

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 4

Friday, May 22, 2009

YEAR 20

YEAR 20 SCOREBOARD

Rank	Company Name	Investor Expectation Score	Best-In-Industry Score	Overall Score	Change from Y19
1	Big Dolphins	116	97	107	+18
2	Lucky bastards	102	64	83	+18
3	Inter-UTCC FW Corp.	100	62	81	+21
4	Aggressive Expansion	93	54	74	-29
5	Genericus Maximus	88	58	73	+27
6	C Company	69	49	59	+20
7	E Company	67	44	56	-15
8	D (deleted)	0	0	0	0
8	F (deleted)	0	0	0	0
8	H (deleted)	0	0	0	0
8	J (deleted)	0	0	0	0
8	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	Big Dolphins	115	98	107	+12
2	Inter-UTCC FW Corp.	101	68	85	+13
3	Aggressive Expansion	88	57	73	-17
4	C Company	71	52	62	+11
5	E Company	70	50	60	-7
6	Lucky bastards	69	45	57	+7
7	Genericus Maximus	56	39	48	+9
8	D (deleted)	0	0	0	0
8	F (deleted)	0	0	0	0
8	H (deleted)	0	0	0	0
8	J (deleted)	0	0	0	0
8	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	1.95	6.00	5.72	1.08	-2.69	2.63	2.09	4.10	6.36	4.82	3.16	21	7	18	9	A
B	6.33	8.30	8.08	2.99	3.22	6.73	7.40	9.99	6.76	13.44	7.19	24	20	24	20	B
C	3.48	4.22	0.81	0.27	0.46	2.04	1.58	2.44	0.81	2.09	1.74	9	3	10	5	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	2.76	3.24	0.85	0.27	-0.46	2.59	1.19	3.14	2.75	2.18	1.84	10	3	10	5	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	2.62	3.54	1.50	-9.41	-2.09	0.14	0.73	0.80	0.54	2.62	-0.13	12	4	0	0	G
H	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	H
I	4.44	4.91	6.18	1.46	1.75	4.46	4.13	7.81	3.30	6.97	4.50	24	10	23	13	I
J	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	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	3.05	3.08	-0.58	-2.67	-0.16	-0.80	0.28	1.21	1.94	4.25	0.78	19	6	4	2	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	12.5	30.0	26.9	4.4	-11.3	11.1	8.1	14.2	18.7	13.4	13.1	18	13	17	14	A
B	37.8	47.8	31.7	9.6	10.4	14.5	16.0	18.2	10.9	19.7	18.6	23	19	22	20	B
C	20.6	20.3	3.5	1.2	2.0	8.3	6.2	7.1	2.8	6.9	7.2	9	7	10	8	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	16.7	16.6	4.0	1.2	-2.1	13.3	5.4	11.7	10.0	7.3	8.5	10	7	11	9	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	17.7	18.3	6.2	-44.2	-13.4	0.9	4.6	5.1	3.8	17.9	-0.8	22	17	0	0	G
H	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	H
I	25.8	24.5	25.9	5.8	5.7	15.0	12.7	18.4	7.4	13.3	14.9	18	13	20	16	I
J	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	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	18.3	15.7	-2.8	-16.9	-1.0	-5.2	1.8	7.7	11.1	21.0	4.8	24	20	6	5	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	20.26	90.37	80.79	36.31	19.71	24.41	22.95	53.42	89.75	59.09	21	6	21	6	A
B	107.99	145.51	129.34	52.34	31.54	70.85	94.68	160.13	81.37	195.92	24	20	24	20	B
C	55.89	62.04	30.09	16.74	9.91	25.93	19.46	28.14	15.60	22.42	8	2	8	2	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	30.43	35.95	19.65	12.08	7.89	32.07	17.80	40.11	31.82	24.74	9	3	9	3	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	31.78	51.59	26.20	15.15	8.80	5.20	7.40	10.05	7.03	35.33	13	4	13	4	G
H	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	H
I	80.26	68.07	89.72	39.50	21.15	47.47	49.45	107.13	43.10	98.49	24	10	24	10	I
J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	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	38.25	32.48	18.00	10.95	6.87	4.75	5.58	13.27	23.72	64.15	22	7	22	7	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	B	C+	C-	C-	C-	C	A	A-	B-	N/A	12	11	12	11	A
B	B	B-	C+	C-	C	C+	B	B+	B-	A	Low	23	19	23	19	B
C	A-	B+	C	C+	B-	A-	A-	B+	C+	B+	Medium	20	17	20	17	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+	B	C	C-	C-	B+	A	A-	A-	B+	Medium	20	17	20	17	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	B+	B+	C-	C-	B+	A+	B+	B+	A+	Low	24	20	24	20	G
H	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	H
I	A-	B	B	C-	C-	C-	C	B-	C	B-	Medium	12	11	12	11	I
J	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	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-	C-	C-	C-	C-	C-	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	63	69	76	84	86	77	77	73	72	75	73	21	17	20	17	A
B	62	68	84	83	84	77	71	84	86	86	85	22	19	22	19	B
C	70	81	90	95	90	89	92	95	80	90	88	23	20	23	20	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	62	66	82	79	81	80	79	79	73	64	72	18	14	20	16	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	82	100	100	91	88	86	73	65	69	60	65	17	13	19	15	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	72	64	71	71	80	72	69	80	82	81	81	22	18	22	18	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	81	68	71	82	71	71	71	72	73	76	74	21	17	21	17	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	16641	2393	0	3.42	0.47
Year 12	8956	2095	0	1.89	0.38	0.00
Year 13	8213	3221	0	2.40	0.64	0.00
Year 14	6029	2112	0	0.89	0.28	0.00
Year 15	6362	1947	0	0.81	0.24	0.00
Year 16	6631	1938	0	0.77	0.24	0.00
Year 17	7272	1172	0	0.73	0.13	0.00
Year 18	8400	2515	0	0.78	0.22	0.00
Year 19	7669	2510	0	0.71	0.20	0.00
Year 20	10600	4671	0	1.63	0.45	0.00

Image Rating Points Generated from CSRC Expenditures

High	Avg.	Low
4	1	0
8	2	0
10	5	0
11	6	0
13	7	0
12	6	0
13	5	0
14	5	0
14	6	0
15	6	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	E Company	C Company
Y15	E Company	C Company
Y16	E Company	C Company
Y17	C Company	Lucky bastards
Y18	C Company	Big Dolphins
Y19	C Company	Big Dolphins
Y20	gressive Expansio	Big Dolphins

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plants	E-A Plants	A-P Plants	L.A. Plants	All Plants
Total Year 20 Production	10,315	6,000	50,289	22,478	89,082
- Pairs Rejected	459	338	2,469	1,233	4,499
Net Y20 Production (after rejects)	9,856	5,662	47,820	21,245	84,583
Superior Materials Usage	65.9%	50.4%	57.8%	36.1%	52.8%
Capacity Utilization (branded + P-L prod.)	108.6%	120.0%	115.9%	114.1%	114.8%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	- 0.09	+ 0.31	6.72
Superior Materials	14.00	+ 0.78	+ 0.67	15.45

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Worldwide
Ending Y19 Inventories	2,363	4,072	2,899	4,098	13,432
- Pairs Cleared (inventory clearance)	185	437	367	613	1,602
Beginning Y20 Inventories	2,178	3,635	2,532	3,485	11,830
+ New Production (shipped from plants)	19,412	17,422	18,043	17,819	72,696
Pairs Available for Sale in Y20	21,590	21,057	20,575	21,304	84,526

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)	20,294	19,473	18,891	19,144	77,802
Actual Year 20 Demand	19,649	19,523	19,453	19,390	78,015
Branded Pairs Sold	18,648	19,162	18,606	18,640	75,056
Required Y20 Ending Inventories	1,933	1,895	1,969	1,826	7,623
Inventory Surplus (Shortfall)	-437	-1,914	-1,705	-544	-4,600

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.1%
- Available for shipment to warehouses
- % usage up by 32.2 points over Y19
- % utilization down by 1.4 points from Y19

Higher than normal (52.8% industrywide) superior materials usage led to superior materials prices that were 5.6% above the base and standard materials prices that were 1.4% below the base. Industrywide capacity utilization above 110% resulted in materials price increases of 4.8% from the base.

- Average inventory clearance of 11.9%
- 8.3% higher than Y20 demand
- Actual demand in Year 20 was 0.3% greater than expected.
- Needed to achieve delivery times
 - Low in N.A.
 - Low in E-A
 - Low in A-P
 - Low in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded (internet + wholesale)				
North America	20,435	21,252	22,102	22,986
Europe-Africa	20,304	21,116	21,961	22,839
Asia-Pacific	20,620	21,857	23,168	24,558
Latin America	20,553	21,786	23,093	24,479
Total	81,912	86,011	90,324	94,862
Private-Label				
North America	3,234	3,234	3,234	3,234
Europe-Africa	3,290	3,290	3,290	3,290
Asia-Pacific	3,297	3,297	3,297	3,297
Latin America	3,297	3,297	3,297	3,297
Total	13,118	13,118	13,118	13,118

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply (000s)	Beginning Year 21 Inventory	9,470
	Potential Production (at max OT)	93,120
	Potential Global Supply	102,590
Demand (000s)	Branded Sales Forecast	81,912
	Private-Label Sales Forecast	13,118
	Expected Global Demand	95,030
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	11,400	0	0	0	-5,700	0	0	0	5,700	0	5,700	0	A
B	0	0	12,000	5,000	0	0	0	0	0	0	12,000	5,000	17,000	0	B
C	3,600	2,000	4,800	0	0	0	0	0	3,600	2,000	4,800	0	10,400	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	0	0	9,000	0	0	0	0	0	0	0	9,000	0	9,000	0	E
F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	F
G	3,000	3,000	2,000	2,000	0	0	0	0	3,000	3,000	2,000	2,000	10,000	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	8,000	9,000	0	0	0	0	0	0	8,000	9,000	17,000	0	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	1,400	0	1,900	3,700	1,500	0	0	0	2,900	0	1,900	3,700	8,500	0	L
	8,000	5,000	49,100	19,700	1,500	0	-5,700	0	9,500	5,000	43,400	19,700	77,600	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	355,888	214,160	33,107	34,977	9,020	64,624	13,020	15,481	36,123	53,400	7,500	A
B	880,804	495,720	68,486	133,249	19,420	163,929	19,920	43,203	100,806	45,000	7,500	B
C	628,859	414,104	54,651	103,385	14,020	42,699	12,898	8,940	20,861	0	10,000	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	455,511	297,596	34,353	79,942	11,419	32,201	8,819	7,015	16,367	225	7,500	E
F	0	0	0	0	0	0	0	0	0	0	0	F
G	486,771	255,798	29,837	58,249	12,419	130,468	-417	39,266	91,619	0	35,000	G
H	0	0	0	0	0	0	0	0	0	0	0	H
I	809,451	436,374	51,689	192,364	19,670	109,354	34,658	22,409	52,287	15,000	7,500	I
J	0	0	0	0	0	0	0	0	0	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	500,815	276,978	31,857	126,293	12,120	53,567	5,209	14,207	33,151	1,560	7,800	L
	588,300	341,533	43,426	104,066	14,013	85,263	13,444	21,503	50,173	16,455	11,829	

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	4,525	114,187	279,202	18,091	0	278,388	0	-17,277	261,111	7.12	7 / 1	A
B	29,896	281,641	801,461	61,041	200,000	484,612	0	55,808	540,420	6.00	8 / 2	B
C	32,612	236,011	519,315	54,040	152,000	292,414	0	20,861	313,275	0.00	0 / 1	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	926	155,278	387,266	51,500	140,250	250,405	-71,028	16,139	195,516	0.03	4 / 2	E
F	0	0	0	0	0	0	0	0	0	0.00	0 / 0	F
G	104,285	297,952	579,504	22,989	0	464,896	0	91,619	556,515	0.00	2 / 2	G
H	0	0	0	0	0	0	0	0	0	0.00	0 / 0	H
I	17,832	271,574	851,192	116,038	333,200	382,826	-18,160	37,288	401,954	2.00	6 / 2	I
J	0	0	0	0	0	0	0	0	0	0.00	0 / 0	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	7,190	137,287	356,916	70,649	194,000	223,915	-163,240	31,592	92,267	0.20	4 / 2	L
	28,181	213,419	539,265	56,335	145,636	339,637	-36,061	33,719	337,294	2.19	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	60.2 %	9.3 %	9.8 %	2.5 %	18.2 %	10.2 %	6.31	37	4.96	0.00	0.00	N/A	A
B	56.3	7.8	15.1	2.2	18.6	11.4	4.61	38	8.23	0.28	3.99	Low	B
C	65.9	8.7	16.4	2.2	6.8	3.3	4.37	44	3.31	0.33	2.58	Medium	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	65.3	7.5	17.5	2.5	7.1	3.6	3.02	50	3.65	0.41	2.22	Medium	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	52.5	6.1	12.0	2.6	26.8	18.8	12.96	103	100.00	0.00	10.00	Low	G
H	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	H
I	53.9	6.4	23.8	2.4	13.5	6.5	2.34	49	3.16	0.48	1.03	Medium	I
J	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	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	55.3	6.4	25.2	2.4	10.7	6.6	1.94	6	10.28	0.66	1.20	Medium	L
	58.1 %	7.4 %	17.7 %	2.4 %	14.5 %	8.5 %	3.79	47	19.08	0.31	3.00	Low	

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		9.26	8.22	9.90	10.88	10.56	13.30
	Private-Label Footwear		8.91	5.59	9.36	6.72	10.19	8.82
Labor — North America	Total Compensation (\$/year)		28,427	28,089	37,094	40,889	49,611	56,081
	Productivity (pairs/worker/year)		6,224	6,288	6,445	6,704	6,657	6,936
	Labor Cost (\$/pair produced)		4.92	4.77	6.12	6.41	8.34	8.87
Europe Africa	Total Compensation (\$/year)		27,298	28,593	27,578	28,757	27,857	28,920
	Productivity (pairs/worker/year)		5,289	5,482	5,885	6,084	6,481	6,685
	Labor Cost (\$/pair produced)		4.64	4.67	5.14	5.19	5.64	5.70
Asia Pacific	Total Compensation (\$/year)		7,105	7,132	9,387	10,022	14,390	16,357
	Productivity (pairs/worker/year)		2,703	2,648	3,337	3,423	4,132	4,284
	Labor Cost (\$/pair produced)		2.67	2.66	3.04	3.14	3.88	4.14
Latin America	Total Compensation (\$/year)		7,325	6,982	9,192	9,366	11,621	12,671
	Productivity (pairs/worker/year)		2,824	2,793	3,286	3,338	4,079	4,208
	Labor Cost (\$/pair produced)		2.69	2.68	3.01	2.99	3.51	3.65
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.30	0.00	1.48	0.96	2.50	2.50
	Cumulative		0.45	0.44	1.31	1.25	2.38	2.22
Reject Rates	Branded Production		1.8%	1.6%	5.1%	5.1%	8.7%	9.1%
	Private-Label Production		1.5%	1.8%	2.4%	2.9%	3.9%	4.6%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		26.44	25.02	27.61	28.99	29.49	32.69
	E-A		26.27	24.81	28.95	28.30	31.63	31.79
	A-P		20.57	19.72	23.48	24.09	25.53	28.66
	L.A.		20.89	19.97	22.50	21.90	25.63	24.31
	Private-Label — N.A.		24.31	0.00	24.31	0.00	24.31	0.00
	E-A		25.53	24.20	25.53	24.20	25.53	24.20
	A-P		19.33	16.51	22.54	21.04	27.16	25.50
	L.A.		21.12	16.16	21.17	16.26	21.21	16.36

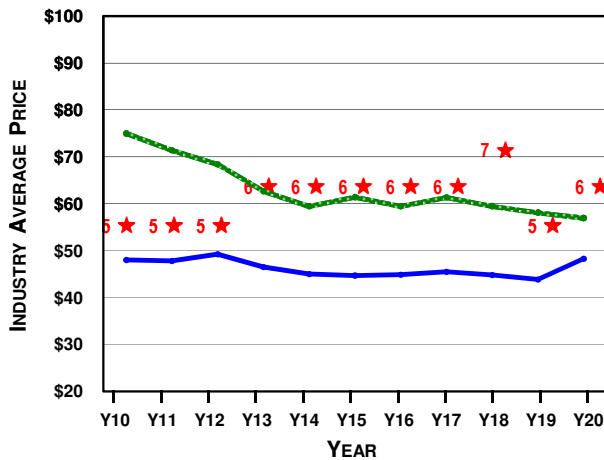
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.55	23.62	26.93	28.07	29.96	32.59
		E-A	28.30	26.68	32.06	32.25	33.70	36.96
		A-P	21.74	21.32	24.93	25.53	27.52	29.00
		L.A.	22.25	21.80	26.53	28.38	30.60	36.15
Warehouse Expenses	Internet (\$ per pair sold)		10.35	12.38	10.58	12.57	10.87	12.84
	Wholesale		1.98	1.99	2.31	2.29	2.73	2.77
Marketing Expenses	Internet (\$ per pair sold)		9.54	9.63	12.90	12.35	20.37	16.27
	Wholesale		7.45	4.38	10.69	8.65	15.14	12.47
Administrative Expenses	(\$/pair sold)		1.10	1.11	1.42	1.31	2.33	1.57
Operating Profit (\$ per pair sold)	Internet	N.A.	-0.23	2.28	12.80	10.58	21.38	22.61
		E-A	3.68	2.63	10.75	10.00	20.30	21.57
		A-P	1.61	10.09	16.93	15.58	28.29	27.69
		L.A.	6.73	3.74	20.60	12.48	35.06	27.52
Wholesale	N.A.		-0.31	1.76	1.48	6.92	5.55	15.72
	E-A		-1.53	1.20	1.02	7.12	3.62	18.79
	A-P		0.43	3.17	3.70	8.14	7.93	14.89
	L.A.		0.78	1.09	6.38	6.13	9.87	12.14
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.05	20.04	24.94	21.81	26.87	25.04
		E-A	27.03	25.70	30.35	26.45	33.33	26.95
		A-P	20.83	18.01	24.04	22.51	28.66	27.00
		L.A.	22.62	17.66	23.53	17.76	25.26	17.86
Warehouse Expenses	(\$ per pair sold)		1.00	1.00	1.04	1.00	1.20	1.00
Margin Over Direct Costs (\$ per pair sold)		N.A.	-2.95	1.60	0.34	5.72	5.90	8.73
		E-A	-2.04	1.51	1.10	3.73	5.99	6.96
		A-P	-0.52	0.44	2.85	1.91	8.47	3.38
		L.A.	-1.35	3.59	1.81	4.68	3.96	5.77

CELEBRITY ENDORSEMENTS

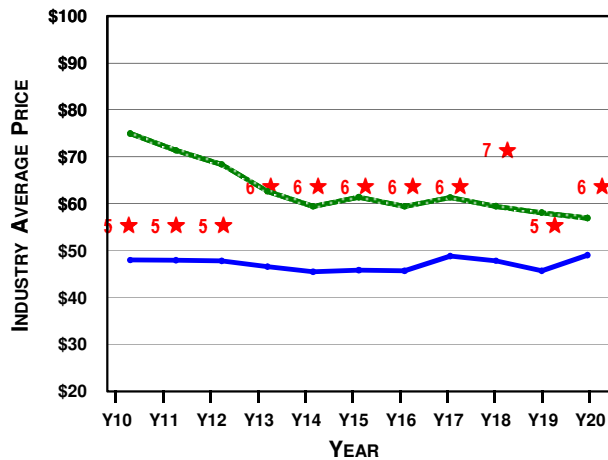
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company G	10,000	Y19	2 years	3	10,000	8,000	8,017	6,050
Oprah Letterman	100	70	65	75	Company A	6,009	Y20	3 years	3	6,009	6,009	4,191	555
Fifa Beckham	70	100	70	55	Company B	13,009	Y16	5 years	7	13,009	12,880	9,935	6,100
Tiger Green	95	80	85	75	Company A	6,009	Y20	2 years	3	6,009	6,009	4,191	555
José Montaña	60	50	60	95	Company I	14,101	Y18	3 years	5	14,101	13,900	11,532	8,609
Kobioshi Jones	55	60	95	90	Company A	6,009	Y20	4 years	3	6,009	6,009	4,191	555
Ace Federar	50	90	50	85	Company A	6,009	Y20	1 year	3	6,009	6,009	4,191	555
Danica Andretti	70	65	55	60	Company I	14,101	Y18	3 years	5	14,101	13,900	11,532	8,609
LaBron Game	75	80	95	50	Company C	15,478	Y19	4 years	5	15,478	14,214	11,748	6,050
Lorena Lopez	45	85	60	100	Company L	12,500	Y19	2 years	3	12,500	10,000	9,517	6,050
Lance deFrance	80	85	75	70	Company A	6,009	Y20	3 years	3	6,009	6,009	4,191	555
Yao KungPao	60	35	100	50	Company A	13,900	Y18	4 years	5	13,900	11,050	9,847	5,678

BRANDED PRICE AND S/Q RATING TRENDS

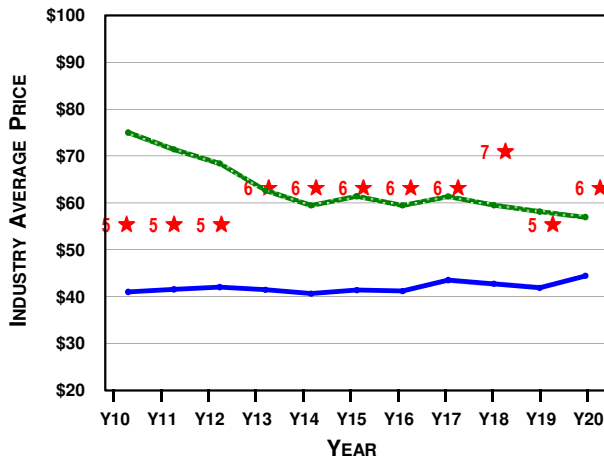
NORTH AMERICA



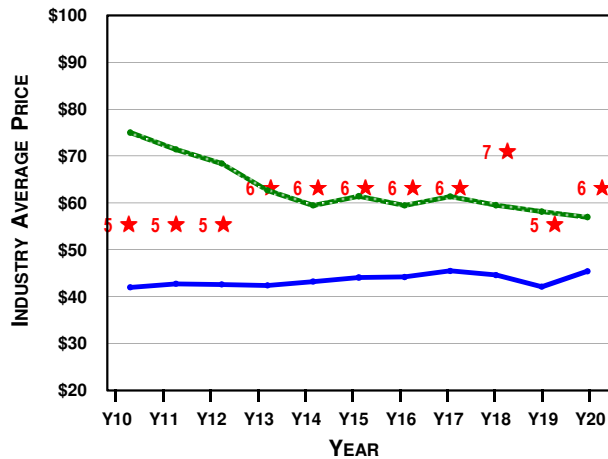
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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