productivity (pairs/worker/year)		4,435	4,151	4,820	4,536	5,251	5,009
	Labor Cost (\$/pair produced)		4.41	4.63	4.74	4.86	5.18	4.98
Europe Africa	Total Compensation (\$/year)		23,373	23,777	23,373	23,777	23,373	23,777
	Productivity (pairs/worker/year)		5,336	5,379	5,336	5,379	5,336	5,379
	Labor Cost (\$/pair produced)		4.58	4.61	4.58	4.61	4.58	4.61
Asia Pacific	Total Compensation (\$/year)		3,801	3,812	5,390	5,363	8,968	9,488
	Productivity (pairs/worker/year)		2,276	2,230	3,047	3,090	3,726	3,891
	Labor Cost (\$/pair produced)		1.68	1.56	1.85	1.82	2.47	2.51
Latin America	Total Compensation (\$/year)		4,369	3,583	5,162	5,074	7,050	7,470
	Productivity (pairs/worker/year)		2,490	2,575	2,974	3,116	3,290	3,380
	Labor Cost (\$/pair produced)		1.66	1.57	1.85	1.82	2.28	2.28
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.10	0.00	1.67	1.20	2.50	2.50
	Cumulative		1.02	0.92	1.78	1.68	2.36	2.39
Reject Rates	Branded Production		2.0%	2.0%	5.1%	5.4%	8.7%	8.8%
	Private-Label Production		1.7%	2.5%	2.8%	3.2%	3.6%	3.8%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		22.62	22.89	30.70	30.44	35.35	37.15
	E-A		29.49	28.31	29.49	28.31	29.49	28.31
	A-P		19.28	17.74	25.03	24.40	30.57	30.30
	L.A.		21.40	18.35	24.19	23.57	28.95	28.70
	Private-Label — N.A.		27.12	22.19	30.09	29.13	33.06	36.07
	E-A		27.17	26.68	27.17	26.68	27.17	26.68
	A-P		22.58	19.56	25.15	33.03	28.21	78.35
	L.A.		17.46	18.74	22.35	19.76	26.08	21.07

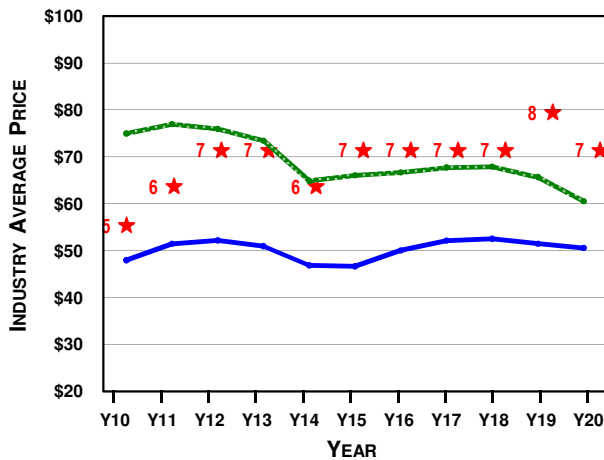
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.54	21.56	29.30	28.69	36.37	38.41
		E-A	24.63	24.72	29.90	28.91	34.61	33.46
		A-P	20.55	20.14	26.29	25.83	31.70	31.58
		L.A.	23.28	20.32	28.54	27.66	34.99	36.82
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	12.32	12.31	12.68	12.74	13.30	13.35
			1.94	1.81	2.39	2.44	3.29	3.34
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	6.80	9.77	14.50	15.29	19.00	22.84
			2.90	2.76	10.48	9.84	16.87	12.30
Administrative Expenses	(\$/pair sold)		0.92	1.10	1.78	1.73	4.06	3.62
Operating Profit (\$ per pair sold)	— Internet	N.A.	6.04	1.66	17.98	12.26	25.18	22.33
		E-A	12.25	8.69	21.28	15.40	27.17	22.85
		A-P	12.98	11.87	23.80	21.71	28.92	29.95
		L.A.	16.63	-0.04	25.79	8.90	33.32	18.58
Wholesale	—	N.A.	-0.21	0.03	6.83	7.22	14.55	13.64
		E-A	2.44	3.88	8.39	9.93	18.42	16.89
		A-P	4.36	7.01	9.70	11.89	18.86	17.00
		L.A.	-3.18	4.17	15.54	8.94	24.07	19.56
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	21.57	19.29	25.45	26.05	28.37	37.32
		E-A	23.68	21.64	29.76	25.47	36.11	29.39
		A-P	23.83	20.81	26.35	22.59	29.46	24.08
		L.A.	18.71	19.99	24.48	21.01	27.33	22.32
Warehouse Expenses	(\$ per pair sold)		1.00	1.00	1.08	1.10	1.20	1.20
Margin Over Direct Costs (\$ per pair sold)	—	N.A.	-1.37	-10.32	0.59	-1.15	1.77	3.57
		E-A	-5.63	-2.96	-0.77	1.66	2.70	5.38
		A-P	1.49	5.11	4.12	6.03	7.73	6.72
		L.A.	1.66	-0.40	6.47	1.82	11.52	3.56

CELEBRITY ENDORSEMENTS

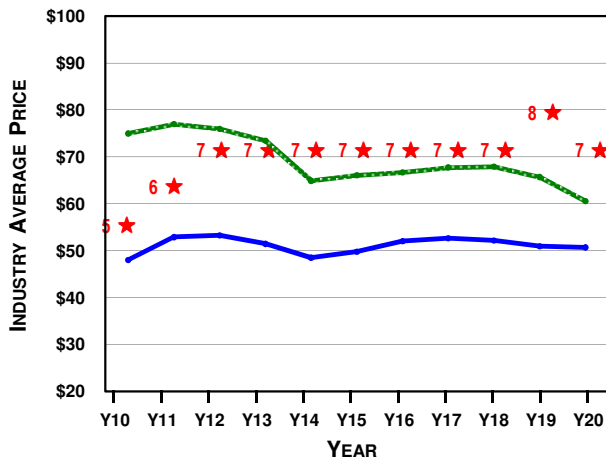
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company G	20,300	Y19	2 years	6	20,300	19,000	13,868	1,001
Oprah Letterman	100	70	65	75	Company L	1,001	Y20	3 years	1	1,001	0	1,001	1,001
Fifa Beckham	70	100	70	55	Company G	17,700	Y16	5 years	7	17,700	17,151	12,867	2,002
Tiger Green	95	80	85	75	Company L	1,001	Y20	2 years	1	1,001	0	1,001	1,001
José Montaña	60	50	60	95	Company G	18,900	Y18	3 years	5	18,900	18,001	15,532	10,004
Kobioshi Jones	55	60	95	90	Company L	1,001	Y20	4 years	1	1,001	0	1,001	1,001
Ace Federar	50	90	50	85	Company L	1,001	Y20	1 year	1	1,001	0	1,001	1,001
Danica Andretti	70	65	55	60	Company G	20,300	Y19	3 years	6	20,300	19,000	14,118	1,001
LaBron Game	75	80	95	50	Company L	21,200	Y17	4 years	8	21,200	18,709	13,737	4,001
Lorena Lopez	45	85	60	100	Company F	19,000	Y19	2 years	6	20,300	19,000	14,285	1,001
Lance deFrance	80	85	75	70	Company L	1,001	Y20	3 years	1	1,001	0	1,001	1,001
Yao KungPao	60	35	100	50	Company L	1,001	Y20	4 years	1	1,001	0	1,001	1,001

BRANDED PRICE AND S/Q RATING TRENDS

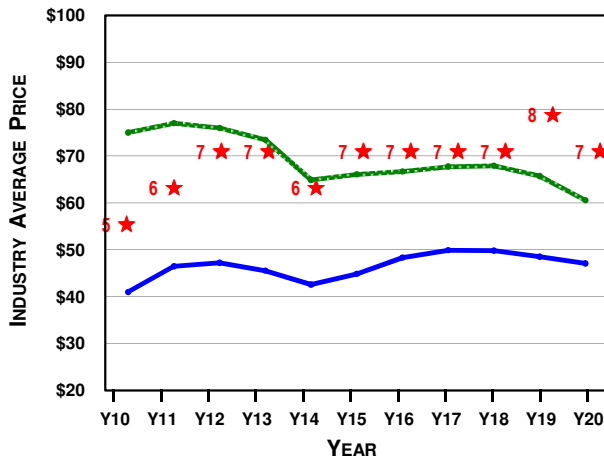
NORTH AMERICA



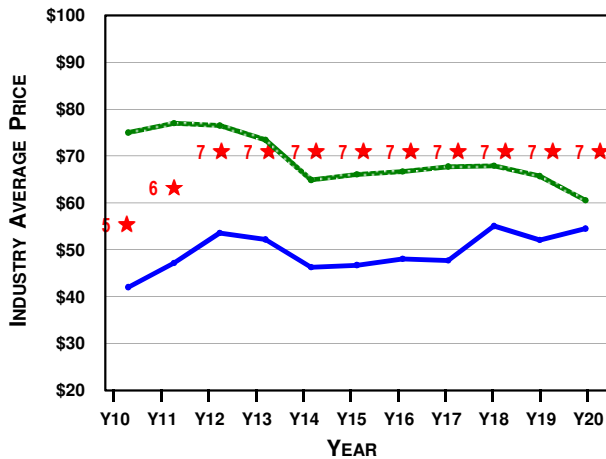
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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