

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 9

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	Bankruptcy 4 Team H	114	95	105	-2
2	IntelliKicks	118	89	104	+1
3	E Company	103	60	82	-13
4	Doom For Team B	99	55	77	0
5	K Company	94	52	73	-5
6	Giant Star	82	48	65	-2
7	L Company	74	45	60	-19
8	J Company	68	46	57	-15
9	H Company	24	17	21	0
10	A Company	0	0	0	0
10	C Company	0	0	0	0
10	F 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	Bankruptcy 4 Team H	115	96	106	-3
2	IntelliKicks	120	89	105	+3
3	E Company	110	64	87	-4
4	Doom For Team B	103	57	80	+3
5	L Company	87	51	69	-9
6	K Company	85	44	65	+1
7	Giant Star	80	47	64	+1
8	J Company	69	45	57	-5
9	H Company	24	18	21	0
10	A Company	0	0	0	0
10	C Company	0	0	0	0
10	F 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	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	A
B	5.62	4.85	6.73	8.65	12.57	11.46	16.56	14.64	17.96	18.78	11.76	24	20	24	20	B
C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	C
D	1.57	1.87	3.61	3.61	5.42	5.17	2.83	2.20	5.05	4.54	3.52	20	5	20	6	D
E	2.04	1.84	5.06	4.52	4.44	4.13	5.05	3.72	6.88	4.39	4.11	20	5	22	7	E
F	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	F
G	2.38	-0.17	1.23	0.24	2.59	2.92	3.15	0.00	3.21	3.09	1.90	14	3	11	3	G
H	1.19	-2.64	-1.28	-2.81	-3.38	-4.78	-5.51	-9.38	-7.83	####	-4.80	0	0	0	0	H
I	3.80	3.00	5.99	6.43	7.13	6.17	9.34	7.61	12.78	12.29	7.37	24	13	24	13	I
J	1.87	0.31	1.11	2.19	0.90	0.42	1.42	0.49	2.81	1.51	1.30	7	2	7	2	J
K	2.36	0.92	1.61	1.39	1.14	1.80	3.56	2.18	6.11	5.34	2.61	22	6	15	4	K
L	2.65	2.01	2.50	3.69	4.10	3.68	4.18	0.54	4.65	2.72	3.04	12	3	17	5	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	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	A
B	34.3	30.9	30.5	30.1	32.0	22.4	25.5	18.3	18.9	18.9	23.4	23	20	24	20	B
C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	C
D	9.8	9.5	19.4	16.3	20.4	16.2	7.9	5.7	12.1	9.8	12.5	13	10	17	11	D
E	12.6	10.1	23.4	18.3	17.1	15.3	17.2	11.6	19.2	11.0	16.1	15	12	21	14	E
F	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	F
G	15.0	-1.1	7.7	1.4	14.3	14.0	14.2	0.0	11.2	9.4	9.0	13	10	12	8	G
H	7.8	-19.3	-11.5	-31.4	-57.7	-269.1	0.0	0.0	0.0	0.0	0.0	0	0	0	0	H
I	24.0	21.5	34.4	28.8	25.3	18.0	22.5	15.5	21.6	17.9	21.9	22	19	24	19	I
J	11.6	1.8	6.2	11.2	4.3	1.9	6.3	2.1	11.4	5.7	6.4	8	6	9	5	J
K	14.9	5.4	9.9	8.9	6.9	10.1	17.9	9.8	23.4	17.0	13.9	21	18	19	12	K
L	16.6	11.3	12.4	15.5	15.7	12.5	14.4	1.7	13.7	7.2	12.2	10	8	16	10	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	A
B	84.85	71.07	105.25	177.90	264.36	212.94	332.18	234.37	324.23	262.97	24	20	24	20	B
C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	C
D	16.60	17.61	43.84	48.92	84.31	62.97	31.05	19.48	54.70	57.50	21	4	21	4	D
E	21.19	18.22	83.65	75.04	69.74	50.04	66.11	47.01	120.88	55.00	20	4	20	4	E
F	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	F
G	25.72	15.01	9.43	6.38	29.99	38.69	49.48	26.09	36.26	36.69	14	3	14	3	G
H	16.26	9.86	6.31	4.85	5.68	4.75	5.12	4.65	4.77	5.33	2	0	2	0	H
I	72.60	40.02	93.09	84.41	104.00	74.44	159.76	97.18	205.04	228.05	24	17	24	17	I
J	17.48	10.94	8.38	23.12	13.35	8.72	14.56	8.71	42.54	22.32	8	2	8	2	J
K	27.90	15.75	14.09	12.78	11.02	17.69	47.92	25.00	79.43	64.54	22	5	22	5	K
L	33.41	19.20	25.33	43.96	58.10	49.53	53.11	27.00	54.11	27.56	10	2	10	2	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	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	A
B	B+	B+	A	A	A	A	A+	A+	A+	B+	N/A	20	17	20	17	B
C	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0	C
D	C	C-	C	C	B-	B-	C+	C+	B+	A	Medium	23	19	23	19	D
E	B+	B	A-	A	A-	A-	A	A	A+	A+	Low	24	20	24	20	E
F	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	F
G	B-	C-	C	C	B	B	A	B-	A+	A+	Low	24	20	24	20	G
H	C	C-	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	0	0	H
I	B-	C	B-	B	A-	B+	A	A-	A+	A+	Low	24	20	24	20	I
J	B-	C-	C+	B	B-	B-	A-	A-	A+	A+	Low	24	20	24	20	J
K	B-	C-	C-	C-	C	C+	B-	C	B-	B-	Medium	12	11	12	11	K
L	B-	B	A	A+	A+	A	A	B+	A	A	Low	23	19	23	19	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	65	74	78	87	89	92	96	94	93	89	92	23	18	23	19	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	67	81	83	82	86	84	81	82	82	83	82	22	17	22	17	D
E	96	100	100	100	100	100	93	93	95	95	94	24	19	23	19	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	63	60	64	55	63	63	64	77	61	61	66	17	12	19	13	G
H	60	71	56	56	65	79	85	86	87	84	86	22	17	22	18	H
I	85	88	91	100	100	97	100	94	100	100	98	24	20	24	20	I
J	69	76	80	88	91	85	81	77	83	79	80	21	16	21	16	J
K	75	71	73	69	71	63	62	58	58	58	58	17	12	17	12	K
L	71	71	66	68	72	80	82	82	74	67	74	19	13	21	15	L

CORPORATE SOCIAL RESPONSIBILITY AND CITIZENSHIP

Industry 9 Expenditures for Corporate Social Responsibility and Citizenship

	Total (\$000s)			Per Pair Sold (\$ / pair)		
	High	Avg.	Low	High	Avg.	Low
	Year 11	11050	3738	0	1.76	0.63
Year 12	13486	5538	0	1.88	0.92	0.00
Year 13	13917	6001	1951	3.13	1.04	0.38
Year 14	15762	4438	0	3.05	0.73	0.00
Year 15	16796	5795	1050	3.02	0.85	0.13
Year 16	20798	6227	0	2.86	0.81	0.00
Year 17	21465	8176	0	2.98	0.98	0.00
Year 18	19688	8271	0	2.75	0.98	0.00
Year 19	18000	8307	0	1.40	0.80	0.00
Year 20	19350	9897	0	1.37	0.89	0.00

Image Rating Points Generated from CSRC Expenditures

	Image Rating Points Generated from CSRC Expenditures		
	High	Avg.	Low
Year 11	4	2	0
Year 12	8	4	0
Year 13	9	6	0
Year 14	13	7	0
Year 15	16	9	2
Year 16	17	8	0
Year 17	20	8	0
Year 18	20	9	0
Year 19	18	9	0
Year 20	18	10	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	L Company	K Company
Y15	L Company	K Company
Y16	L Company	B wear
Y17	L Company	Excelsior Shoes
Y18	L Company	Excelsior Shoes
Y19	E Company	Doom For Team B
Y20	E Company	IntelliKicks

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	16,700	1,947	67,838	23,826	110,311
- Pairs Rejected	1,094	53	3,489	1,185	5,821
Net Y20 Production (after rejects)	15,606	1,894	64,349	22,641	104,490
Superior Materials Usage	42.9%	78.0%	51.6%	41.8%	48.6%
Capacity Utilization (branded + P-L prod.)	118.4%	88.5%	115.4%	113.5%	114.8%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	7.00	+ 0.20	+ 0.34	7.54
Superior Materials	15.00	- 0.11	+ 0.72	15.61

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	1,763	2,330	2,500	3,708	10,301
- Pairs Cleared (inventory clearance)	785	684	733	335	2,537
Beginning Y20 Inventories	978	1,646	1,767	3,373	7,764
+ New Production (shipped from plants)	21,302	24,042	22,862	21,694	89,900
Pairs Available for Sale in Y20	22,280	25,688	24,629	25,067	97,664

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)	21,378	21,481	20,616	21,176	84,651
Actual Year 20 Demand	21,618	21,321	21,024	21,339	85,302
Branded Pairs Sold	20,621	21,317	21,026	21,311	84,275
Required Y20 Ending Inventories	1,659	1,843	1,767	1,472	6,741
Inventory Surplus (Shortfall)	-1,750	2,494	1,679	1,415	3,838

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.3%
- Available for shipment to warehouses
- % usage up by 1.6 points over Y19
- % utilization down by 0.5 points from Y19

Lower than normal (48.6% industrywide) superior materials usage led to superior materials prices that were 0.7% below the base and standard materials prices that were 2.8% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 4.8% from the base.

- Average inventory clearance of 24.6%
- 14.5% higher than Y20 demand
- Actual demand in Year 20 was 0.8% greater than expected.
- Needed to achieve delivery times
- { Low in N.A. High in E-A
Okay in A-P Okay in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America	22,483	23,382	24,317	25,290
(internet + wholesale) Europe-Africa	22,174	23,061	23,983	24,942
Asia-Pacific	22,285	23,622	25,039	26,541
Latin America	22,619	23,976	25,415	26,940
Total	89,561	94,041	98,754	103,713
Private-Label — North America	4,221	4,221	4,221	4,221
Europe-Africa	4,194	4,194	4,194	4,194
Asia-Pacific	4,257	4,257	4,257	4,257
Latin America	4,275	4,275	4,275	4,275
Total	16,947	16,947	16,947	16,947

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory	13,389
(000s) Potential Production (at max OT)	115,680
Potential Global Supply	129,069
Demand — Branded Sales Forecast	89,561
(000s) Private-Label Sales Forecast	16,947
Expected Global Demand	106,508
Conclusion:	Excess supply of 21.2% is likely to intensify competition in Year 21 until market growth absorbs the excess.

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	0	A
B	0	0	10,900	3,400	0	0	0	0	0	0	10,900	3,400	14,300	0	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	6,700	3,700	0	0	0	0	0	0	6,700	3,700	10,400	0	0	D
E	2,500	0	4,000	2,000	0	0	0	0	2,500	0	4,000	2,000	8,500	0	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	6,800	0	3,200	0	0	0	0	0	6,800	0	3,200	0	10,000	0	0	G
H	0	1,500	12,000	2,000	0	700	0	0	0	2,200	12,000	2,000	16,200	0	0	H
I	0	0	10,500	3,700	0	0	0	0	0	0	10,500	3,700	14,200	0	0	I
J	0	0	3,500	3,200	0	0	0	0	0	0	3,500	3,200	6,700	300	0	J
K	1,100	0	5,000	3,000	0	0	0	0	1,100	0	5,000	3,000	9,100	0	0	K
L	3,700	0	3,000	0	0	0	0	0	3,700	0	3,000	0	6,700	0	0	L
Total	14,100	1,500	58,800	21,000	0	700	0	0	14,100	2,200	58,800	21,000	96,100	300	0	

INCOME STATEMENT DATA (\$000s)

	Net Sales Revenues	Cost of Pairs Sold	Warehse Expenses	Marketing Expenses	Admin Expenses	Operating Profit	Interest Exp (Inc)	Income Taxes	Net Profit	Total Dividend Payment (\$000s)	Shares of Stock (000s of shares outstanding)	
A	0	0	0	0	0	0	0	0	0	0	0	A
B	774,480	368,461	62,302	127,897	17,771	198,049	-3,186	60,371	140,864	202,500	7,500	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	519,320	300,659	31,720	113,514	13,870	59,557	9,888	14,601	34,068	750	7,500	D
E	467,628	279,129	29,890	97,521	12,117	48,971	1,908	14,119	32,944	11,250	7,500	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	480,948	283,880	41,194	92,026	12,420	51,428	1,094	15,100	35,234	1,709	11,390	G
H	624,073	517,945	33,719	60,512	18,618	-6,721	108,859	0	-115,580	0	10,000	H
I	719,992	413,513	57,529	88,005	16,869	144,076	12,413	39,499	92,164	37,500	7,500	I
J	324,425	183,893	24,312	83,124	10,169	22,927	393	6,460	15,074	2,500	10,000	J
K	482,229	235,310	41,581	113,460	11,519	80,359	23,181	17,153	40,025	7,500	7,500	K
L	361,129	224,585	25,411	69,709	9,119	32,305	1,586	9,216	21,503	0	7,900	L
	528,247	311,931	38,629	93,974	13,608	70,106	17,348	19,613	32,922	29,301	8,532	

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	0.00	0 / 0	A
B	38,340	274,059	743,459	28,810	0	776,282	0	-61,633	714,649	27.00	9 / 1	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	11,802	193,021	449,796	51,116	33,500	331,861	0	33,319	365,180	0.10	7 / 1	D
E	41,436	177,338	378,158	36,099	30,600	289,766	0	21,693	311,459	1.50	4 / 1	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	0	168,151	402,759	33,523	6,000	386,719	-57,008	33,525	363,236	0.15	6 / 2	G
H	0	263,735	744,306	1,084,258	9,000	-233,371	0	-115,581	-348,952	0.00	0 / 2	H
I	34,701	253,000	728,204	55,712	130,500	488,357	-1,026	54,661	541,992	5.00	9 / 1	I
J	35,266	122,677	299,279	27,299	0	259,431	0	12,550	271,980	0.25	1 / 1	J
K	0	152,464	470,739	73,468	145,500	219,247	0	32,525	251,771	1.00	6 / 3	K
L	19,943	161,178	342,429	34,922	0	286,004	0	21,503	307,507	0.00	6 / 2	L
	20,165	196,180	506,570	158,356	39,456	311,588	-6,448	3,618	308,758	3.89	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	Mktn. 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	47.6	8.0	16.5	2.3	25.6	18.2	9.51	52	100.00	0.00	0.00	N/A	B
C	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	C
D	57.9	6.1	21.9	2.7	11.5	6.6	3.78	73	6.02	0.12	2.73	Medium	D
E	59.7	6.4	20.9	2.6	10.5	7.0	4.91	27	25.67	0.09	12.27	Low	E
F	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	F
G	59.0	8.6	19.1	2.6	10.7	7.3	5.02	60	47.01	0.04	5.00	Low	G
H	83.0	5.4	9.7	3.0	-1.1	-18.5	0.24	114	-0.06	1.38	0.00	N/A	H
I	57.4	8.0	12.2	2.3	20.0	12.8	4.54	44	11.61	0.20	6.40	Low	I
J	56.7	7.5	25.6	3.1	7.1	4.6	4.49	15	58.34	0.02	4.48	Low	J
K	48.8	8.6	23.5	2.4	16.7	8.3	2.08	50	3.47	0.42	1.09	Medium	K
L	62.2	7.0	19.3	2.5	8.9	6.0	4.62	84	20.37	0.04	3.06	Low	L
	59.1 %	7.3 %	17.8 %	2.6 %	13.3 %	6.2 %	1.24	58	30.27	0.26	3.89	Low	

Bold = best in industry = needs management attention

PLANT AND PRODUCTION BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Materials Costs (\$ per pair produced)	Branded Footwear		7.25	7.12	11.26	11.20	16.77	16.81
	Private-Label Footwear		6.63	6.44	10.21	10.20	13.05	14.41
Labor — North America	Total Compensation (\$/year)		17,739	17,661	20,903	21,301	25,156	25,504
	Productivity (pairs/worker/year)		3,782	3,723	5,166	5,217	6,016	6,134
	Labor Cost (\$/pair produced)		3.72	3.71	4.44	4.45	5.10	4.85
Europe Africa	Total Compensation (\$/year)		18,572	18,758	18,572	18,758	18,572	18,758
	Productivity (pairs/worker/year)		4,474	4,539	4,474	4,539	4,474	4,539
	Labor Cost (\$/pair produced)		5.13	4.75	5.13	4.75	5.13	4.75
Asia Pacific	Total Compensation (\$/year)		3,892	3,736	4,493	4,442	6,047	5,721
	Productivity (pairs/worker/year)		2,440	2,392	2,820	2,842	3,160	3,212
	Labor Cost (\$/pair produced)		1.43	1.42	1.70	1.68	2.08	2.00
Latin America	Total Compensation (\$/year)		3,219	3,251	4,609	4,817	6,624	6,725
	Productivity (pairs/worker/year)		2,660	2,686	3,014	3,077	3,535	3,571
	Labor Cost (\$/pair produced)		1.44	1.51	1.69	1.72	1.82	1.83
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.57	0.56	1.70	1.62	2.50	2.50
	Cumulative		0.81	0.75	1.60	1.60	2.08	1.99
Reject Rates	Branded Production		1.3%	1.3%	5.2%	5.3%	9.0%	8.9%
	Private-Label Production		2.0%	2.0%	2.9%	2.9%	3.7%	3.5%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		23.08	24.46	26.18	26.23	28.09	28.09
	E-A		0.00	0.00	0.00	0.00	0.00	0.00
	A-P		20.34	20.42	25.05	25.48	31.98	30.92
	L.A.		18.76	19.14	22.74	22.27	24.41	25.11
	Private-Label — N.A.		26.98	27.14	26.98	27.14	26.98	27.14
	E-A		31.37	31.61	31.37	31.61	31.37	31.61
	A-P		18.74	17.57	23.94	22.92	31.68	27.99
	L.A.		23.06	23.64	25.15	25.21	26.91	26.04

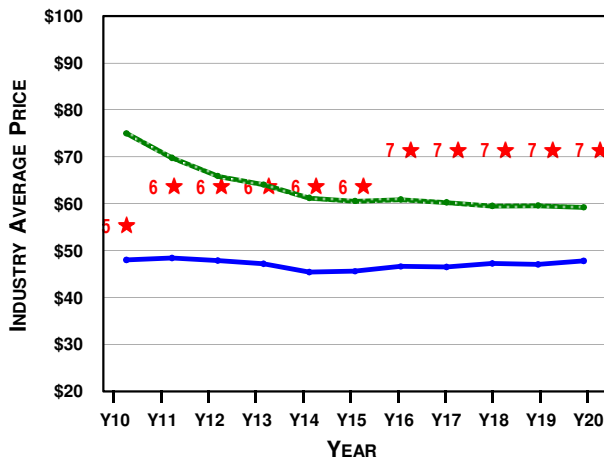
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.58	25.03	28.31	28.93	35.51	36.70
		E-A	25.57	25.58	30.24	29.57	36.51	36.45
		A-P	21.59	21.67	26.33	26.71	33.20	32.26
		L.A.	20.03	20.37	26.96	28.18	39.17	44.53
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	12.40	12.39	12.60	12.61	12.96	12.94
			2.11	2.10	2.36	2.36	2.84	2.83
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	9.29	9.87	15.10	14.69	22.55	22.07
			5.73	6.45	9.59	9.65	14.36	14.34
Administrative Expenses	(\$/pair sold)		1.24	1.18	1.45	1.47	1.89	2.15
Operating Profit (\$ per pair sold)	Internet	N.A.	-1.77	-0.18	12.01	11.80	22.74	20.51
		E-A	2.31	1.45	13.92	13.78	26.60	24.97
		A-P	3.17	8.30	17.81	20.40	28.98	32.94
		L.A.	3.44	-11.32	20.79	8.76	33.19	20.71
Wholesale	N.A.	-1.40	-1.04	4.06	4.52	11.75	13.35	
	E-A	1.96	-1.44	7.19	6.19	14.39	12.79	
	A-P	4.53	2.94	8.02	9.50	12.91	18.23	
	L.A.	3.10	-3.21	12.53	4.05	21.32	14.42	
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.06	21.94	23.83	26.34	27.13	32.60
		E-A	24.07	23.52	29.14	27.06	36.20	32.86
		A-P	19.99	18.82	22.72	22.74	27.95	29.24
		L.A.	24.31	24.89	26.52	28.24	28.16	32.53
Warehouse Expenses	(\$ per pair sold)		1.00	1.00	1.09	1.07	1.20	1.20
Margin Over Direct Costs (\$ per pair sold)	N.A.	1.48	-3.95	1.96	-0.14	2.87	2.78	
	E-A	-5.76	-4.93	0.10	0.62	4.84	4.34	
	A-P	-1.82	-0.38	0.89	3.27	2.94	6.64	
	L.A.	-1.14	-10.82	-0.17	-5.91	0.96	0.00	

CELEBRITY ENDORSEMENTS

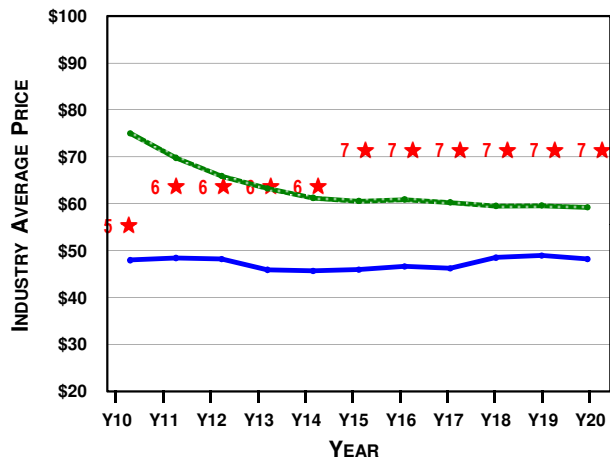
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company D	6,000	Y19	2 years	4	6,000	5,333	5,381	5,002
Oprah Letterman	100	70	65	75	Company I	4,559	Y20	3 years	2	4,559	601	2,580	601
Fifa Beckham	70	100	70	55	Company J	13,995	Y16	5 years	5	13,995	10,892	7,647	2,000
Tiger Green	95	80	85	75	Company I	4,559	Y20	2 years	2	4,559	601	2,580	601
José Montaña	60	50	60	95	Company J	5,500	Y18	3 years	4	5,500	4,964	4,033	1,000
Kobioshi Jones	55	60	95	90	Company I	4,559	Y20	4 years	2	4,559	601	2,580	601
Ace Federar	50	90	50	85	Company D	6,000	Y20	1 year	4	6,000	5,002	4,041	601
Danica Andretti	70	65	55	60	Company E	5,002	Y19	3 years	4	9,000	5,333	6,031	4,789
LaBron Game	75	80	95	50	Company I	4,559	Y20	4 years	2	4,559	601	2,580	601
Lorena Lopez	45	85	60	100	Company D	9,000	Y19	2 years	4	9,000	8,189	6,881	5,002
Lance deFrance	80	85	75	70	Company I	4,559	Y20	3 years	2	4,559	601	2,580	601
Yao KungPao	60	35	100	50	Company D	10,029	Y18	4 years	5	10,029	5,787	5,596	1,000

BRANDED PRICE AND S/Q RATING TRENDS

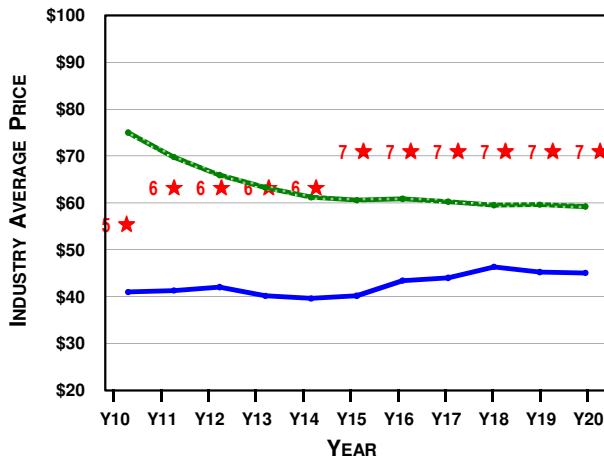
NORTH AMERICA



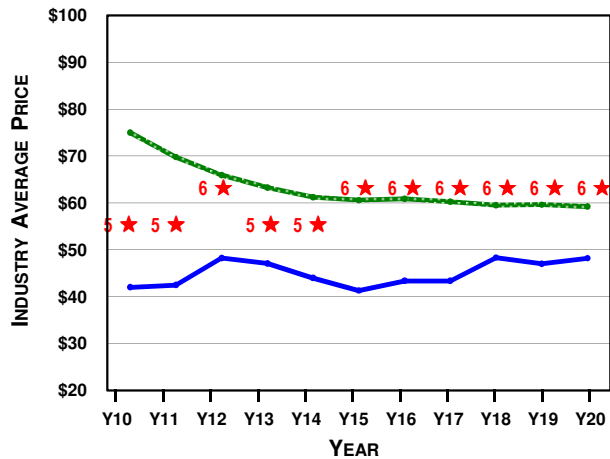
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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