

THE FOOTWEAR INDUSTRY REPORT

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

INDUSTRY 9

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
Leduck	118	0
Just for Kicks	116	+5
B M F Kicks	115	+6
EverLast	110	+9
H i-Toppers	108	+2
Down in Africa	108	-1
G FORCE	86	-7
IUPUC	84	-4
Klueless	45	-41
Chuck Norris Inc.	26	0
A Company	19	0
Fubarred	18	-6

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Leduck	106	+2
B M F Kicks	97	+2
Down in Africa	78	+3
Just for Kicks	78	+4
H i-Toppers	76	+4
IUPUC	73	+1
G FORCE	67	+2
EverLast	62	+5
Klueless	52	-1
Chuck Norris Inc.	46	-2
Fubarred	41	-2
A Company	26	-1

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
Leduck	87	-1
H i-Toppers	78	+3
B M F Kicks	72	+9
Just for Kicks	71	+6
Down in Africa	62	-8
EverLast	60	+5
IUPUC	51	-7
G FORCE	47	-5
Klueless	31	-17
Chuck Norris Inc.	21	0
A Company	13	0
Fubarred	12	-6

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Leduck	94	0
B M F Kicks	76	+6
H i-Toppers	74	+3
Just for Kicks	70	+5
Down in Africa	67	-3
EverLast	60	+8
IUPUC	58	+8
G FORCE	53	-2
Klueless	37	-8
Chuck Norris Inc.	21	0
Fubarred	16	-2
A Company	13	+1

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	1.39	1.27	0.57	-2.39	-2.59	-0.82	-1.32	-0.63	-0.19	-0.25	-0.50	0	0	A
B	3.36	2.01	2.54	2.09	2.13	3.84	4.82	6.32	5.02	7.47	3.89	15	14	B
C	3.61	1.76	2.80	1.46	#####	-4.23	#####	#####	#####	-8.02	-7.65	0	0	C
D	2.72	1.41	2.31	1.76	1.28	2.41	2.88	5.85	6.81	5.79	3.25	12	12	D
E	2.30	2.24	0.87	1.09	-0.09	1.10	0.71	3.76	4.67	5.11	2.14	10	8	E
F	2.34	5.14	-2.29	-7.00	#####	-7.01	-9.59	-5.78	-3.76	-1.71	-4.89	0	0	F
G	2.35	2.09	0.75	0.58	0.87	1.86	2.51	3.07	3.57	3.31	2.10	7	8	G
H	3.22	2.45	3.22	1.49	-0.57	2.37	-1.46	6.14	6.00	6.49	2.89	13	10	H
I	2.39	1.94	2.77	0.11	0.59	2.33	3.30	2.87	3.81	1.95	2.03	4	7	I
J	2.10	0.19	1.70	0.97	2.69	2.14	2.44	4.56	4.73	5.94	2.56	12	9	J
K	1.38	0.09	1.49	-0.04	-0.88	0.16	1.69	3.13	2.91	0.34	1.03	1	4	K
L	5.08	4.13	3.41	1.76	3.91	5.29	5.76	8.91	8.36	10.00	5.56	20	20	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	9.0	7.8	4.0	-19.5	-29.6	-14.7	-32.7	-20.0	-6.9	-9.2	-8.5	0	0	A
B	20.6	10.9	12.1	9.2	8.6	13.9	15.3	18.2	13.5	17.9	13.8	7	12	B
C	21.3	9.3	13.0	7.8	-368.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	C
D	17.6	11.4	16.8	11.6	8.4	13.8	14.8	25.1	27.9	24.4	17.9	10	15	D
E	14.5	13.0	5.9	7.7	-0.6	7.2	4.4	21.4	22.3	22.1	12.4	9	11	E
F	14.8	28.5	-18.3	-92.2	-682.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	F
G	15.0	13.3	6.3	4.9	6.8	13.3	15.8	16.9	16.6	13.4	12.8	5	11	G
H	20.1	18.0	29.8	13.8	-5.0	20.1	-11.6	53.4	46.1	48.8	23.6	20	20	H
I	15.7	17.0	21.9	0.9	4.3	13.7	16.2	22.6	42.7	16.9	14.2	7	12	I
J	13.4	1.2	10.9	6.0	15.4	11.4	11.7	21.6	22.8	24.4	13.8	10	12	J
K	8.7	0.5	8.6	-0.2	-5.0	0.9	9.3	15.2	12.3	1.3	5.2	1	4	K
L	30.9	25.0	15.4	7.3	12.9	16.1	14.7	21.5	17.5	18.1	16.3	7	14	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	16.95	12.33	7.31	4.85	5.75	4.75	5.22	4.65	5.61	4.55	-17 %	1	1	A
B	61.19	29.44	23.69	18.80	21.39	49.05	86.91	130.52	73.15	119.60	+15	15	15	B
C	56.78	28.37	27.73	15.97	9.26	5.68	4.70	5.34	4.60	4.99	-16	1	1	C
D	29.04	16.51	23.50	17.69	12.84	26.23	34.60	84.96	102.93	84.89	+11	11	11	D
E	24.99	24.19	14.07	9.33	5.71	11.01	7.48	39.34	64.73	76.80	+10	10	10	E
F	27.67	93.14	40.00	21.51	12.88	8.06	5.09	4.65	4.75	5.11	-16	1	1	F
G	29.49	22.61	12.77	7.42	5.73	20.44	35.18	42.99	44.17	36.56	+2	5	5	G
H	56.54	28.02	40.05	21.76	12.21	22.88	13.71	69.03	111.82	127.50	+16	16	16	H
I	25.89	23.16	31.66	17.68	10.62	23.07	38.83	32.87	45.91	23.69	-2	3	3	I
J	23.98	13.90	16.95	10.34	33.66	23.08	34.20	66.85	76.44	104.65	+13	13	13	J
K	16.41	9.90	13.37	8.55	5.33	4.75	21.16	44.63	39.78	21.46	-3	3	3	K
L	86.65	52.91	36.04	19.89	41.49	72.45	83.59	183.28	159.56	155.89	+18 %	20	20	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	C+	C	C-	C-	C-	C-	C-	C-	C-	C-	High	0	0	A
B	A-	B	B-	B	A-	A	A	A+	A+	A+	Low	20	20	B
C	A-	C+	C	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	C
D	C+	C-	C-	C-	C-	C	B-	B+	B+	B+	Medium	17	17	D
E	C+	C	C-	C-	C-	C-	C-	C+	B	A	Low	19	19	E
F	B-	C+	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	F
G	B-	C	C-	C-	C	B	B	B	B+	B+	Medium	17	17	G
H	B	C	C	C-	C-	C+	C-	B-	B	B	Medium	14	14	H
I	C+	C-	C-	C-	C	B+	B	C-	C	A-	Low	18	18	I
J	B-	C-	C	C-	C	B	A-	A-	B+	A	Low	19	19	J
K	C+	C-	B	C-	C-	B-	A+	A	A	B	Medium	14	14	K
L	B+	B	C+	C+	A-	A+	A+	A+	A+	A+	Low	20	20	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	57	64	55	61	54	56	52	59	59	61	60	12	12	A
B	87	77	64	59	66	64	76	76	79	75	77	15	15	B
C	71	84	66	70	62	79	100	100	100	100	100	20	20	C
D	65	79	65	67	70	66	64	60	60	59	60	12	12	D
E	69	83	83	62	69	62	58	57	58	58	58	12	12	E
F	90	59	65	72	92	100	88	87	83	55	75	11	15	F
G	66	71	59	52	47	59	57	57	63	66	62	13	12	G
H	74	70	48	55	55	55	64	67	64	73	68	15	14	H
I	77	71	89	97	71	82	82	82	99	93	91	19	18	I
J	77	73	65	61	78	67	79	83	86	86	85	17	17	J
K	65	72	68	65	55	64	52	59	60	59	59	12	12	K
L	82	60	60	83	84	92	97	96	99	100	98	20	20	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	57	48	29	19	18	18	17	19	19			
B	115	83	76	68	74	101	111	115	109	115	97	Very Good	B
C	114	71	73	47	22	24	26	26	26	26	46	Subpar	C
D	87	56	68	54	44	66	80	109	109	108	78	Fair	D
E	80	73	44	40	23	39	30	83	101	110	62	Subpar	E
F	90	97	40	31	29	28	25	24	24	18	41	Subpar	F
G	87	70	37	30	34	70	81	86	93	86	67	Subpar	G
H	106	79	84	54	22	70	24	103	106	108	76	Fair	H
I	83	69	82	35	38	83	93	73	88	84	73	Fair	I
J	82	31	58	36	76	72	87	113	111	116	78	Fair	J
K	59	28	63	23	19	34	69	94	86	45	52	Subpar	K
L	114	105	86	61	102	116	116	120	118	118	106	Excellent	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	29,418	17,640	64,033	17,041	128,132
– Pairs Rejected	692	403	3,721	812	5,628
Net Y20 Production (after rejects)	28,726	17,237	60,312	16,229	122,504
Superior Materials Usage	33.2%	39.3%	50.0%	41.9%	43.6%
Capacity Utilization (branded + P-L prod.)	117.2%	120.0%	118.4%	120.0%	118.5%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	9.00	+ 1.15	+ 0.77	10.92
Superior Materials	17.50	- 0.56	+ 1.49	18.43

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	2,257	2,708	3,808	2,052	10,825
– Pairs Cleared (inventory clearance)	1,641	1,706	2,151	1,088	6,586
Beginning Y20 Inventories	616	1,002	1,657	964	4,239
+ New Production (shipped from plants)	30,756	30,149	27,666	23,679	112,250
Pairs Available for Sale in Y20	31,372	31,151	29,323	24,643	116,489

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)	26,021	26,595	24,591	24,412	101,619
Actual Year 20 Demand	26,088	26,304	24,831	24,923	102,145
Branded Pairs Sold	25,092	25,726	23,922	23,110	97,850
Required Y20 Ending Inventories	1,718	1,335	1,753	1,349	6,155
Inventory Surplus (Shortfall)	1,803	1,961	1,859	-2,431	3,192

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.4%
- Available for shipment to warehouses
- % usage down by 8.7 points from Y19
- % utilization up by 7.0 points over Y19

Lower than normal (43.6% industrywide) superior materials usage led to superior materials prices that were 3.2% below the base and standard materials prices that were 12.8% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 8.5% from the base.

- Average inventory clearance of 60.8%
- 14.0% higher than Y20 demand
- Actual demand in Year 20 was 0.5% greater than expected.
- Needed to achieve delivery times
- { Okay in N.A. Okay 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	27,132	28,217	29,346	30,520
(internet + wholesale) Europe-Africa	27,356	28,450	29,588	30,772
Asia-Pacific	26,320	27,899	29,573	31,347
Latin America	26,418	28,003	29,683	31,464
Total	107,226	112,569	118,190	124,103
Private-Label — North America	5,640	5,640	5,640	5,640
Europe-Africa	5,640	5,640	5,640	5,640
Asia-Pacific	5,640	5,640	5,640	5,640
Latin America	5,640	5,640	5,640	5,640
Total	22,560	22,560	22,560	22,560

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory	11,778
(000s) Potential Production (at max OT)	129,720
Potential Global Supply	141,498
Demand — Branded Sales Forecast	107,226
(000s) Private-Label Sales Forecast	22,560
Expected Global Demand	129,786
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	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	0	A
B	0	2,500	7,100	1,000	0	0	-3,100	0	0	2,500	4,000	1,000	7,500	0	B
C	9,200	9,200	7,000	5,300	0	0	0	0	9,200	9,200	7,000	5,300	30,700	0	C
D	0	1,000	4,100	2,000	0	0	0	0	0	1,000	4,100	2,000	7,100	0	D
E	0	0	2,900	2,700	0	0	0	0	0	0	2,900	2,700	5,600	0	E
F	0	0	4,000	0	0	0	0	0	0	0	4,000	0	4,000	0	F
G	3,100	2,000	1,000	0	300	0	300	0	3,400	2,000	1,300	0	6,700	0	G
H	0	0	6,700	0	0	0	0	0	0	0	6,700	0	6,700	0	H
I	11,100	0	0	0	-5,100	0	0	0	6,000	0	0	0	6,000	0	I
J	0	0	6,500	0	0	0	0	0	0	0	6,500	0	6,500	0	J
K	4,500	0	3,900	0	0	0	0	0	4,500	0	3,900	0	8,400	0	K
L	0	0	7,200	2,200	0	0	2,500	1,000	0	0	9,700	3,200	12,900	0	L
Total	29,900	14,700	54,400	13,200	-4,800	0	-300	1,000	25,100	14,700	54,100	14,200	108,100	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	332,575	210,381	26,642	85,115	8,418	2,019	10,372	0	-8,353	0	33,550	A
B	452,320	244,141	40,855	62,939	9,920	94,465	3,726	27,222	63,517	17,000	8,500	B
C	976,840	646,231	71,564	88,083	33,117	137,845	238,070	0	-100,225	0	12,500	C
D	432,758	238,365	30,819	79,783	9,518	74,273	12,196	18,623	43,454	9,225	7,500	D
E	341,316	202,736	39,012	23,782	8,020	67,766	7,211	18,167	42,388	4,482	8,300	E
F	277,245	140,534	23,847	59,097	6,418	47,349	102,995	0	-55,646	0	32,571	F
G	350,628	234,857	26,705	38,279	9,120	41,667	5,494	10,852	25,321	3,060	7,650	G
H	426,237	247,550	42,363	39,536	9,120	87,668	18,133	20,861	48,674	30,000	7,500	H
I	391,484	242,909	34,383	27,941	8,420	77,831	41,299	10,960	25,572	0	13,110	I
J	421,145	293,337	29,135	17,600	8,919	72,154	8,463	19,107	44,584	13,125	7,500	J
K	419,915	272,774	39,211	90,008	10,818	7,104	2,316	1,436	3,352	0	10,000	K
L	728,282	444,187	49,987	110,332	15,317	108,459	1,329	32,139	74,991	0	7,500	L
	462,562	284,834	37,877	60,208	11,427	68,217	37,634	13,281	17,302	6,408	13,015	

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	45,258	132,830	201,330	96,579	6,000	83,254	23,850	-8,353	98,751	0.00	4 / 3	A
B	85,343	211,050	424,783	34,871	52,000	373,156	-81,760	46,516	337,912	2.00	3 / 2	B
C	0	550,960	1,388,776	2,006,453	104,500	-621,950	0	-100,227	-722,177	0.00	0 / 1	C
D	845	134,063	327,531	67,655	83,500	179,853	-37,706	34,228	176,376	1.23	8 / 1	D
E	0	104,824	261,844	36,148	18,000	176,339	-6,551	37,907	207,696	0.54	7 / 2	E
F	0	87,173	201,490	781,901	75,000	-599,765	0	-55,646	-655,411	0.00	3 / 2	F
G	50,271	143,389	301,742	57,964	53,000	187,108	-18,592	22,262	190,778	0.40	3 / 3	G
H	37,860	172,425	341,370	54,533	177,700	90,464	0	18,673	109,137	4.00	8 / 1	H
I	3,376	110,755	272,166	23,685	13,500	67,408	142,000	25,572	234,981	0.00	1 / 2	I
J	49,102	180,000	314,080	40,324	75,000	167,298	0	31,458	198,756	1.75	8 / 2	J
K	36,871	163,633	317,650	41,506	21,800	250,994	0	3,350	254,344	0.00	0 / 1	K
L	5,081	218,513	568,957	64,506	52,000	377,459	0	74,992	452,451	0.00	2 / 2	L
	26,167	184,135	410,143	275,510	61,000	60,968	1,770	10,894	73,633	0.83	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	Mktnng. Expenses	Admin. Expenses	Operating Profit	Net Profit							
A	63.3 %	8.0 %	25.6 %	2.5 %	0.6 %	-2.5 %	1.38	9	0.19	0.41	0.06	High	A
B	54.0	9.0	13.9	2.2	20.9	14.0	6.05	20	25.35	0.14	9.76	Low	B
C	66.2	7.3	9.0	3.4	14.1	-10.3	0.27	218	0.58	1.45	0.00	N/A	C
D	55.1	7.1	18.4	2.2	17.2	10.0	1.98	43	6.09	0.38	1.33	Medium	D
E	59.4	11.4	7.0	2.3	19.9	12.4	2.90	35	9.40	0.13	3.49	Low	E
F	50.7	8.6	21.3	2.3	17.1	-20.1	0.11	54	0.46	4.19	0.00	N/A	F
G	67.0	7.6	10.9	2.6	11.9	7.2	2.47	8	7.58	0.28	1.14	Medium	G
H	58.1	9.9	9.3	2.1	20.6	11.4	3.16	41	4.83	0.60	1.33	Medium	H
I	62.0	8.8	7.1	2.2	19.9	6.5	4.68	18	1.88	0.06	23.87	Low	I
J	69.7	6.9	4.2	2.1	17.1	10.6	4.46	35	8.53	0.27	4.50	Low	J
K	65.0	9.3	21.4	2.6	1.7	0.8	3.94	31	3.07	0.11	1.53	Medium	K
L	61.0	6.9	15.1	2.1	14.9	10.3	3.39	34	81.61	0.12	6.40	Low	L
	61.6 %	8.2 %	13.0 %	2.5 %	14.7 %	1.4 %	0.67	46	12.46	0.68	4.45	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		9.04	10.95	11.66	13.49	13.46	16.37
	Private-Label Footwear		8.26	9.41	10.24	12.83	14.12	17.53
Labor — North America	Total Compensation (\$/year)		16,243	16,300	20,410	21,053	23,641	25,574
	Productivity (pairs/worker/year)		3,617	3,783	4,405	4,572	5,137	5,198
	Labor Cost (\$/pair produced)		4.11	3.81	4.76	4.58	5.03	4.90
Europe Africa	Total Compensation (\$/year)		19,605	19,738	24,550	25,211	27,251	28,232
	Productivity (pairs/worker/year)		4,339	4,570	5,002	5,251	5,673	5,973
	Labor Cost (\$/pair produced)		4.02	3.90	5.30	5.06	6.65	6.52
Asia Pacific	Total Compensation (\$/year)		3,732	3,731	5,098	5,353	7,348	8,384
	Productivity (pairs/worker/year)		2,361	2,358	2,844	2,945	3,246	3,409
	Labor Cost (\$/pair produced)		1.09	1.58	1.81	1.89	2.47	2.36
Latin America	Total Compensation (\$/year)		3,703	3,888	5,498	5,657	9,175	9,445
	Productivity (pairs/worker/year)		2,410	2,514	3,168	3,336	3,928	4,126
	Labor Cost (\$/pair produced)		1.54	1.49	1.86	1.77	2.36	2.13
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.00	1.14	1.23	2.50	2.50
	Cumulative		0.41	0.36	1.05	1.08	1.75	1.75
Reject Rates	Branded Production		2.3%	1.5%	6.1%	5.2%	9.8%	9.8%
	Private-Label Production		2.7%	2.5%	5.0%	4.1%	7.1%	6.4%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		22.78	23.74	26.96	26.95	33.00	31.71
	E-A		19.28	21.33	24.45	27.06	30.07	33.12
	A-P		19.06	21.14	24.81	25.47	29.27	31.02
	L.A.		18.13	20.06	22.65	25.33	25.05	28.42
	Private-Label — N.A.		18.77	20.90	46.04	27.13	92.00	37.33
	E-A		20.40	21.79	20.40	21.79	20.40	21.79
	A-P		14.21	23.29	23.15	27.45	27.94	31.44
	L.A.		16.30	17.05	18.76	19.66	21.22	22.26

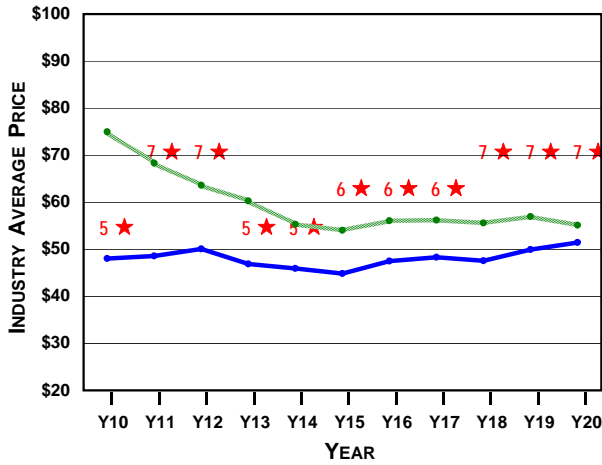
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	25.36	26.24	30.33	30.63	35.44	35.83
		E-A	21.88	23.79	33.23	34.12	39.33	40.90
		A-P	21.62	23.50	27.97	28.47	35.97	34.36
		L.A.	21.28	22.56	31.52	33.25	39.39	42.75
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale		15.48	15.33	15.71	15.66	16.15	16.18
			1.95	1.75	2.54	2.46	3.48	3.12
Marketing Expenses — Internet (\$ per pair sold)	Wholesale		6.01	3.73	12.69	12.07	26.41	23.40
			2.32	0.73	8.52	7.43	27.52	15.96
Administrative Expenses (\$/pair sold)		1.15	1.17	1.44	1.40	1.93	1.71	
Operating Profit (\$ per pair sold)	Internet	N.A.	-17.00	-1.14	7.84	7.52	23.88	14.15
		E-A	-22.88	-4.03	4.89	6.16	30.20	18.17
		A-P	-13.42	3.79	10.76	10.18	26.73	16.09
		L.A.	-2.29	-4.71	10.01	4.19	31.20	16.85
Wholesale	Internet	N.A.	-5.62	-0.09	6.68	8.98	18.37	16.54
		E-A	-10.08	-0.84	4.87	8.13	15.42	14.76
		A-P	-8.19	1.28	7.10	9.34	14.25	14.85
		L.A.	-0.76	-4.19	8.73	8.40	17.26	16.93
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	20.71	21.05	23.95	27.37	29.86	39.37
		E-A	22.90	24.29	22.90	29.79	22.90	37.56
		A-P	16.71	24.87	22.63	27.49	28.55	30.11
		L.A.	18.80	19.55	29.74	30.19	38.47	41.99
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.	-4.11	-0.82	1.58	0.95	5.03	2.39
		E-A	0.70	-4.97	0.70	4.21	0.70	15.73
		A-P	-5.97	-3.92	-0.63	5.81	4.72	16.54
		L.A.	-0.75	-2.22	3.03	0.03	5.80	3.07

CELEBRITY ENDORSEMENTS

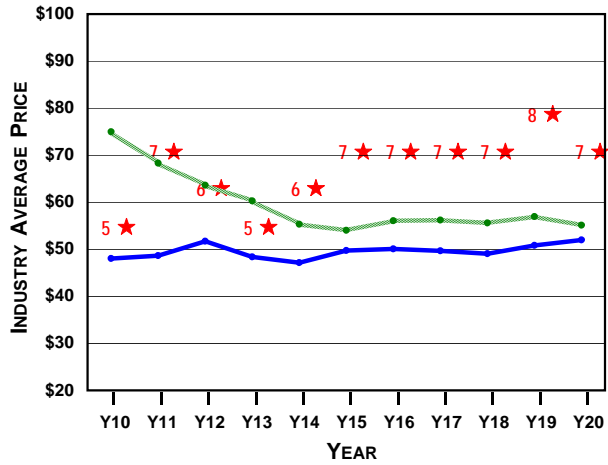
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2ND BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company L	8,002	Y19	2 years	7	15,069	14,500	9,483	4,003
Oprah Letterman	100	70	65	75	Company K	22,001	Y19	3 years	7	22,001	18,800	12,397	4,105
Annika Stockholm	70	100	70	55	Company B	15,069	Y19	5 years	7	18,999	15,069	11,280	4,085
Tiger Green	95	80	85	75	Company A	26,000	Y20	2 years	3	26,000	11,123	12,786	1,234
José Montaña	60	50	60	95	Company L	11,235	Y18	3 years	5	22,650	11,235	10,988	500
Karioki Footsu	55	60	95	90	Company L	9,023	Y20	4 years	3	15,000	9,023	8,419	1,234
Jaques LaFeet	50	90	50	85	Company K	12,001	Y20	1 year	4	15,001	12,001	9,065	1,234
Serenus Willson	70	65	55	60	Company L	10,003	Y19	3 years	7	16,000	15,069	10,424	4,092
Natalie Kwan	75	80	95	50	Company A	19,000	Y19	4 years	7	19,000	18,001	11,771	4,025
Sergio Milano	45	85	60	100	Company D	10,105	Y19	2 years	7	15,069	14,750	10,127	4,259
Lance deFrance	80	85	75	70	Company L	10,123	Y20	3 years	3	25,000	10,123	12,119	1,234
Yao KungPao	60	35	100	50	Company L	10,235	Y18	4 years	5	22,000	10,556	10,658	500

BRANDED PRICE AND S/Q RATING TRENDS

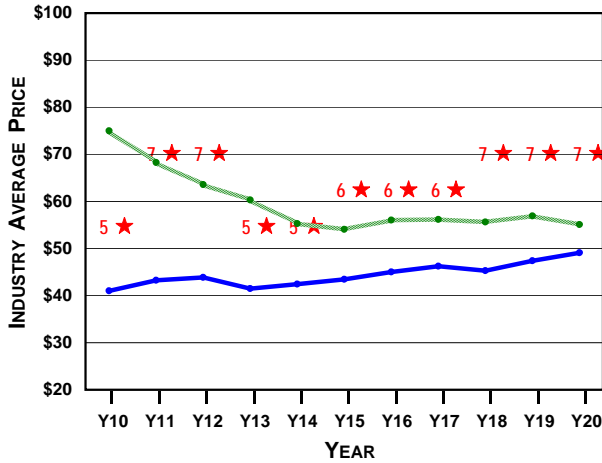
NORTH AMERICA



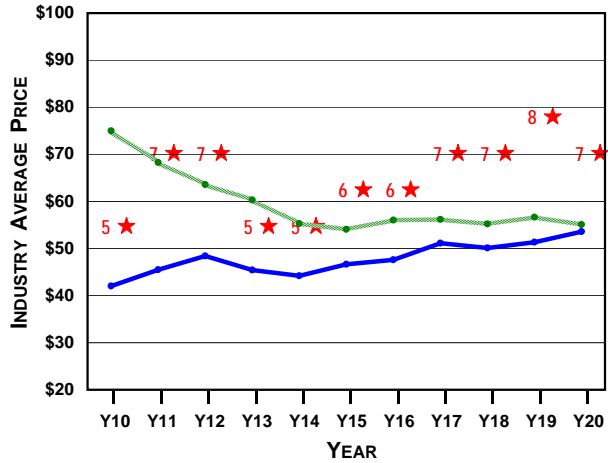
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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