

THE FOOTWEAR INDUSTRY REPORT

The Business Strategy Game © 2005 GLO-BUS Software, Inc. All rights reserved.

INDUSTRY 6

Friday, December 16, 2005

YEAR 20

COMPANY SCORES : INVESTOR EXPECTATIONS STANDARD

Investors and company boards of directors have established annual targets for five key performance measures and the importance weighting of each: EPS (20 points), ROE (20 points), Stock Price (20 points), Credit Rating (20 points), and Image Rating (20 points). The score on a performance measure is equal to the percentage of the target that was achieved. Achieving higher than targeted performance results in bonus awards of 0.5% for each 1% overachieved (capped at 40% over the target). Thus, the Investor Confidence Index ranges from 0 to a max of 120 (if all targets are exceeded by 40% or more).

YEAR 20 INVESTOR CONFIDENCE INDEX

Company Name	Year 20 Index	Change from Y19
Dibby	120	+2
J Company	117	-1
Barefoot Buddies	111	+12
A Asi	92	+8
Footloose	88	+2
Kool Kickz	75	+59
Conquest Footwear	69	-37
Great	58	-8
Essence of Footgear	47	-6
H (deleted)	0	0
I (deleted)	0	0
L (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
J Company	115	0
Dibby	99	+2
Barefoot Buddies	96	+1
Conquest Footwear	85	-2
Footloose	82	+1
A Asi	67	+3
Great	66	-1
Kool Kickz	55	+2
Essence of Footgear	52	-1
H (deleted)	0	0
I (deleted)	0	0
L (deleted)	0	0

COMPANY SCORES : BEST-IN-INDUSTRY PERFORMANCE STANDARD

This scoring standard is based on how well each company performs relative to the best-performing company on EPS, ROE, Stock Price, Credit Rating, and Image Rating. In order to get a score of 100, a company must be the industry leader on all 5 measures, achieve the investor expectations on EPS, ROE, Stock Price, and Image Rating, and have an A+ Credit Rating. Scores of 70 and higher indicate strong overall performance; companies with low scores (<50) trail the industry leaders by a significant margin. Each company's annual and overall scores are shown on the next two pages.

YEAR 20 PERFORMANCE RANKINGS

Company Name	Year 20 Score	Change from Y19
J Company	96	-1
Dibby	85	+3
Barefoot Buddies	65	+15
A Asi	52	+4
Footloose	50	+2
Kool Kickz	44	+34
Conquest Footwear	43	-14
Great	39	-3
Essence of Footgear	34	-1
H (deleted)	0	0
I (deleted)	0	0
L (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
J Company	96	-1
Dibby	77	0
Barefoot Buddies	63	+5
Footloose	51	-1
Conquest Footwear	49	-9
Great	45	-1
A Asi	43	+1
Kool Kickz	40	+15
Essence of Footgear	39	0
H (deleted)	0	0
I (deleted)	0	0
L (deleted)	0	0

EARNINGS PER SHARE (\$)

Bold numbers indicate achievement of the investor expectation for EPS shown below each column head. Best-in-industry performers earn a score of 20 (equal to a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading EPS performance. The overall best-in-industry score is based on a weighted average of the annual EPS performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall	Best-In-Ind. Score		
	(2.67)	(2.85)	(3.05)	(3.26)	(3.49)	(3.66)	(3.84)	(4.03)	(4.23)	(4.44)	(3.55)	Year 20	Overall	
A	1.86	1.91	2.75	0.24	0.05	-4.42	2.66	3.38	2.85	3.84	1.69	5	4	A
B	3.68	1.54	2.03	3.26	2.57	4.75	4.37	9.43	4.49	8.04	4.24	11	10	B
C	3.95	1.56	3.12	1.35	0.56	1.94	2.18	6.90	4.70	2.63	2.87	4	7	C
D	2.66	2.11	3.02	0.92	2.14	5.48	6.60	10.25	10.07	10.97	5.05	15	12	D
E	2.23	0.98	2.02	-0.18	-1.06	0.16	0.58	1.94	0.64	0.28	0.79	0	2	E
F	2.28	1.34	2.28	2.32	2.94	3.06	3.44	2.53	3.58	4.07	2.83	6	7	F
G	1.94	2.34	2.03	0.61	0.83	0.55	0.72	4.78	1.40	1.13	1.64	2	4	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	H
I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	I
J	4.30	4.60	6.49	5.16	5.46	8.04	8.16	14.32	14.63	14.54	8.28	20	20	J
K	3.39	2.20	3.53	3.10	1.12	0.08	-0.06	0.25	-0.17	2.78	1.71	4	4	K
L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	L

RETURN ON EQUITY (%)

Bold numbers indicate achievement of the investor expectation for ROE shown below each column head. Best-in-industry performers earn a score of 20 (equal to a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading ROE performance. The overall best-in-industry score is based on a weighted average of the annual ROE performances.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall	Best-In-Ind. Score		
	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)	Year 20	Overall	
A	11.9	11.2	14.2	1.1	0.2	-34.4	24.8	23.8	17.6	20.4	10.2	17	9	A
B	22.4	9.0	10.7	15.2	10.4	17.0	13.8	24.2	10.4	16.3	14.4	14	13	B
C	23.0	8.2	15.1	6.1	2.6	9.0	9.5	25.5	14.3	7.4	11.4	6	10	C
D	16.1	11.1	13.8	4.1	9.4	18.8	20.7	25.2	22.4	22.1	16.8	19	15	D
E	14.2	5.8	11.3	-0.9	-6.1	0.9	3.3	10.4	3.1	1.4	4.4	1	4	E
F	14.5	8.6	13.5	11.9	13.0	13.4	14.0	10.7	11.6	12.3	11.6	10	10	F
G	12.4	13.3	10.5	3.0	3.9	2.5	3.2	18.9	4.9	3.6	7.2	3	7	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	H
I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	I
J	24.9	22.2	26.9	19.2	16.8	21.4	19.7	27.8	25.0	23.8	22.1	20	20	J
K	21.3	13.9	23.5	19.6	7.0	0.5	-0.4	1.6	-1.1	16.6	10.8	14	10	K
L	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	L

STOCK PRICE (\$ per share)

Bold numbers indicate achievement of the investor expectation for stock price shown below each column head. Best-in-industry performers earn a score of 20 (which equals a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading stock price. The overall best-in-industry score is based solely on the most recent year's stock price.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Avg Annual Change	Best-In-Ind. Score		
	(32.00)	(34.25)	(36.75)	(39.25)	(42.00)	(44.25)	(46.25)	(48.75)	(51.25)	(53.50)		Year 20	Overall	
A	19.27	18.76	28.68	16.38	9.74	6.42	26.88	44.72	34.68	44.51	+4 %	3	3	A
B	60.76	30.03	19.60	33.44	29.98	65.10	52.98	159.32	63.97	110.54	+14	7	7	B
C	65.52	31.62	38.37	21.32	12.33	23.17	26.77	114.32	59.69	29.42	-0	2	2	C
D	31.28	19.71	33.63	18.80	22.78	79.61	106.57	213.99	207.28	181.30	+20	12	12	D
E	25.00	14.31	18.34	11.12	6.58	4.75	5.53	27.21	15.85	9.26	-11	1	1	E
F	26.39	14.78	22.33	24.11	35.45	36.17	46.78	29.92	45.65	47.71	+5	3	3	F
G	19.71	24.56	19.74	11.77	7.80	5.42	7.80	41.23	21.73	13.06	-8	1	1	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	H
I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	I
J	71.81	80.53	127.08	77.61	72.97	129.33	130.99	262.48	307.63	298.96	+26	20	20	J
K	63.50	31.19	46.12	32.00	18.00	10.79	6.85	4.65	5.39	28.43	-1	2	2	K
L	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0 %	0	0	L

CREDIT RATING

Bolded credit ratings indicate meeting or beating the B+ investor expectation shown below each column head. For the best-in-industry scoring, companies with an A+ credit rating earn a score of 20 (which equals a 20% weighting in overall score). Lesser credit ratings earn lower scores. The overall best-in-industry score is based solely on the most recent year's credit rating.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Default Risk	Best-In-Ind. Score		
	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)	(B+)		Year 20	Overall	
A	B	B	C+	C-	C-	C-	B-	B+	B	B	High	14	14	A
B	B+	C+	B-	B+	A	A	A	A	A-	A	Low	19	19	B
C	A-	B	A-	B	A-	A+	A+	A+	B+	B-	High	11	11	C
D	A-	B	A-	C	A	A	A+	A+	A+	A+	Low	20	20	D
E	B	B-	B+	C-	C-	B-	A+	A+	A+	A+	Low	20	20	E
F	B-	C+	B	B	B	C+	C	C+	B-	B-	Medium	11	11	F
G	B-	B+	B+	C+	B	B+	A+	A+	A+	A-	High	18	18	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	H
I	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	I
J	A-	A-	A-	B+	A-	A	A	A+	A+	A+	Low	20	20	J
K	B	C-	C-	C-	C-	C-	C-	C-	C-	B	Medium	14	14	K
L	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	L

IMAGE RATING

Bolded image ratings indicate meeting or beating the 70 target image rating shown below each column head. Best-in-industry performers earn a score of 20 (equal to a 20% weighting in overall score). Scores of other companies are a percentage of the industry-leading image rating. Overall best-in-industry scores are based on the average of the image ratings in Y18, Y19, and Y20.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Overall	Best-In-Ind. Score		
	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)		Year 20	Overall	
A	65	69	76	83	74	82	68	67	68	64	66	13	13	A
B	72	71	76	64	59	58	63	68	71	68	69	14	14	B
C	72	64	65	58	70	71	73	88	96	100	95	20	19	C
D	76	60	77	64	73	81	86	85	86	96	89	19	18	D
E	65	67	66	59	65	65	61	58	57	60	58	12	12	E
F	88	86	95	100	100	100	100	100	100	100	100	20	20	F
G	60	70	62	66	70	64	71	73	73	75	74	15	15	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	74	78	72	78	78	73	83	80	86	78	81	16	16	J
K	69	70	77	65	75	66	68	54	50	50	51	10	10	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	L

INVESTOR CONFIDENCE INDEX

The degree to which a company meets or beats the annual targets for each performance measure drives investor confidence in management's ability to deliver good results. An index score below 70 indicates subpar achievement of the annual performance targets. Index scores of 100 or more reflect consistently excellent or superior performance in meeting investor expectations.

	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Average Index	Overall Confidence	
	A	77	75	82	32	26	25	81	98	84			
B	112	69	71	95	83	108	101	114	99	111	96	Very Good	B
C	114	74	101	60	54	77	80	119	106	69	85	Good	C
D	104	75	99	43	79	116	118	118	118	120	99	Very Good	D
E	87	54	77	23	22	35	50	76	53	47	52	Subpar	E
F	87	59	85	82	91	83	85	71	86	88	82	Good	F
G	73	88	76	41	50	46	55	106	66	58	66	Subpar	G
H	0	0	0	0	0	0	0	0	0	0	0	N/A	H
I	0	0	0	0	0	0	0	0	0	0	0	N/A	I
J	115	115	114	112	112	115	116	117	118	117	115	Superior	J
K	107	72	90	77	45	25	22	20	16	75	55	Subpar	K
L	0	0	0	0	0	0	0	0	0	0	0	N/A	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	24,640	2,400	69,889	11,520	108,449
– Pairs Rejected	1,236	173	4,811	782	7,002
Net Y20 Production (after rejects)	23,404	2,227	65,078	10,738	101,447
Superior Materials Usage	52.5%	14.0%	43.6%	31.8%	43.7%
Capacity Utilization (branded + P-L prod.)	119.0%	120.0%	118.9%	120.0%	119.0%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	9.00	+ 1.13	+ 0.81	10.94
Superior Materials	17.50	- 0.55	+ 1.58	18.53

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	4,913	4,198	4,450	2,406	15,967
– Pairs Cleared (inventory clearance)	1,042	949	1,444	528	3,963
Beginning Y20 Inventories	3,871	3,249	3,006	1,878	12,004
+ New Production (shipped from plants)	21,208	23,678	23,339	22,302	90,527
Pairs Available for Sale in Y20	25,079	26,927	26,345	24,180	102,531

BRANDED DEMAND & SALES (000s of pair)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Projected 20 Demand (see Y19 FIR)	20,863	22,230	21,500	20,344	84,937
Actual Year 20 Demand	20,898	21,978	21,489	20,622	84,988
Branded Pairs Sold	20,893	21,979	21,488	20,607	84,967
Required Y20 Ending Inventories	2,018	2,121	1,961	1,957	8,057
Inventory Surplus (Shortfall)	2,043	2,827	2,896	1,411	9,177

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 6.5%
- Available for shipment to warehouses
- % usage down by 2.1 points from Y19
- % utilization up by 5.7 points over Y19

Lower than normal (43.7% industrywide) superior materials usage led to superior materials prices that were 3.2% below the base and standard materials prices that were 12.6% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 9.0% from the base.

- Average inventory clearance of 24.8%
- 20.6% higher than Y20 demand
- Actual demand in Year 20 was 0.1% greater than expected.
- Needed to achieve delivery times
- { Okay in N.A. High in E-A
High in A-P Okay in L.A.

DEMAND FORECAST (000s of pair)

	Year 21	Year 22	Year 23	Year 24
Branded — North America	21,734	22,603	23,507	24,447
(internet + wholesale) Europe-Africa	22,857	23,771	24,722	25,711
Asia-Pacific	22,779	24,146	25,595	27,131
Latin America	21,860	23,172	24,562	26,036
Total	89,230	93,692	98,386	103,325
Private-Label — North America	4,230	4,230	4,230	4,230
Europe-Africa	4,230	4,230	4,230	4,230
Asia-Pacific	4,230	4,230	4,230	4,230
Latin America	4,230	4,230	4,230	4,230
Total	16,920	16,920	16,920	16,920

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory	17,234
(000s) Potential Production (at max OT)	109,320
Potential Global Supply	126,554
Demand — Branded Sales Forecast	89,230
(000s) Private-Label Sales Forecast	16,920
Expected Global Demand	106,150
Conclusion:	Currently, there is a good balance between supply and demand, given available capacity w/OT. However, growth-minded companies should consider construction of new capacity now to meet future demand.

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	2,000	2,000	4,000	2,000	0	0	0	0	2,000	2,000	4,000	2,000	10,000	0	A
B	0	0	12,000	0	0	0	0	0	0	0	12,000	0	12,000	0	B
C	3,900	0	8,100	0	2,000	0	0	0	5,900	0	8,100	0	14,000	0	C
D	0	0	8,600	0	0	0	1,000	0	0	0	9,600	0	9,600	0	D
E	2,000	0	3,200	0	0	0	0	0	2,000	0	3,200	0	5,200	0	E
F	8,200	0	8,800	2,500	-2,000	0	0	0	6,200	0	8,800	2,500	17,500	0	F
G	3,600	0	5,300	0	0	0	0	0	3,600	0	5,300	0	8,900	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	0	0	6,200	6,000	0	0	-900	-900	0	0	5,300	5,100	10,400	0	J
K	1,500	0	4,000	0	-500	0	-1,500	0	1,000	0	2,500	0	3,500	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	21,200	2,000	60,200	10,500	-500	0	-1,400	-900	20,700	2,000	58,800	9,600	91,100	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	597,559	320,811	48,429	111,596	12,419	104,304	13,663	27,192	63,449	0	16,526	A
B	538,985	316,546	42,537	70,599	14,421	94,882	8,736	25,844	60,302	0	7,500	B
C	754,941	543,384	62,536	86,962	16,421	45,638	10,631	10,502	24,505	0	9,325	C
D	593,874	340,792	41,517	82,116	12,018	117,431	-135	35,270	82,296	7,500	7,500	D
E	291,478	183,557	25,119	72,222	7,619	2,961	-192	946	2,207	0	7,800	E
F	905,013	518,762	60,777	209,026	19,917	96,531	26,112	21,126	49,293	18,150	12,100	F
G	480,273	309,727	30,883	114,286	11,319	14,058	507	4,065	9,486	0	8,420	G
H	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	0	0	0	0	0	0	0	0	0	I
J	680,297	325,137	53,597	129,014	12,819	159,730	3,977	46,726	109,027	60,000	7,500	J
K	227,776	139,884	20,267	19,893	5,918	41,814	11,440	8,714	21,660	7,800	7,800	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	563,355	333,178	42,851	99,524	12,541	75,261	8,304	20,043	46,914	10,383	9,386	

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	233,791	507,281	128,201	71,300	312,928	-68,598	63,451	307,780	0.00	0 / 1	A
B	19,852	262,608	559,718	64,234	95,850	339,291	0	60,343	399,634	0.00	0 / 1	B
C	0	292,905	620,286	135,238	113,400	291,521	55,619	24,507	371,648	0.00	3 / 3	C
D	0	190,820	425,020	48,140	0	366,755	-64,671	74,796	376,880	1.00	3 / 3	D
E	2,902	105,774	175,824	22,158	0	161,702	-10,242	2,206	153,666	0.00	2 / 2	E
F	0	277,738	721,155	119,736	198,800	400,225	-28,746	31,140	402,619	1.50	3 / 1	F
G	0	176,110	327,254	71,492	0	265,776	-19,501	9,487	255,762	0.00	0 / 1	G
H	0	0	0	0	0	0	0	0	0	0.00	0 / 0	H
I	0	0	0	0	0	0	0	0	0	0.00	0 / 0	I
J	5,230	215,017	521,429	44,596	76,500	515,376	-164,070	49,027	400,333	8.00	7 / 1	J
K	58,610	129,905	216,384	29,655	49,000	123,871	0	13,858	137,729	1.00	2 / 4	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	9,622	209,408	452,706	73,717	67,206	308,605	-33,357	36,535	311,783	1.28	2 / 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	53.7 %	8.1 %	18.7 %	2.1 %	17.5 %	10.6 %	1.82	114	7.63	0.33	0.96	High	A
B	58.7	7.9	13.1	2.7	17.6	11.2	4.09	124	10.86	0.22	3.39	Low	B
C	72.0	8.3	11.5	2.2	6.0	3.2	2.17	74	4.29	0.29	0.74	High	C
D	57.4	7.0	13.8	2.0	19.8	13.9	3.96	53	100.00	0.01	19.11	Low	D
E	63.0	8.6	24.8	2.6	1.0	0.8	4.77	73	100.00	0.00	10.00	Low	E
F	57.3	6.7	23.1	2.2	10.7	5.4	2.32	55	3.70	0.36	1.11	Medium	F
G	64.5	6.4	23.8	2.4	2.9	2.0	2.46	76	27.73	0.09	0.95	High	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	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	47.8	7.9	19.0	1.9	23.5	16.0	4.82	47	40.16	0.16	8.64	Low	J
K	61.4	8.9	8.7	2.6	18.4	9.5	4.38	44	3.66	0.31	1.16	Medium	K
L	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	L
	59.1 %	7.6 %	17.7 %	2.2 %	13.4 %	1.8 %	2.84	73	33.11	0.20	5.12	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		10.30	11.23	11.88	14.10	14.19	17.87
	Private-Label Footwear		8.73	9.51	11.07	12.84	13.11	15.82
Labor — North America	Total Compensation (\$/year)		18,440	18,654	21,134	21,709	24,811	25,435
	Productivity (pairs/worker/year)		4,169	4,261	4,442	4,596	5,296	5,396
	Labor Cost (\$/pair produced)		4.56	4.44	5.16	5.12	5.56	5.77
Europe Africa	Total Compensation (\$/year)		20,873	21,110	20,873	21,110	20,873	21,110
	Productivity (pairs/worker/year)		4,451	4,516	4,451	4,516	4,451	4,516
	Labor Cost (\$/pair produced)		5.18	5.16	5.18	5.16	5.18	5.16
Asia Pacific	Total Compensation (\$/year)		3,640	3,972	4,695	4,873	5,985	6,033
	Productivity (pairs/worker/year)		2,344	2,366	2,725	2,749	3,180	3,225
	Labor Cost (\$/pair produced)		1.47	1.53	1.84	1.85	2.36	2.36
Latin America	Total Compensation (\$/year)		4,080	4,102	4,830	4,773	6,016	5,716
	Productivity (pairs/worker/year)		2,790	2,771	2,837	2,824	2,920	2,924
	Labor Cost (\$/pair produced)		1.54	1.57	1.81	1.81	2.31	2.24
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.23	0.10	0.73	0.77	1.60	1.60
	Cumulative		0.57	0.50	0.72	0.73	0.97	1.08
Reject Rates	Branded Production		3.4%	3.4%	6.4%	6.4%	10.0%	9.6%
	Private-Label Production		3.0%	3.1%	5.0%	4.8%	8.9%	8.8%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	24.05	25.86	30.97	31.42	41.75	37.50
		E-A	26.70	28.15	26.70	28.15	26.70	28.15
		A-P	19.34	20.47	23.66	25.39	28.13	30.15
		L.A.	19.45	21.64	21.77	23.54	24.19	26.01
	Private-Label	N.A.	20.42	22.37	25.77	22.37	31.11	22.37
		E-A	0.00	0.00	0.00	0.00	0.00	0.00
		A-P	17.63	18.95	22.98	23.94	28.11	27.18
		L.A.	22.00	23.99	22.00	23.99	22.00	23.99

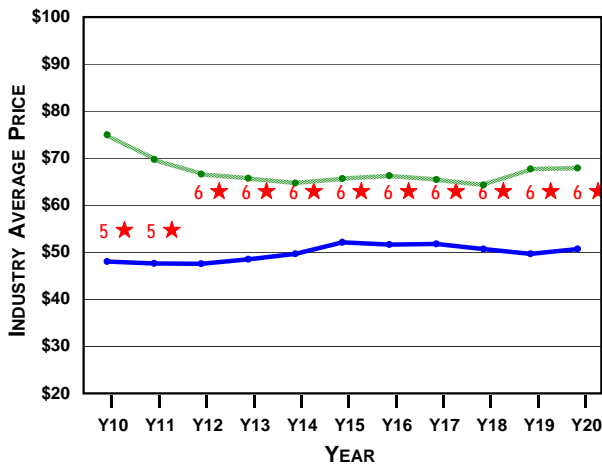
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.80	25.03	30.98	32.00	42.78	40.54
		E-A	26.35	26.53	30.35	31.29	33.48	35.72
		A-P	22.00	22.81	26.07	27.69	29.59	32.14
		L.A.	21.95	23.90	31.61	33.34	38.40	40.23
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale		15.37	15.43	15.65	15.66	16.30	16.32
			2.06	2.07	2.44	2.44	3.26	3.30
Marketing Expenses — Internet (\$ per pair sold)	Wholesale		12.10	8.61	16.57	14.83	26.89	17.94
			5.25	3.14	10.71	9.87	17.46	16.71
Administrative Expenses (\$/pair sold)		1.17	1.07	1.49	1.38	2.02	1.66	
Operating Profit (\$ per pair sold)	Internet	N.A.	1.67	-3.68	14.09	13.06	25.41	23.76
		E-A	7.36	7.86	14.46	16.62	21.77	23.51
		A-P	13.96	9.97	21.01	19.32	27.89	26.32
		L.A.	4.00	-2.17	14.39	11.62	28.16	24.75
Wholesale	N.A.	-1.56	-1.49	3.20	3.44	11.23	10.27	
	E-A	0.20	2.32	4.98	7.85	11.72	15.40	
	A-P	1.24	0.38	8.13	8.42	14.35	18.06	
	L.A.	-0.35	-2.85	5.07	5.32	14.20	13.28	
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.92	24.87	28.27	25.99	33.61	27.11
		E-A	24.61	25.07	30.10	30.49	35.37	33.14
		A-P	20.13	21.45	23.51	25.31	28.25	29.08
		L.A.	24.50	26.49	28.60	30.64	36.27	37.12
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.	-0.61	1.13	0.68	7.91	1.96	14.68
		E-A	-7.70	-6.27	2.78	-0.27	9.04	2.66
		A-P	-1.91	-4.23	1.31	7.49	3.04	16.80
		L.A.	-9.55	-11.65	-0.88	0.60	4.22	8.13

CELEBRITY ENDORSEMENTS

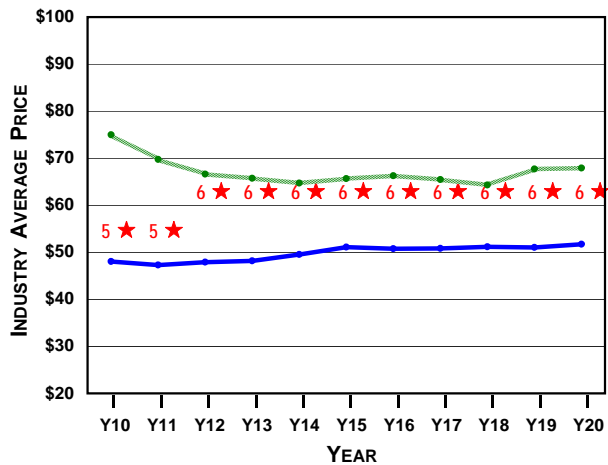
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2ND BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company A	8,712	Y19	2 years	5	8,712	8,000	6,540	500
Oprah Letterman	100	70	65	75	Company K	8,000	Y20	3 years	2	8,000	666	4,333	666
Annika Stockholm	70	100	70	55	Company F	17,710	Y18	5 years	4	17,710	14,710	12,481	4,000
Tiger Green	95	80	85	75	Company K	8,000	Y20	2 years	2	8,000	666	4,333	666
José Montaña	60	50	60	95	Company J	15,710	Y18	3 years	3	15,710	11,304	10,338	4,000
Karioki Footsu	55	60	95	90	Company F	36,710	Y18	4 years	4	36,710	15,710	16,931	4,000
Jaques LaFeet	50	90	50	85	Company D	666	Y20	1 year	2	8,000	666	4,333	666
Serenus Willson	70	65	55	60	Company D	6,888	Y18	3 years	3	12,710	6,888	7,866	4,000
Natalie Kwan	75	80	95	50	Company D	666	Y20	4 years	2	8,000	666	4,333	666
Sergio Milano	45	85	60	100	Company A	12,721	Y19	2 years	5	12,721	10,710	7,942	500
Lance deFrance	80	85	75	70	Company D	666	Y20	3 years	2	8,000	666	4,333	666
Yao KungPao	60	35	100	50	Company J	13,710	Y18	4 years	3	13,710	6,888	8,199	4,000

BRANDED PRICE AND S/Q RATING TRENDS

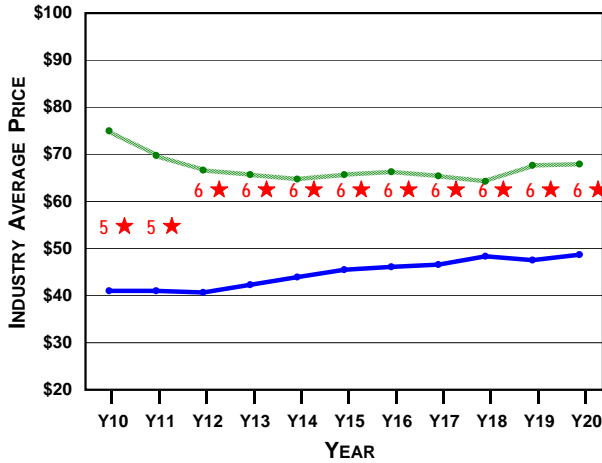
NORTH AMERICA



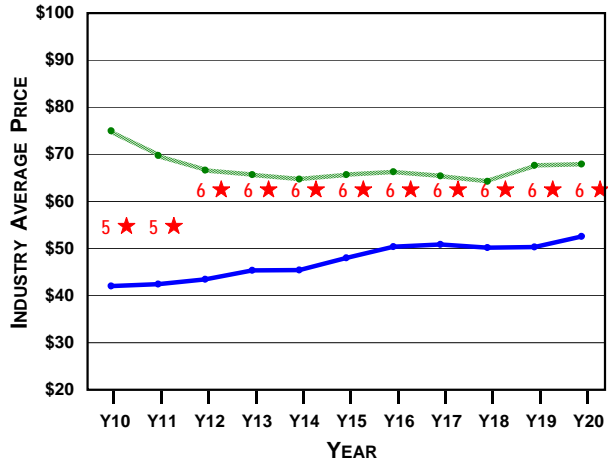
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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