

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 6

Friday, April 28, 2006

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
BUCHANAN	120	+1
Cross	120	+3
Fabulous Footwear	120	+5
Al Bundy	116	+17
Happy Feet Shoes	108	-8
Gliders Sports	105	+27
IDelux Kicks	61	+30
E Company	53	+8
L Company	20	+4
Just Shoes	16	-1
D (deleted)	0	0
K (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Cross	106	+1
Fabulous Footwear	90	+4
BUCHANAN	87	+4
Gliders Sports	77	+3
Happy Feet Shoes	72	+4
Al Bundy	71	+5
IDelux Kicks	48	+1
E Company	36	+2
L Company	28	-1
Just Shoes	27	-1
D (deleted)	0	0
K (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
BUCHANAN	98	+6
Fabulous Footwear	88	-8
Cross	87	+3
Al Bundy	58	+4
Gliders Sports	57	+13
Happy Feet Shoes	52	-20
IDelux Kicks	32	+14
E Company	24	-2
L Company	13	+3
Just Shoes	10	-1
D (deleted)	0	0
K (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
BUCHANAN	97	+6
Fabulous Footwear	96	+1
Cross	89	0
Al Bundy	58	+2
Happy Feet Shoes	58	-8
Gliders Sports	53	+6
IDelux Kicks	23	+7
E Company	22	+1
L Company	11	0
Just Shoes	11	-1
D (deleted)	0	0
K (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	3.10	2.18	1.75	-0.56	0.56	-0.10	1.12	4.60	3.86	6.50	2.23	7	8	A
B	3.54	4.75	2.03	0.65	2.85	1.54	4.49	8.09	10.31	19.58	5.77	20	20	B
C	4.60	3.80	3.87	2.02	3.53	3.93	4.26	7.65	9.68	15.43	5.64	16	19	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	D
E	1.85	0.05	-0.31	-2.30	-1.65	-9.07	-11.78	1.17	2.64	3.38	-1.58	3	0	E
F	2.30	5.22	2.86	3.19	2.93	6.77	1.08	7.50	11.77	15.84	5.90	16	20	F
G	2.98	2.92	2.90	1.23	0.89	-6.08	1.92	4.73	2.54	5.42	2.12	6	7	G
H	2.78	0.62	1.97	0.75	-1.44	-2.79	3.35	6.28	5.65	4.55	2.17	5	7	H
I	2.12	1.01	1.09	-0.77	-3.06	-5.72	1.37	2.39	0.40	1.87	0.07	2	0	I
J	2.73	-0.47	-0.71	-1.32	-1.61	-2.83	-1.57	-0.23	-1.62	-2.12	-1.15	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	K
L	2.21	1.24	-0.37	-0.93	-1.80	-4.58	-37.26	-3.84	-7.01	-6.61	-5.89	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	18.5	11.7	8.9	-2.8	2.8	-0.5	5.4	19.5	14.0	21.2	10.1	11	10	A
B	21.0	23.7	8.7	2.7	9.2	5.4	14.2	21.6	21.8	33.1	17.4	18	17	B
C	28.6	21.9	16.0	7.8	12.2	12.4	12.4	22.4	23.4	30.2	17.9	16	17	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	D
E	11.5	0.3	-2.0	-16.8	-14.9	-178.9	0.0	0.0	0.0	0.0	-47.2	0	0	E
F	15.0	35.1	17.6	16.7	13.2	25.6	3.6	24.5	29.7	30.3	20.8	16	20	F
G	18.0	16.3	15.4	6.5	5.8	-53.1	27.4	43.7	19.6	37.5	15.3	20	15	G
H	18.3	5.2	14.9	5.2	-10.2	-23.3	27.5	37.1	24.9	16.6	13.1	9	13	H
I	13.5	6.0	6.1	-4.3	-19.0	-48.9	14.4	21.0	3.1	13.4	0.5	7	0	I
J	17.4	-3.5	-8.7	-15.9	-22.3	-56.7	-56.3	-12.4	-185.5	0.0	-24.0	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	K
L	13.6	7.6	-2.3	-6.0	-12.7	-41.8	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	39.09	21.60	15.77	9.09	5.66	4.75	12.15	60.81	49.49	104.45	+13 %	5	5	A
B	47.89	76.64	35.43	19.31	27.02	14.95	55.59	110.81	206.52	413.87	+30	20	20	B
C	90.13	59.29	53.52	27.60	42.03	48.07	57.72	122.78	174.79	316.72	+27	15	15	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	D
E	17.87	10.86	6.35	4.85	5.66	4.75	5.65	10.03	22.80	38.70	+3	2	2	E
F	26.52	91.75	39.53	33.82	27.85	93.23	39.47	112.53	206.11	340.78	+28	16	16	F
G	35.71	38.67	34.17	19.13	11.57	6.81	19.11	71.85	33.44	89.98	+12	4	4	G
H	36.00	20.07	17.67	10.84	6.88	4.75	28.69	106.91	107.64	66.81	+8	3	3	H
I	22.92	13.24	9.11	5.46	4.80	5.79	12.06	22.56	12.74	19.48	-4	1	1	I
J	35.50	19.52	11.81	7.28	4.80	4.83	5.78	4.65	5.00	4.55	-17	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	K
L	21.33	12.30	7.88	4.85	4.99	5.44	4.70	5.10	4.60	4.97	-17 %	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-	A-	A-	A	Low	19	19	A
B	B	B-	C	C-	C-	C-	C	B-	A	A+	Low	20	20	B
C	B+	B+	B+	C+	B+	A	A-	A-	A	A+	Low	20	20	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	D
E	C+	C-	C-	C-	C-	C-	C-	C-	C-	C-	High	0	0	E
F	C	C	C-	C-	C-	B-	C-	C+	B+	A+	Low	20	20	F
G	B+	A-	B+	C+	C	C-	C	B+	B-	B	Medium	14	14	G
H	C+	C-	C	C-	C-	C-	B+	A-	A+	A+	Low	20	20	H
I	B	B	B	C-	C-	C-	C-	C	C-	C+	High	8	8	I
J	B-	C-	C-	C-	C-	C-	C-	C-	C-	C-	N/A	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	K
L	B	C+	C-	C-	C-	C-	C-	C-	C-	C-	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	77	72	75	82	90	79	81	75	76	78	76	16	16	A
B	78	85	78	86	95	88	96	97	99	99	98	20	20	B
C	85	74	84	81	89	84	84	81	81	98	87	20	18	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	91	90	86	93	89	100	80	100	99	96	98	19	20	E
F	67	77	86	73	85	80	70	93	94	100	96	20	20	F
G	67	74	69	61	59	62	64	63	63	67	64	13	13	G
H	81	73	80	74	77	73	77	70	74	74	73	15	15	H
I	63	65	72	74	74	83	80	68	70	70	69	14	14	I
J	68	54	56	61	61	60	65	54	52	50	52	10	11	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	70	77	67	60	46	46	53	52	50	63	55	13	11	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	107	80	61	27	33	23	52	109	99			
B	108	106	69	40	65	45	91	108	119	120	87	Good	B
C	114	112	110	66	99	104	104	116	117	120	106	Excellent	C
D	0	0	0	0	0	0	0	0	0	0	0	N/A	D
E	71	29	25	25	26	26	23	34	45	53	36	Subpar	E
F	77	97	84	78	70	105	48	103	115	120	90	Very Good	F
G	103	105	98	52	40	21	64	108	78	105	77	Fair	G
H	93	43	68	39	24	22	94	114	116	108	72	Fair	H
I	82	58	56	24	23	25	52	68	31	61	48	Subpar	I
J	94	26	22	21	19	19	21	17	17	16	27	Subpar	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	K
L	84	55	23	19	15	15	17	17	16	20	28	Subpar	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	25,124	20,040	50,914	11,460	107,538
– Pairs Rejected	1,034	761	2,362	355	4,512
Net Y20 Production (after rejects)	24,090	19,279	48,552	11,105	103,026
Superior Materials Usage	36.8%	44.0%	53.7%	52.9%	47.9%
Capacity Utilization (branded + P-L prod.)	113.2%	120.0%	111.9%	120.0%	114.5%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	8.00	+ 0.34	+ 0.36	8.70
Superior Materials	14.00	- 0.15	+ 0.63	14.48

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	4,585	3,256	4,430	2,339	14,610
– Pairs Cleared (inventory clearance)	1,036	459	1,145	343	2,983
Beginning Y20 Inventories	3,549	2,797	3,285	1,996	11,627
+ New Production (shipped from plants)	23,514	21,909	21,994	21,223	88,640
Pairs Available for Sale in Y20	27,063	24,706	25,279	23,219	100,267

BRANDED DEMAND & SALES (000s of pair)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Projected Y20 Demand (see Y19 FIR)	23,670	23,296	22,016	21,471	90,453
Actual Year 20 Demand	23,410	22,844	22,408	22,108	90,770
Branded Pairs Sold	23,405	22,610	22,380	21,966	90,361
Required Y20 Ending Inventories	1,083	874	1,023	910	3,890
Inventory Surplus (Shortfall)	2,220	406	1,429	-267	3,788

COMMENTARY

- Pairs produced before rejects
 - Average reject rate = 4.2%
 - Available for shipment to warehouses
 - % usage up by 0.5 points over Y19
 - % utilization up by 1.4 points over Y19
- Lower than normal (47.9% industrywide) superior materials usage led to superior materials prices that were 1.1% below the base and standard materials prices that were 4.2% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 4.5% from the base.
- Average inventory clearance of 20.4%
 - 10.5% higher than Y20 demand
 - Actual demand in Year 20 was 0.4% 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 (internet + wholesale)	24,346	25,320	26,333	27,386
Europe-Africa	23,758	24,708	25,696	26,724
Asia-Pacific	23,752	25,177	26,688	28,289
Latin America	23,434	24,840	26,330	27,910
Total	95,290	100,045	105,047	110,309
Private-Label — North America	4,690	4,690	4,690	4,690
Europe-Africa	4,650	4,650	4,650	4,650
Asia-Pacific	4,740	4,740	4,740	4,740
Latin America	4,730	4,730	4,730	4,730
Total	18,810	18,810	18,810	18,810

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	7,945
Potential Production (at max OT)	114,300
Potential Global Supply	122,245
Demand — Branded Sales Forecast (000s)	95,290
Private-Label Sales Forecast	18,810
Expected Global Demand	114,100
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	4,100	1,000	3,000	0	0	0	0	0	4,100	1,000	3,000	0	8,100	0	A
B	5,000	4,500	5,000	2,500	0	0	0	0	5,000	4,500	5,000	2,500	17,000	0	B
C	0	3,200	5,200	2,550	0	0	0	0	0	3,200	5,200	2,550	10,950	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	3,000	3,000	4,000	0	0	0	0	0	3,000	3,000	4,000	0	10,000	0	E
F	0	3,000	6,500	3,500	0	0	0	0	0	3,000	6,500	3,500	13,000	0	F
G	4,300	0	3,500	0	0	0	0	0	4,300	0	3,500	0	7,800	0	G
H	1,200	1,000	2,800	1,000	0	0	0	0	1,200	1,000	2,800	1,000	6,000	300	H
I	2,000	0	5,000	0	0	0	0	0	2,000	0	5,000	0	7,000	0	I
J	1,000	0	7,000	0	0	0	0	0	1,000	0	7,000	0	8,000	1,000	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	1,600	1,000	3,500	0	0	0	0	0	1,600	1,000	3,500	0	6,100	0	L
Total	22,200	16,700	45,500	9,550	0	0	0	0	22,200	16,700	45,500	9,550	93,950	1,300	

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	542,145	342,944	37,689	72,840	10,519	78,153	8,492	20,898	48,763	0	7,500	A
B	906,270	453,161	52,173	136,792	19,420	244,724	6,949	71,333	166,442	17,000	8,500	B
C	663,094	347,788	36,669	95,012	13,367	170,258	4,965	49,588	115,705	11,250	7,500	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	643,548	370,843	40,533	121,248	12,421	98,503	66,064	0	32,439	0	9,600	E
F	792,253	434,119	52,443	99,394	15,420	190,877	21,187	50,907	118,783	11,250	7,500	F
G	439,352	237,464	29,921	81,032	10,218	80,717	18,648	18,621	43,448	2,805	8,014	G
H	415,832	231,652	29,819	91,297	8,420	54,644	2,025	15,786	36,833	4,044	8,087	H
I	409,246	267,026	27,271	66,923	9,420	38,606	11,888	8,015	18,703	0	10,000	I
J	221,465	142,518	20,613	36,481	13,689	8,164	38,931	0	-30,767	0	14,500	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	295,662	215,606	21,642	30,518	8,521	19,375	80,826	0	-61,451	0	9,300	L
	532,887	304,312	34,877	83,154	12,142	98,402	25,998	23,515	48,890	4,635	9,050	

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	88	164,877	336,609	42,876	67,400	233,660	-56,090	48,763	226,333	0.00	1 / 2	A
B	29,519	270,392	684,225	64,628	225,000	609,593	-364,440	149,444	394,597	2.00	2 / 1	B
C	16,335	200,646	461,140	38,914	11,600	356,001	-49,830	104,455	410,626	1.50	10 / 0	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	0	176,193	396,601	447,710	0	-83,551	0	32,441	-51,109	0.00	2 / 3	E
F	9,204	237,925	579,681	53,611	80,000	338,536	0	107,534	446,070	1.50	4 / 3	F
G	7,915	125,410	321,018	49,821	176,000	136,379	-81,823	40,641	95,197	0.35	4 / 2	G
H	824	122,959	257,247	18,923	0	205,534	0	32,790	238,324	0.50	4 / 1	H
I	0	123,602	223,704	74,888	0	130,110	0	18,705	148,816	0.00	0 / 1	I
J	0	145,434	377,916	409,114	0	470	0	-31,668	-31,198	0.00	3 / 1	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	132,873	219,412	642,873	4,800	-366,811	0	-61,450	-428,261	0.00	1 / 2	L
	6,388	170,031	385,755	184,336	56,480	155,992	-55,218	44,166	144,939	0.59	3 / 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	63.3 %	7.0 %	13.4 %	1.9 %	14.4 %	9.0 %	3.85	35	9.20	0.24	4.89	Low	A
B	50.0	5.8	15.1	2.1	27.0	18.4	4.18	15	35.22	0.37	7.55	Low	B
C	52.4	5.5	14.3	2.0	25.7	17.4	5.16	22	34.29	0.04	21.99	Low	C
D	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	D
E	57.6	6.3	18.8	1.9	15.3	5.0	0.39	19	1.49	1.06	0.14	High	E
F	54.8	6.6	12.5	1.9	24.1	15.0	4.44	30	9.01	0.15	15.37	Low	F
G	54.0	6.8	18.4	2.3	18.4	9.9	2.52	14	4.33	0.64	1.98	Medium	G
H	55.7	7.2	22.0	2.0	13.1	8.9	6.50	29	26.98	0.00	10.00	Low	H
I	65.2	6.7	16.4	2.3	9.4	4.6	1.65	36	3.25	0.22	0.69	High	I
J	64.4	9.3	16.5	6.2	3.7	-13.9	0.36	240	0.21	1.04	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	72.9	7.3	10.3	2.9	6.6	-20.8	0.21	150	0.24	2.87	0.00	N/A	L
	57.1 %	6.5 %	15.6 %	2.3 %	18.5 %	9.2 %	0.92	59	12.42	0.66	6.26	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		7.62	7.71	10.85	10.98	12.84	13.30	
	Private-Label Footwear		7.62	7.65	9.75	10.34	12.24	12.49	
Labor — North America	Total Compensation (\$/year)		16,406	16,570	23,599	26,057	30,568	41,801	
	Productivity (pairs/worker/year)		3,871	3,648	5,207	5,299	6,232	6,508	
	Labor Cost (\$/pair produced)		0.00	0.00	4.09	4.35	6.29	6.84	
Europe Africa	Total Compensation (\$/year)		17,593	18,966	21,118	24,544	25,167	38,315	
	Productivity (pairs/worker/year)		4,194	4,241	5,382	5,496	5,996	6,073	
	Labor Cost (\$/pair produced)		3.39	3.03	4.04	4.45	5.44	6.34	
Asia Pacific	Total Compensation (\$/year)		4,144	4,160	4,850	6,064	6,771	15,228	
	Productivity (pairs/worker/year)		2,434	2,402	2,875	2,940	3,388	3,539	
	Labor Cost (\$/pair produced)		1.33	1.38	1.75	1.98	2.31	4.15	
Latin America	Total Compensation (\$/year)		3,319	4,298	4,266	7,853	5,124	17,229	
	Productivity (pairs/worker/year)		2,735	2,938	2,977	3,354	3,321	3,982	
	Labor Cost (\$/pair produced)		1.33	1.33	1.46	2.01	1.56	3.86	
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.46	0.00	1.12	0.94	2.15	2.15	
	Cumulative		0.38	0.39	1.04	1.03	1.94	1.96	
Reject Rates	Branded Production		2.4%	1.1%	4.6%	4.5%	6.8%	6.8%	
	Private-Label Production		2.7%	2.7%	4.0%	4.4%	7.3%	7.5%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	20.45	19.56	27.48	27.07	37.46	32.23	
		E-A	19.07	18.46	29.06	28.69	42.93	38.81	
		A-P	17.87	17.32	23.77	24.40	29.56	29.84	
		L.A.	19.74	19.31	22.89	23.45	26.69	28.22	
		Private-Label	N.A.	23.54	21.18	39.99	26.76	72.31	31.13
		E-A	20.33	19.12	22.32	23.69	23.40	29.62	
		A-P	19.27	19.17	22.20	23.76	26.47	30.80	
		L.A.	21.19	20.50	21.19	21.74	21.19	22.98	

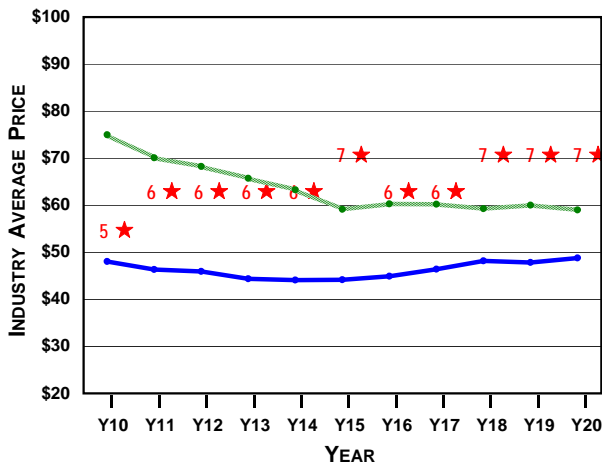
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.96	22.58	29.01	29.45	37.77	35.97
		E-A	21.64	20.98	33.47	33.66	42.18	42.12
		A-P	20.37	19.85	26.05	26.77	32.02	32.33
		L.A.	22.75	22.42	30.59	30.40	39.19	37.50
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale		10.34	10.35	10.77	10.80	11.91	11.71
			1.91	1.90	2.55	2.57	3.88	3.62
Marketing Expenses — Internet (\$ per pair sold)	Wholesale		7.31	7.41	9.27	9.05	11.44	10.53
			6.97	6.97	9.55	9.35	13.92	13.95
Administrative Expenses (\$/pair sold)		1.17	1.13	1.53	1.50	2.71	3.07	
Operating Profit (\$ per pair sold)	Internet	N.A.	1.94	3.09	18.64	17.18	29.78	26.19
		E-A	0.53	2.07	16.46	15.30	35.77	32.34
		A-P	9.37	9.19	21.22	19.93	31.37	27.47
		L.A.	5.50	9.94	18.04	20.17	33.29	34.35
Wholesale	N.A.	-2.98	-2.88	3.52	4.11	7.41	8.35	
	E-A	-2.24	-1.89	5.72	6.32	10.98	14.57	
	A-P	0.40	0.78	4.98	5.32	9.10	9.63	
	L.A.	-4.06	-0.24	5.38	8.63	10.29	13.79	
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufac- turing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	23.64	23.63	25.06	27.66	26.04	33.63
		E-A	22.83	21.62	24.82	26.19	25.90	32.12
		A-P	21.77	21.67	25.61	24.47	32.64	27.74
		L.A.	23.69	23.00	26.41	29.56	29.12	41.28
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.	11.00	1.35	11.77	8.75	12.96	13.19
		E-A	13.57	7.17	13.80	14.80	14.10	19.54
		A-P	-3.95	7.07	8.98	12.11	14.33	15.05
		L.A.	12.02	-1.35	12.04	10.75	12.05	16.47

CELEBRITY ENDORSEMENTS

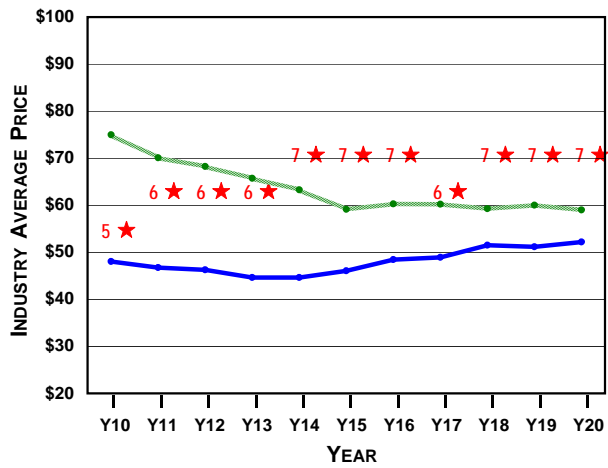
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2ND BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company A	7,123	Y19	2 years	5	7,123	6,501	3,841	1,000
Oprah Letterman	100	70	65	75	[unsigned]	0	N/A	3 years	1	5,678	0	5,678	5,678
Annika Stockholm	70	100	70	55	Company B	21,065	Y16	5 years	5	21,065	20,075	13,332	1,500
Tiger Green	95	80	85	75	[unsigned]	0	N/A	2 years	1	4,679	0	4,679	4,679
José Montaña	60	50	60	95	Company F	6,501	Y18	3 years	5	6,501	4,678	3,403	699
Karioki Footsu	55	60	95	90	Company H	6,789	Y20	4 years	1	6,789	0	6,789	6,789
Jaques LaFeet	50	90	50	85	[unsigned]	0	N/A	1 year	1	3,456	0	3,456	3,456
Serenus Willson	70	65	55	60	Company A	7,231	Y19	3 years	5	7,231	6,501	4,085	1,000
Natalie Kwan	75	80	95	50	Company B	15,085	Y17	4 years	5	15,085	5,021	5,256	605
Sergio Milano	45	85	60	100	Company F	6,501	Y19	2 years	5	7,332	6,501	3,883	1,000
Lance deFrance	80	85	75	70	Company H	5,678	Y20	3 years	1	5,678	0	5,678	5,678
Yao KungPao	60	35	100	50	Company F	6,501	Y18	4 years	5	6,501	5,789	3,757	609

BRANDED PRICE AND S/Q RATING TRENDS

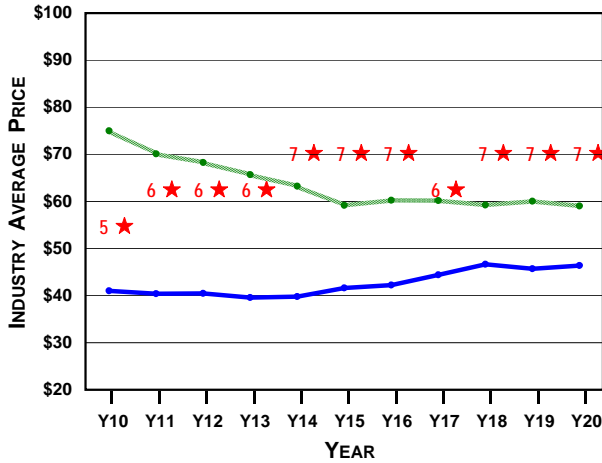
NORTH AMERICA



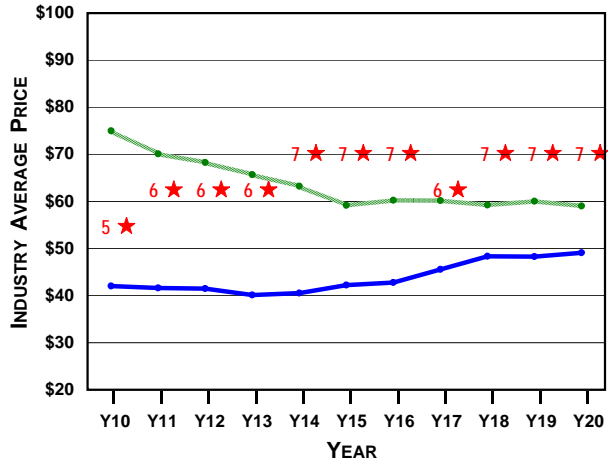
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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