

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 4

Friday, December 15, 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
Base Inc.	118	+1
LittleFeet	117	+1
Juste fait le	116	-1
Distinct	111	-6
Fahrenheit	109	-9
I AllPros	66	-52
Kessler Corporation	65	-28
A Company	55	-19
Happy Feet	20	+1
C (deleted)	0	0
E (deleted)	0	0
G (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Fahrenheit	114	0
Base Inc.	112	+1
Juste fait le	109	0
I AllPros	100	-4
Distinct	96	+2
LittleFeet	89	+3
Kessler Corporation	84	-2
A Company	58	0
Happy Feet	40	-2
C (deleted)	0	0
E (deleted)	0	0
G (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
Fahrenheit	90	-1
Base Inc.	86	+16
LittleFeet	80	+11
Juste fait le	76	+6
Distinct	63	+2
Kessler Corporation	44	-11
I AllPros	44	-27
A Company	37	-4
Happy Feet	13	+1
C (deleted)	0	0
E (deleted)	0	0
G (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Fahrenheit	90	-5
Base Inc.	89	+7
Juste fait le	80	+3
LittleFeet	79	+5
Distinct	66	+2
I AllPros	62	-13
Kessler Corporation	46	-8
A Company	40	-3
Happy Feet	12	0
C (deleted)	0	0
E (deleted)	0	0
G (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 (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	0.93	1.11	-0.73	0.17	2.28	1.60	1.44	2.67	1.76	1.18	1.19	2	2	A
B	4.14	3.79	1.89	4.34	7.79	12.08	13.42	15.05	11.78	12.93	8.26	18	17	B
C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	C
D	3.77	2.94	-0.42	1.75	3.83	5.65	4.93	6.99	7.08	5.95	4.22	8	9	D
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	E
F	3.97	5.39	3.62	6.33	8.72	12.19	13.59	16.06	16.92	14.50	9.82	20	20	F
G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	G
H	1.77	3.66	-3.25	-2.30	-3.53	-2.83	-2.27	-1.25	-2.25	-2.55	-1.72	0	0	H
I	3.72	2.66	1.00	2.45	7.07	10.77	9.73	9.19	10.29	-11.50	4.33	0	9	I
J	2.52	2.74	2.59	3.17	5.49	8.28	12.32	11.47	10.20	9.60	6.80	13	14	J
K	3.39	1.52	-2.05	1.49	1.82	4.13	6.02	6.27	4.16	1.95	3.19	3	6	K
L	4.13	2.06	-3.14	-0.58	3.85	6.49	9.82	11.31	9.95	10.05	5.41	14	11	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 (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	6.0	9.6	-5.3	1.3	18.0	13.0	11.2	18.7	11.4	7.2	8.9	5	7	A
B	24.7	19.5	9.3	20.2	33.9	39.6	32.1	28.9	20.5	20.0	23.1	14	18	B
C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	C
D	23.0	19.8	-3.0	12.0	22.2	25.8	18.3	21.6	18.3	13.9	16.9	10	13	D
E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	E
F	23.5	27.6	15.7	23.4	26.1	29.5	27.9	29.4	31.1	27.2	26.0	20	20	F
G	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	G
H	11.4	21.2	-18.9	-14.3	-44.5	-49.8	-94.1	-95.4	-1503.5	0.0	-36.3	0	0	H
I	22.2	13.0	4.0	9.5	23.4	29.3	22.4	19.1	18.6	-19.3	11.5	0	9	I
J	16.0	13.3	11.2	13.2	19.8	23.5	27.4	20.7	16.7	15.8	17.7	11	14	J
K	21.4	12.6	-21.6	16.4	16.0	26.9	29.4	32.2	42.5	27.8	24.4	20	19	K
L	27.6	20.4	-35.4	-8.3	44.5	44.9	44.0	39.7	28.3	23.1	26.2	17	20	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	16.77	9.68	6.39	4.85	29.78	19.08	16.64	29.62	19.38	11.66	-9 %	1	1	A
B	87.46	55.23	27.84	51.56	152.74	241.82	289.03	324.10	188.71	162.18	+18	16	16	B
C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	C
D	55.16	30.97	17.60	13.93	45.60	87.64	77.18	119.04	103.12	84.09	+11	8	8	D
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	E
F	55.07	83.94	41.94	117.29	170.38	263.05	285.92	329.56	347.83	198.62	+21	20	20	F
G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	G
H	18.41	58.60	29.13	16.59	10.36	6.39	4.70	4.70	5.61	4.55	-17	0	0	H
I	63.83	31.55	17.56	24.44	110.42	221.71	205.20	170.37	165.39	66.69	+8	7	7	I
J	28.96	31.78	28.77	40.10	86.03	158.22	265.82	235.68	169.02	125.05	+15	13	13	J
K	47.58	25.09	14.04	14.41	21.09	64.29	108.47	116.89	47.38	24.40	-2	2	2	K
L	76.59	34.68	19.24	11.46	48.34	107.68	187.33	209.46	169.62	131.41	+16 %	13	13	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	B	A-	A-	A	A+	B+	High	17	17	A
B	A	B+	B	B+	A	A	A+	A+	A	A+	Low	20	20	B
C	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	C
D	B+	C+	C-	C	B	A-	A	A	A	A-	Medium	18	18	D
E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	E
F	A-	A-	B+	A	A	A+	A+	A+	A+	B	High	14	14	F
G	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	G
H	B	B	C-	C	B+	B	C-	C-	C-	C-	N/A	0	0	H
I	A-	B+	C+	B+	A+	A+	A+	A+	A+	B+	N/A	17	17	I
J	B+	B+	B+	A	A	A+	A+	A+	A+	A	Medium	19	19	J
K	B-	C-	C-	C	B-	A-	A	B	C+	C-	High	0	0	K
L	C+	C-	C-	C-	C-	B-	A-	A	A	A	Medium	19	19	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 (70)	Best-In-Ind. Score		
	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)		Year 20	Overall	
A	52	65	67	60	61	62	57	67	65	57	63	12	13	A
B	81	69	77	77	87	94	87	92	81	89	87	18	18	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	62	59	63	72	73	73	82	81	97	92	90	19	18	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	56	71	67	70	74	78	83	82	82	79	81	16	16	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	65	69	68	59	61	60	61	60	60	63	61	13	12	H
I	79	70	78	84	87	95	97	100	100	95	98	20	20	I
J	71	77	75	73	82	100	100	100	100	97	99	20	20	J
K	77	80	81	84	85	87	93	93	93	90	92	19	19	K
L	62	79	77	73	76	72	71	78	77	82	79	17	16	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	40	50	22	26	82	75	68	89	74			
B	117	110	76	110	117	118	118	119	117	118	112	Superior	B
C	0	0	0	0	0	0	0	0	0	0	0	N/A	C
D	110	86	28	58	102	114	114	117	117	111	96	Very Good	D
E	0	0	0	0	0	0	0	0	0	0	0	N/A	E
F	110	114	102	115	116	117	118	118	118	109	114	Superior	F
G	0	0	0	0	0	0	0	0	0	0	0	N/A	G
H	75	107	35	29	42	36	19	19	19	20	40	Subpar	H
I	115	94	51	82	118	120	120	119	118	66	100	Excellent	I
J	98	97	89	100	116	120	120	120	117	116	109	Excellent	J
K	104	64	30	63	75	113	118	111	93	65	84	Good	K
L	98	79	31	26	88	104	114	116	116	117	89	Good	L

FOOTWEAR PRODUCTION (000s of pairs)

	N.A. Plant	E-A Plant	A-P Plant	L.A. Plant	Industry Total
Total Year 20 Production	24,000	9,600	65,694	13,080	112,374
– Pairs Rejected	1,000	222	2,697	425	4,344
Net Y20 Production (after rejects)	23,000	9,378	62,997	12,655	108,030
Superior Materials Usage	55.9%	49.6%	40.8%	57.3%	46.7%
Capacity Utilization (branded + P-L prod.)	120.0%	120.0%	114.3%	120.0%	116.6%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	7.00	+ 0.46	+ 0.46	7.92
Superior Materials	14.00	- 0.23	+ 0.92	14.69

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	2,424	3,632	2,773	2,643	11,472
– Pairs Cleared (inventory clearance)	464	562	347	1,087	2,460
Beginning Y20 Inventories	1,960	3,070	2,426	1,556	9,012
+ New Production (shipped from plants)	30,029	21,089	23,512	22,441	97,071
Pairs Available for Sale in Y20	31,989	24,159	25,938	23,997	106,083

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)	22,307	22,351	20,556	21,206	86,420
Actual Year 20 Demand	22,527	20,886	20,909	21,518	85,839
Branded Pairs Sold	22,524	20,836	20,909	21,488	85,757
Required Y20 Ending Inventories	1,612	1,677	1,578	1,676	6,543
Inventory Surplus (Shortfall)	7,853	1,313	3,451	635	13,252

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 3.9%
- Available for shipment to warehouses
- % usage up by 0.8 points over Y19
- % utilization up by 5.9 points over Y19

Lower than normal (46.7% industrywide) superior materials usage led to superior materials prices that were 1.7% below the base and standard materials prices that were 6.6% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 6.6% from the base.

- Average inventory clearance of 21.4%
- 23.6% higher than Y20 demand
- Actual demand in Year 20 was 0.7% less than expected.
- Needed to achieve delivery times
- { Very high in N.A. Okay 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 (internet + wholesale)	23,428	24,365	25,340	26,354
Europe-Africa	21,721	22,590	23,494	24,434
Asia-Pacific	22,164	23,494	24,904	26,398
Latin America	22,809	24,178	25,629	27,167
Total	90,122	94,627	99,367	104,353
Private-Label — North America	4,248	4,248	4,248	4,248
Europe-Africa	4,266	4,266	4,266	4,266
Asia-Pacific	4,203	4,203	4,203	4,203
Latin America	4,257	4,257	4,257	4,257
Total	16,974	16,974	16,974	16,974

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	19,795
Potential Production (at max OT)	115,680
Potential Global Supply	135,475
Demand — Branded Sales Forecast (000s)	90,122
Private-Label Sales Forecast	16,974
Expected Global Demand	107,096
Conclusion:	Excess supply of 26.5% is likely to intensify competition in Year 21 until market growth absorbs the excess.

PLANT CAPACITY (000s of pairs w/o overtime)

	Capacity at Beginning of Year 20				Capacity Purchased (Sold)				Capacity Available for Y20 Production					Construction Initiated in Year 20	
	N.A.	E-A	A-P	L.A.	N.A.	E-A	A-P	L.A.	N.A.	E-A	A-P	L.A.	Total		
A	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	0	A
B	0	0	12,000	0	0	0	0	0	0	0	12,000	0	12,000	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	3,900	3,800	0	0	0	0	0	0	3,900	3,800	7,700	0	D
E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	E
F	0	0	12,500	0	0	0	0	0	0	0	12,500	0	12,500	0	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	1,500	0	0	0	0	0	0	0	1,500	0	0	0	1,500	0	H
I	11,500	2,000	4,000	0	0	0	0	0	11,500	2,000	4,000	0	17,500	0	I
J	2,000	2,000	8,000	2,500	0	0	100	0	2,000	2,000	8,100	2,500	14,600	0	J
K	3,000	4,000	5,000	2,200	0	0	0	0	3,000	4,000	5,000	2,200	14,200	0	K
L	0	0	8,000	2,400	0	0	0	0	0	0	8,000	2,400	10,400	0	L
Total	20,000	8,000	57,400	10,900	0	0	100	0	20,000	8,000	57,500	10,900	96,400	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	255,156	154,362	22,009	54,438	8,420	15,927	1,610	4,295	10,022	0	8,520	A
B	631,244	328,567	33,224	108,261	14,419	146,773	8,233	41,562	96,978	0	7,500	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	444,139	255,885	30,492	80,221	10,120	67,421	3,635	19,136	44,650	30,000	7,500	D
E	0	0	0	0	0	0	0	0	0	0	0	E
F	608,061	323,293	47,969	59,577	14,920	162,302	6,966	46,601	108,735	127,500	7,500	F
G	0	0	0	0	0	0	0	0	0	0	0	G
H	87,981	48,460	8,843	96,939	3,920	-70,181	6,253	0	-76,434	0	30,000	H
I	582,619	501,634	45,218	128,486	19,919	-112,638	-803	0	-111,835	29,175	9,725	I
J	709,667	396,192	34,779	113,363	17,019	148,314	234	44,424	103,656	32,400	10,800	J
K	761,106	425,354	52,653	190,233	16,619	76,247	39,552	11,009	25,686	0	13,150	K
L	511,915	281,018	38,591	61,452	12,819	118,035	10,355	32,304	75,376	5,625	7,500	L
	510,210	301,641	34,864	99,219	13,131	61,356	8,448	22,148	30,759	24,967	11,355	

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	106,269	186,319	54,058	5,000	151,422	-34,185	10,024	127,261	0.00	1 / 2	A
B	149,675	377,203	716,902	48,777	134,000	437,150	0	96,975	534,125	0.00	3 / 1	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	0	170,337	396,818	53,459	15,670	315,106	-2,068	14,651	327,689	4.00	4 / 2	D
E	0	0	0	0	0	0	0	0	0	0.00	0 / 0	E
F	0	244,425	569,059	88,447	90,000	409,376	0	-18,764	390,612	17.00	9 / 1	F
G	0	0	0	0	0	0	0	0	0	0.00	0 / 0	G
H	21,667	64,291	88,348	156,368	0	-15,017	23,400	-76,403	-68,020	0.00	2 / 1	H
I	0	187,951	575,487	65,084	0	651,413	0	-141,010	510,403	3.00	6 / 3	I
J	0	261,237	705,763	88,157	400	691,182	-145,232	71,256	617,206	3.00	8 / 2	J
K	0	278,000	663,503	138,381	440,000	99,644	-40,208	25,686	85,122	0.00	2 / 4	K
L	0	189,089	486,025	69,178	55,800	291,295	0	69,752	361,047	0.75	6 / 2	L
	19,038	208,756	487,580	84,657	82,319	336,841	-22,033	5,796	320,605	3.08	5 / 2	

SELECTED FINANCIAL AND OPERATING STATISTICS

CREDIT RATING DATA

	Costs and Profits as a % of Net Revenues						Current Ratio	Days of Inventory	Interest Coverage Ratio	Debt to Assets Ratio	Default Risk Ratio	Default Risk	
	Cost of Prs. Sold	Whse. Expenses	Mktn. Expenses	Admin. Expenses	Operating Profit	Net Profit							
A	60.5 %	8.6 %	21.3 %	3.3 %	6.2 %	3.9 %	1.97	102	9.89	0.21	0.71	High	A
B	52.1	5.3	17.2	2.3	23.3	15.4	7.73	101	17.83	0.21	6.91	Low	B
C	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	C
D	57.6	6.9	18.1	2.3	15.2	10.1	3.19	88	18.55	0.11	1.21	Medium	D
E	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	E
F	53.2	7.9	9.8	2.5	26.7	17.9	2.76	110	23.30	0.26	0.18	High	F
G	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	G
H	55.1	10.1	#####	4.5	-79.8	-86.9	0.41	269	-11.22	1.70	0.00	N/A	H
I	86.1	7.8	22.1	3.4	-19.3	-19.2	2.89	36	100.00	0.02	0.00	N/A	I
J	55.8	4.9	16.0	2.4	20.9	14.6	2.96	108	633.82	0.07	2.27	Medium	J
K	55.9	6.9	25.0	2.2	10.0	3.4	2.01	78	1.93	0.81	0.63	High	K
L	54.9	7.5	12.0	2.5	23.1	14.7	2.73	95	11.40	0.20	2.20	Medium	L
	59.1 %	6.8 %	19.4 %	2.6 %	12.0 %	6.0 %	2.47	110	89.50	0.40	1.57	Medium	

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		8.41	8.61	10.47	11.02	14.00	14.89
	Private-Label Footwear		8.02	7.11	9.31	8.99	11.50	12.90
Labor	North America	Total Compensation (\$/year)	17,819	17,997	20,597	20,977	23,451	23,752
		Productivity (pairs/worker/year)	4,159	4,169	4,884	4,944	6,048	6,166
		Labor Cost (\$/pair produced)	3.45	3.67	4.60	4.72	5.10	5.49
	Europe Africa	Total Compensation (\$/year)	16,973	19,813	18,988	27,563	20,408	42,220
		Productivity (pairs/worker/year)	4,271	4,843	4,898	5,224	5,674	5,785
		Labor Cost (\$/pair produced)	3.50	3.69	3.92	5.41	4.55	8.02
	Asia Pacific	Total Compensation (\$/year)	3,771	3,686	5,067	5,467	8,761	9,841
		Productivity (pairs/worker/year)	2,490	2,527	2,894	2,981	3,292	3,436
		Labor Cost (\$/pair produced)	1.34	1.46	1.75	1.84	2.62	3.15
	Latin America	Total Compensation (\$/year)	4,565	4,595	6,042	7,852	9,018	15,169
		Productivity (pairs/worker/year)	2,774	2,766	2,978	3,086	3,231	3,357
		Labor Cost (\$/pair produced)	1.61	1.66	1.96	2.40	2.86	4.36
TQM / 6Σ Quality Expenditures (\$ per pair of capacity)	Year 20	0.20	0.46	1.17	1.19	2.50	2.50	
	Cumulative	0.48	0.46	0.94	0.96	1.52	1.58	
Reject Rates	Branded Production	1.4%	1.4%	3.9%	3.8%	5.4%	5.8%	
	Private-Label Production	2.5%	1.5%	4.1%	2.2%	6.8%	3.2%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	21.94	23.07	25.94	26.10	32.63	30.91
		E-A	23.93	24.50	27.64	34.05	34.83	42.30
		A-P	18.69	19.10	22.40	22.52	27.92	30.12
		L.A.	22.08	22.81	25.34	25.80	29.69	28.34
	Private-Label	N.A.	20.31	19.95	20.75	25.80	21.19	31.64
		E-A	20.97	21.35	24.03	23.12	27.08	24.89
		A-P	22.34	16.96	22.90	17.07	23.45	17.17
		L.A.	20.28	19.24	20.90	19.85	21.52	20.45

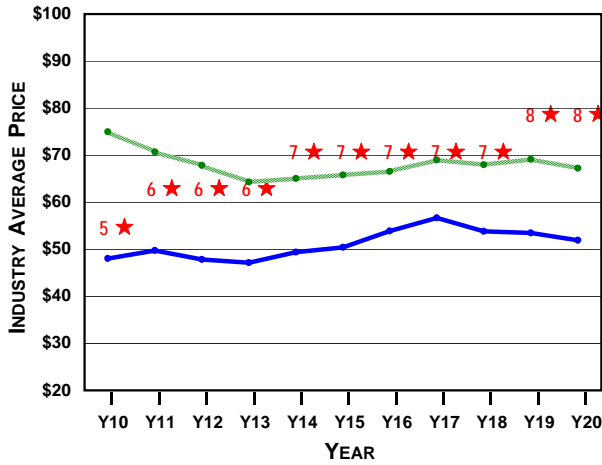
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High		
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.95	22.97	27.22	27.20	34.63	32.91	
		E-A	25.93	26.40	32.92	34.85	41.15	44.30	
		A-P	20.74	21.05	27.25	26.63	42.28	41.11	
		L.A.	26.57	26.97	30.02	29.60	37.60	34.78	
	Warehouse Expenses - Internet (\$ per pair sold)	Wholesale	10.38	10.43	10.93	11.19	13.53	15.64	
			1.97	1.68	2.64	2.75	5.52	7.33	
	Marketing Expenses - Internet (\$ per pair sold)	Wholesale	5.69	6.26	18.89	24.94	81.76	131.57	
			3.92	4.33	15.87	22.27	76.08	127.25	
	Administrative Expenses (\$/pair sold)		1.06	1.12	1.62	1.81	3.23	5.22	
	Private-Label Market Segments	Operating Profit (\$ per pair sold)	N.A.	-43.42	-97.91	17.26	8.86	32.68	31.61
E-A			-47.77	#####	13.74	0.39	29.42	26.59	
A-P			-50.17	#####	17.29	11.03	36.09	33.88	
L.A.			-48.80	-95.37	11.54	8.53	28.09	29.07	
Wholesale		N.A.	-34.60	-76.30	5.62	-5.75	13.59	10.90	
		E-A	-38.93	-81.64	5.86	-0.54	14.96	21.50	
		A-P	-46.24	-86.24	4.40	-2.48	16.58	14.54	
		L.A.	-45.57	-79.11	-0.66	-1.00	11.30	21.90	
		Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.31	21.05	22.75	26.24	23.19	33.64
			E-A	22.97	23.35	28.43	26.06	33.28	27.95
A-P	24.34		18.96	26.11	19.07	29.03	19.17		
L.A.	22.28		21.24	25.90	26.43	32.89	34.87		
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.	4.80	-7.65	5.23	3.96	5.65	10.70		
	E-A	1.24	9.92	7.06	12.22	17.53	15.58		
	A-P	1.26	3.31	5.69	6.37	8.01	9.43		
	L.A.	0.07	1.88	6.73	9.46	13.21	16.83		

CELEBRITY ENDORSEMENTS

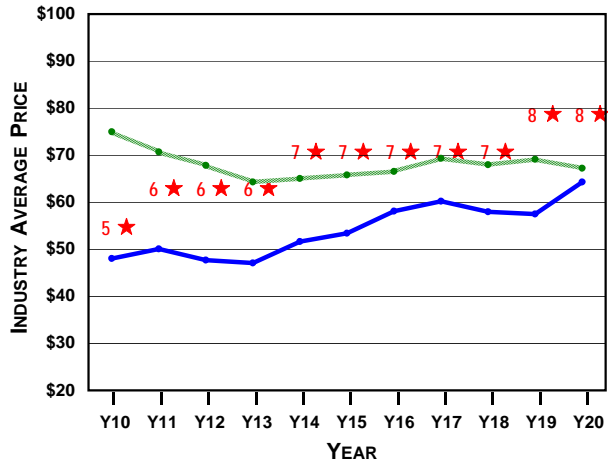
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# of BIDS	HIGH BID	2nd BID	AVG BID	Low Bid
Payton Manyon	85	45	35	40	Company B	12,002	Y19	2 years	5	12,002	10,002	9,933	8,659
Oprah Letterman	100	70	65	75	Company D	12,003	Y20	3 years	3	12,003	500	4,334	500
Annika Stockholm	70	100	70	55	Company J	11,500	Y16	5 years	7	20,000	15,777	10,886	4,444
Tiger Green	95	80	85	75	Company I	500	Y20	2 years	3	12,003	500	4,334	500
José Montaña	60	50	60	95	Company H	16,500	Y18	3 years	5	16,500	11,100	10,185	6,000
Karioki Footsu	55	60	95	90	Company D	12,003	Y20	4 years	3	12,003	500	4,334	500
Jaques LaFeet	50	90	50	85	Company I	500	Y20	1 year	3	12,003	500	4,334	500
Serenus Willson	70	65	55	60	Company B	12,002	Y19	3 years	5	12,002	10,002	9,933	8,659
Natalie Kwan	75	80	95	50	Company K	20,223	Y17	4 years	7	20,223	14,500	11,059	6,499
Sergio Milano	45	85	60	100	Company H	20,000	Y19	2 years	6	20,000	12,002	11,611	8,659
Lance deFrance	80	85	75	70	Company I	500	Y20	3 years	3	12,003	500	4,334	500
Yao KungPao	60	35	100	50	Company H	18,500	Y18	4 years	6	18,500	11,100	10,452	6,000

BRANDED PRICE AND S/Q RATING TRENDS

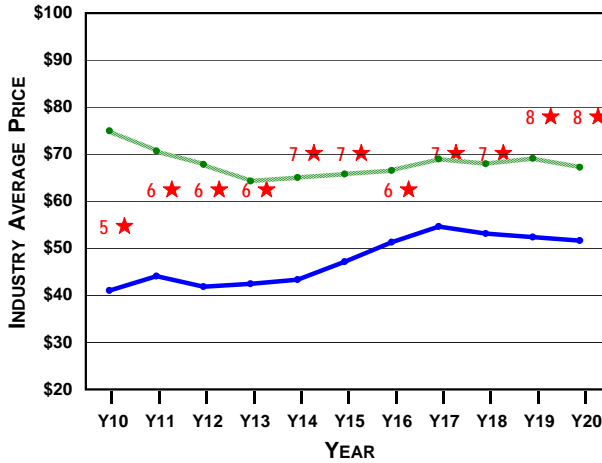
NORTH AMERICA



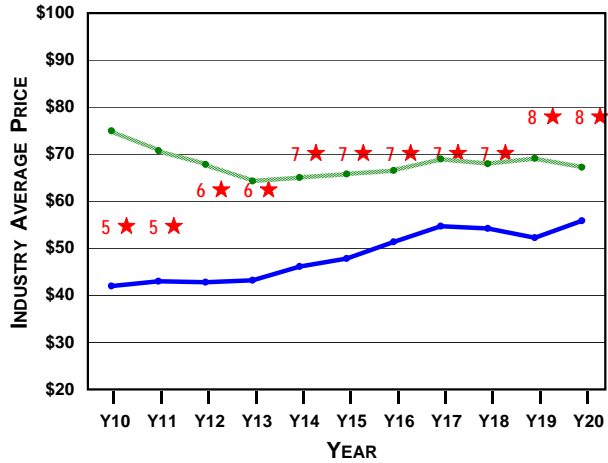
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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