

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 4

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	Lorcan Shooz	119	90	105	+2
2	F Company	117	85	101	+6
3	Epic Shoe Co.	115	81	98	+6
4	B- Cause	115	74	95	-8
4	C ant compete	113	76	95	+3
6	H Company	113	64	89	-5
7	J Company	99	51	75	+3
8	ArtyShoes	18	11	15	+6
9	D Company	0	0	0	0
9	G (deleted)	0	0	0	0
9	I Company	0	0	0	0
9	K Company	0	0	0	0

GAME-TO-DATE SCOREBOARD

Rank	Company Name	Investor Expectation Score	Best-In-Industry Score	Overall Score	Change from Y19
1	Lorcan Shooz	117	98	108	+2
2	B- Cause	112	84	98	-5
3	Epic Shoe Co.	110	84	97	+7
4	F Company	105	78	92	+5
5	H Company	107	72	90	0
6	C ant compete	95	67	81	+8
7	J Company	80	50	65	+3
8	ArtyShoes	14	9	12	+1
9	D Company	0	0	0	0
9	G (deleted)	0	0	0	0
9	I Company	0	0	0	0
9	K Company	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	2.15	1.45	1.93	-1.71	-2.06	-3.30	-3.26	-5.62	-1.22	-1.11	-1.15	0	0	0	0	A
B	3.65	2.87	4.04	2.65	3.22	4.48	5.36	6.89	10.32	9.39	5.35	24	15	24	18	B
C	3.21	0.61	0.65	-0.42	1.02	1.00	2.16	1.52	6.40	7.30	2.18	24	12	12	7	C
D	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	D
E	1.85	1.93	3.67	1.52	1.38	3.88	2.75	5.12	8.43	10.18	4.01	24	16	21	13	E
F	4.40	1.26	0.42	-0.70	0.19	2.97	3.79	2.22	5.51	7.92	2.85	24	13	16	9	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	0	0	G
H	1.66	0.63	0.55	1.64	2.41	3.24	6.37	1.97	5.90	5.46	2.94	22	9	17	10	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	1.87	0.57	0.65	0.08	-1.51	2.40	3.33	0.95	3.52	4.38	1.62	20	7	9	5	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	2.74	3.14	4.21	3.96	5.71	6.22	7.57	5.17	10.40	12.57	6.11	24	20	24	20	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	13.3	8.1	9.9	-8.3	-12.1	-23.1	-29.7	-85.9	-39.0	-56.5	-9.5	0	0	0	0	A
B	21.8	14.4	16.5	9.6	10.3	16.6	14.8	19.7	25.1	22.4	18.1	24	12	22	20	B
C	19.9	3.7	4.2	-2.9	6.8	6.2	12.4	8.1	32.8	32.3	13.4	24	18	18	15	C
D	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	D
E	11.9	11.0	23.4	8.4	7.0	17.4	10.8	18.0	23.6	24.3	17.5	24	13	22	19	E
F	25.6	6.6	1.9	-3.5	1.4	18.4	19.7	10.7	23.0	36.3	15.4	24	20	20	17	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	0	0	G
H	10.7	3.6	3.8	10.5	13.6	15.8	25.2	6.7	17.7	14.5	13.7	19	8	18	15	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	11.6	3.3	3.6	0.4	-8.6	13.3	15.9	4.1	13.9	14.9	8.3	20	8	11	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	16.5	16.6	17.3	14.0	17.2	15.9	16.5	10.1	18.2	18.9	16.4	23	10	21	18	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	21.41	12.70	18.18	11.27	7.22	4.75	5.08	4.65	5.62	4.55	2	0	2	0	A
B	64.65	33.48	55.90	28.01	36.52	53.44	75.32	128.38	207.02	131.96	24	13	24	13	B
C	59.65	29.41	16.99	10.29	11.47	10.55	30.88	18.65	89.03	150.08	24	14	24	14	C
D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	D
E	19.07	18.32	46.71	24.59	13.97	40.11	29.60	70.85	131.58	199.30	24	19	24	19	E
F	72.98	33.87	18.79	10.87	6.40	33.62	53.36	37.48	110.85	163.31	24	16	24	16	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	0	G
H	16.80	10.28	6.39	15.92	30.06	40.70	101.97	40.84	85.61	75.29	24	7	24	7	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	18.40	11.16	6.98	4.85	5.06	27.33	43.31	23.37	43.93	54.39	20	5	20	5	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	30.26	37.76	55.64	56.06	97.20	99.61	121.94	62.26	166.62	207.65	24	20	24	20	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+	C+	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	0	0	A
B	A	A-	A	A-	B+	A	A	A	A+	A	Low	23	19	23	19	B
C	B+	C-	C-	C-	B	B	A-	B	A-	A	Low	23	19	23	19	C
D	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	D
E	B	C	C	C-	C-	C	C-	B	A-	A+	Low	24	20	24	20	E
F	B	C-	C-	C-	B+	A+	A+	A+	A+	A	Low	23	19	23	19	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	0	0	G
H	B	C-	C-	C	B	A-	A	B+	A+	A+	Low	24	20	24	20	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	B	C	C	C-	C-	B-	A	A-	A+	A+	Low	24	20	24	20	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	B	B+	A-	A	A	A	A	A+	A+	Low	24	20	24	20	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	61	67	61	54	49	49	44	42	32	56	43	16	11	12	9	A
B	66	67	66	66	79	64	78	61	71	73	68	20	15	19	14	B
C	81	67	65	59	58	57	63	60	62	63	62	18	13	18	12	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	61	50	84	70	75	67	58	71	58	66	65	19	13	19	13	E
F	69	79	74	62	79	79	80	85	87	87	86	22	17	22	17	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	60	79	69	71	73	75	97	100	100	100	100	24	20	24	20	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	72	75	86	69	69	63	61	60	55	53	56	15	11	16	11	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	76	96	85	84	90	93	92	100	100	100	100	24	20	24	20	L

CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP

Industry 4 Expenditures for Corporate Social Responsibility and Citizenship

	Total (\$000s)			Per Pair Sold (\$ / pair)		
	High	Avg.	Low	High	Avg.	Low
	Year 11	14985	2095	0	2.51	0.38
Year 12	15199	3142	0	2.64	0.57	0.00
Year 13	16568	3125	0	3.26	0.54	0.00
Year 14	13798	2903	0	2.20	0.42	0.00
Year 15	13202	3705	0	1.97	0.46	0.00
Year 16	9947	2969	0	1.53	0.44	0.00
Year 17	15871	3698	0	1.84	0.47	0.00
Year 18	11247	2895	0	1.41	0.38	0.00
Year 19	15311	5978	0	2.34	0.78	0.00
Year 20	19040	8242	0	2.07	0.88	0.00

Image Rating Points Generated from CSRC Expenditures

	Image Rating Points Generated from CSRC Expenditures		
	High	Avg.	Low
Year 11	4	1	0
Year 12	9	2	0
Year 13	13	3	0
Year 14	15	4	0
Year 15	17	5	0
Year 16	14	5	0
Year 17	13	5	0
Year 18	13	6	0
Year 19	17	6	0
Year 20	18	7	0

★ 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	JAW BREAKER	Groove
Y15	JAW BREAKER	Healing Power
Y16	Cant compete	Healing Power
Y17	Healing Power	Cant compete
Y18	Healing Power	JAW BREAKER
Y19	E Company	H Company
Y20	Epic Shoe Co.	H Company

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	14,280	4,560	45,880	22,329	87,049
- Pairs Rejected	1,002	182	2,325	846	4,355
Net Y20 Production (after rejects)	13,278	4,378	43,555	21,483	82,694
Superior Materials Usage	34.4%	37.2%	41.1%	32.4%	37.6%
Capacity Utilization (branded + P-L prod.)	120.0%	120.0%	103.6%	119.4%	110.6%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	7.00	+ 1.74	+ 0.04	8.78
Superior Materials	15.00	- 0.93	+ 0.09	14.16

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	1,265	2,707	1,349	4,921	10,242
- Pairs Cleared (inventory clearance)	185	1,045	208	1,001	2,439
Beginning Y20 Inventories	1,080	1,662	1,141	3,920	7,803
+ New Production (shipped from plants)	20,661	19,081	20,650	15,535	75,927
Pairs Available for Sale in Y20	21,741	20,743	21,791	19,455	83,730

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)	20,725	20,575	19,412	18,329	79,041
Actual Year 20 Demand	20,928	20,504	19,576	18,433	79,442
Branded Pairs Sold	20,534	19,711	19,575	17,812	77,632
Required Y20 Ending Inventories	1,196	1,032	1,193	961	4,382
Inventory Surplus (Shortfall)	-636	-1,264	978	-553	-1,475

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.0%
- Available for shipment to warehouses
- % usage up by 1.4 points over Y19
- % utilization down by 8.0 points from Y19

Lower than normal (37.6% industrywide) superior materials usage led to superior materials prices that were 6.2% below the base and standard materials prices that were 24.8% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 0.6% from the base.

- Average inventory clearance of 23.8%
- 5.4% higher than Y20 demand
- Actual demand in Year 20 was 0.5% greater than expected.
- Needed to achieve delivery times
- { Low in N.A. Low 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 — North America	21,765	22,636	23,541	24,483
(internet + wholesale) Europe-Africa	21,324	22,177	23,064	23,987
Asia-Pacific	20,751	21,996	23,316	24,715
Latin America	19,539	20,711	21,954	23,271
Total	83,379	87,520	91,875	96,456
Private-Label — North America	3,784	3,784	3,784	3,784
Europe-Africa	3,760	3,760	3,760	3,760
Asia-Pacific	3,728	3,728	3,728	3,728
Latin America	3,760	3,760	3,760	3,760
Total	15,032	15,032	15,032	15,032

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory	6,098
(000s) Potential Production (at max OT)	94,440
Potential Global Supply	100,538
Demand — Branded Sales Forecast	83,379
(000s) Private-Label Sales Forecast	15,032
Expected Global Demand	98,411
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	0	0	0	1,500	0	0	0	0	0	0	0	1,500	1,500	0	A
B	5,000	0	11,900	0	0	0	0	0	5,000	0	11,900	0	16,900	0	B
C	0	1,500	7,500	0	0	500	0	0	0	2,000	7,500	0	9,500	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	0	0	0	8,000	0	0	0	0	0	0	0	8,000	8,000	0	E
F	1,000	0	7,200	1,000	0	0	0	0	1,000	0	7,200	1,000	9,200	0	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	3,500	1,800	3,500	0	0	0	0	0	3,500	1,800	3,500	0	8,800	0	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	2,400	0	4,100	0	0	0	0	0	2,400	0	4,100	0	6,500	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	0	0	10,100	8,200	0	0	0	0	0	0	10,100	8,200	18,300	0	L
Total	11,900	3,300	44,300	18,700	0	500	0	0	11,900	3,800	44,300	18,700	78,700	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	96,357	54,175	7,071	34,168	3,919	-2,976	6,764	0	-9,740	0	8,800	A
B	772,282	362,872	65,833	162,776	20,369	160,432	14,581	42,255	98,596	1,050	10,500	B
C	579,447	298,051	42,561	110,599	11,919	116,317	15,169	29,647	69,175	13,265	9,475	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	561,653	213,128	42,259	173,068	10,819	122,379	13,360	32,706	76,313	450	7,500	E
F	609,753	308,448	36,636	129,105	11,617	123,947	6,912	35,111	81,924	15,525	10,350	F
G	0	0	0	0	0	0	0	0	0	0	0	G
H	462,198	283,030	33,313	69,842	12,420	63,593	3,810	17,553	40,958	22,500	7,500	H
I	0	0	0	0	0	0	0	0	0	0	0	I
J	422,252	206,525	29,700	111,275	9,169	65,583	3,031	18,766	43,786	0	10,000	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	915,491	498,986	55,134	147,489	20,719	193,163	7,316	55,754	130,093	1,035	10,350	L
	552,429	278,152	39,063	117,290	12,619	105,305	8,868	28,974	66,388	6,728	9,309	

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	27,987	78,028	59,044	6,600	22,123	0	-9,739	12,384	0.00	2 / 3	A
B	0	239,169	669,197	62,160	225,000	498,954	-214,463	97,547	382,038	0.10	4 / 5	B
C	4,934	181,552	437,164	48,536	171,000	211,047	-49,329	55,910	217,628	1.40	5 / 2	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	0	156,060	466,174	32,668	81,000	276,644	0	75,862	352,506	0.06	5 / 1	E
F	21,559	181,271	440,929	55,544	225,000	291,532	-197,548	66,401	160,385	1.50	8 / 2	F
G	0	0	0	0	0	0	0	0	0	0.00	0 / 0	G
H	3,096	126,590	342,837	35,719	16,000	272,658	0	18,460	291,118	3.00	2 / 2	H
I	0	0	0	0	0	0	0	0	0	0.00	0 / 0	I
J	62,399	215,509	356,116	25,331	16,000	270,999	0	43,786	314,785	0.00	0 / 1	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	55,583	290,022	798,578	52,472	0	633,871	-16,823	129,058	746,106	0.10	9 / 1	L
	18,446	177,270	448,628	46,434	92,575	309,728	-59,770	59,661	309,619	0.77	4 / 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 %	7.3 %	35.5 %	4.1 %	-3.1 %	-10.1 %	0.47	34	-0.44	0.78	0.00	N/A	A
B	47.0	8.5	21.1	2.6	20.8	12.8	3.85	48	11.00	0.39	4.06	Low	B
C	51.4	7.3	19.1	2.1	20.1	11.9	3.74	41	7.67	0.44	3.43	Low	C
D	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	D
E	37.9	7.5	30.8	1.9	21.8	13.6	4.78	26	9.16	0.20	7.35	Low	E
F	50.6	6.0	21.2	1.9	20.3	13.4	3.26	11	17.93	0.57	3.48	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	61.2	7.2	15.1	2.7	13.8	8.9	3.54	10	16.69	0.06	9.83	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	48.9	7.0	26.4	2.2	15.5	10.4	8.51	80	21.64	0.07	7.71	Low	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	54.5	6.0	16.1	2.3	21.1	14.2	5.53	6	26.40	0.00	10.00	Low	L
	50.4 %	7.1 %	21.2 %	2.3 %	19.1 %	12.0 %	3.82	32	13.76	0.31	5.73	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		9.21	8.64	11.21	10.39	13.17	12.21
	Private-Label Footwear		8.07	7.44	8.56	9.42	9.05	12.95
Labor — North America	Total Compensation (\$/year)		16,534	16,528	20,274	20,487	23,763	23,528
	Productivity (pairs/worker/year)		3,603	3,578	4,726	4,809	5,816	5,932
	Labor Cost (\$/pair produced)		4.20	4.10	4.80	4.79	5.54	5.58
Europe Africa	Total Compensation (\$/year)		16,638	16,790	20,122	20,072	23,605	23,354
	Productivity (pairs/worker/year)		3,502	3,416	4,647	4,653	5,792	5,890
	Labor Cost (\$/pair produced)		4.16	4.07	4.82	4.86	5.47	5.65
Asia Pacific	Total Compensation (\$/year)		3,306	3,330	4,925	4,744	6,839	6,372
	Productivity (pairs/worker/year)		2,226	2,167	2,960	2,959	4,456	4,496
	Labor Cost (\$/pair produced)		1.58	1.48	1.80	1.75	2.23	2.24
Latin America	Total Compensation (\$/year)		4,323	4,171	6,125	6,922	9,498	10,795
	Productivity (pairs/worker/year)		2,407	2,265	3,653	3,716	4,323	4,541
	Labor Cost (\$/pair produced)		1.44	1.48	1.88	1.97	2.46	2.64
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.06	0.06	1.46	1.47	2.50	2.50
	Cumulative		0.19	0.18	1.46	1.46	2.50	2.50
Reject Rates	Branded Production		1.1%	1.2%	5.0%	5.0%	10.9%	10.8%
	Private-Label Production		2.2%	1.8%	2.7%	2.8%	3.2%	3.4%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	24.89	26.46	27.71	27.55	30.04	29.55
		E-A	27.58	26.68	29.86	27.79	32.13	28.90
		A-P	19.65	19.47	21.95	22.22	24.23	25.07
		L.A.	20.69	19.97	21.13	21.67	21.56	24.88
	Private-Label	N.A.	0.00	0.00	0.00	0.00	0.00	0.00
		E-A	0.00	0.00	0.00	0.00	0.00	0.00
		A-P	18.82	18.52	20.56	19.93	22.29	21.33
		L.A.	17.89	17.36	52.24	23.02	86.58	28.68

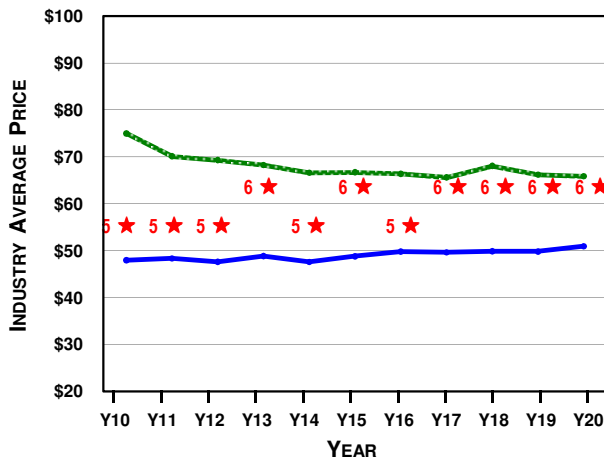
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	25.03	21.25	28.63	27.51	37.81	35.61
		E-A	24.90	23.55	28.21	27.28	34.33	29.63
		A-P	20.82	20.77	26.30	23.96	38.44	27.43
		L.A.	21.94	21.29	26.42	28.32	31.38	34.49
Warehouse Expenses	Internet (\$ per pair sold)		12.31	12.33	12.77	12.77	14.01	13.53
	Wholesale		1.87	1.90	2.39	2.36	3.07	2.81
Marketing Expenses	Internet (\$ per pair sold)		3.78	5.74	18.74	17.69	48.09	41.26
	Wholesale		6.13	7.04	14.32	12.59	31.49	18.15
Administrative Expenses (\$/pair sold)		1.12	1.11	1.66	1.38	4.12	2.14	
Operating Profit (\$ per pair sold)	Internet	N.A.	8.25	11.23	19.11	20.63	29.77	31.62
		E-A	-12.17	11.65	18.52	22.59	32.16	31.87
		A-P	-16.33	21.12	20.37	30.35	33.13	38.69
		L.A.	-1.17	-4.16	23.54	8.71	38.73	27.01
Wholesale	N.A.	1.21	1.72	5.45	8.31	10.35	12.98	
	E-A	5.27	2.07	6.99	8.99	11.28	14.62	
	A-P	6.05	8.95	7.88	11.75	9.81	13.98	
	L.A.	-6.75	0.31	12.55	6.34	22.91	10.95	
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	0.00	0.00	#####	#####	0.00	0.00
		E-A	36.86	27.15	36.86	27.15	36.86	27.15
		A-P	20.07	19.77	20.07	19.77	20.07	19.77
		L.A.	19.14	18.61	19.14	24.27	19.14	29.93
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.	0.00	0.00	#####	#####	0.00	0.00
		E-A	-9.43	8.46	-9.43	8.46	0.00	8.46
		A-P	0.85	1.58	0.85	1.58	0.85	1.58
		L.A.	4.97	-4.50	4.97	-1.31	4.97	1.89

CELEBRITY ENDORSEMENTS

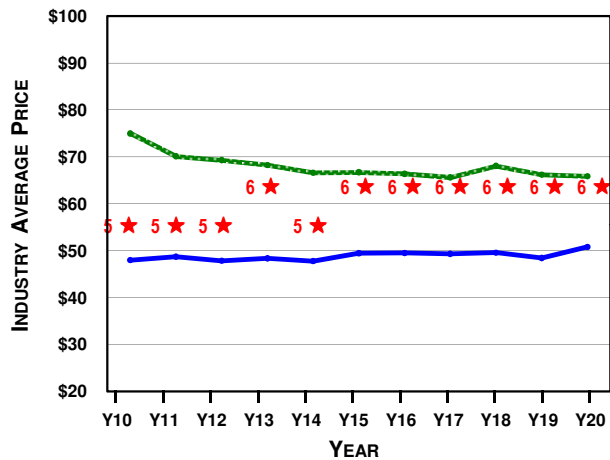
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	[unsigned]	0	N/A	2 years	2	20,000	5,000	12,500	5,000
Oprah Letterman	100	70	65	75	Company B	20,000	Y20	3 years	2	20,000	5,000	12,500	5,000
Fifa Beckham	70	100	70	55	Company L	25,388	Y16	5 years	3	25,388	18,666	18,388	11,111
Tiger Green	95	80	85	75	Company B	20,000	Y20	2 years	2	20,000	5,000	12,500	5,000
José Montaña	60	50	60	95	Company A	11,000	Y18	3 years	3	15,999	11,000	12,666	11,000
Kobioshi Jones	55	60	95	90	Company C	5,000	Y20	4 years	3	20,000	5,000	8,500	500
Ace Federar	50	90	50	85	[unsigned]	0	N/A	1 year	2	20,000	5,000	12,500	5,000
Danica Andretti	70	65	55	60	Company E	18,000	Y19	3 years	3	18,000	15,001	11,334	1,000
LaBron Game	75	80	95	50	Company B	18,000	Y17	4 years	2	18,000	10,000	14,000	10,000
Lorena Lopez	45	85	60	100	Company E	18,000	Y19	2 years	4	18,000	15,001	11,000	1,000
Lance deFrance	80	85	75	70	Company B	20,000	Y20	3 years	2	20,000	5,000	12,500	5,000
Yao KungPao	60	35	100	50	Company A	11,000	Y18	4 years	3	11,111	11,000	11,037	11,000

BRANDED PRICE AND S/Q RATING TRENDS

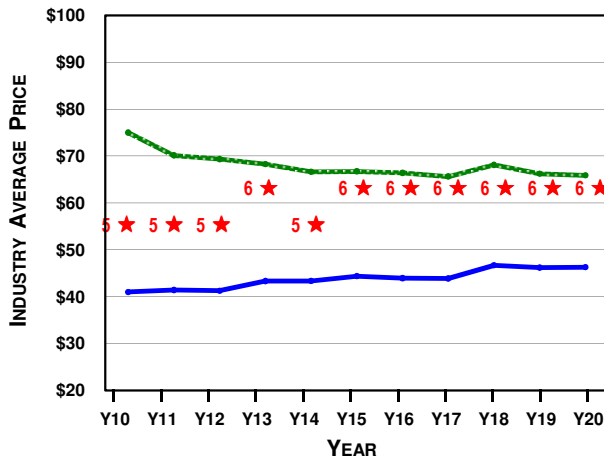
NORTH AMERICA



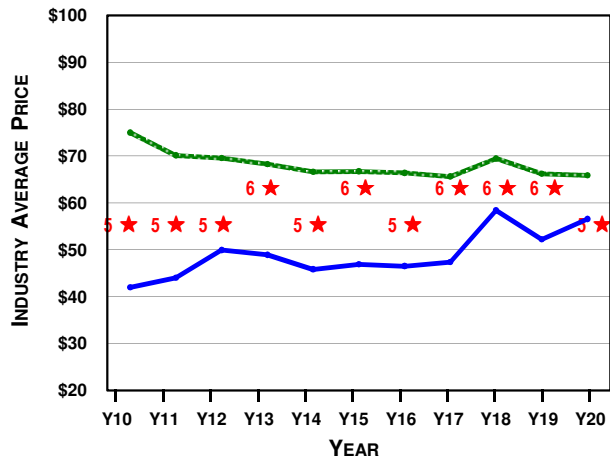
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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