

THE FOOTWEAR INDUSTRY REPORT

The Business Strategy Game © 2006 GLO-BUS Software, Inc. All rights reserved.

INDUSTRY 8

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
Big Jurij	119	+4
KOOL Shoes	115	+38
Just N Time	98	+74
Hit and Run	53	+3
Felocity Footware	52	+5
Icon!	33	-11
Ego!	22	-1
A (deleted)	0	0
C (deleted)	0	0
D (deleted)	0	0
G (deleted)	0	0
L (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Big Jurij	104	+1
KOOL Shoes	88	+3
Hit and Run	79	-2
Felocity Footware	70	-2
Icon!	66	-3
Ego!	61	-4
Just N Time	58	+5
A (deleted)	0	0
C (deleted)	0	0
D (deleted)	0	0
G (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
Big Jurij	99	+1
KOOL Shoes	67	+8
Just N Time	62	+44
Felocity Footware	32	-3
Hit and Run	31	-6
Icon!	25	-9
Ego!	15	-1
A (deleted)	0	0
C (deleted)	0	0
D (deleted)	0	0
G (deleted)	0	0
L (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Big Jurij	99	+1
KOOL Shoes	61	+3
Just N Time	48	+24
Hit and Run	46	-1
Felocity Footware	38	+1
Icon!	35	-4
Ego!	20	-5
A (deleted)	0	0
C (deleted)	0	0
D (deleted)	0	0
G (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 (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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	A
B	2.36	7.95	4.38	9.16	9.12	5.50	2.97	6.73	6.99	15.19	6.84	20	20	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	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	3.82	4.97	2.71	2.14	1.24	2.34	-0.79	-0.40	-3.84	-2.56	0.77	0	2	E
F	2.08	4.68	3.46	3.06	1.40	2.98	-0.47	-0.02	1.83	1.95	2.10	3	6	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	7.26	8.04	5.06	4.06	2.22	4.44	-0.41	1.03	2.30	2.29	3.63	3	11	H
I	3.90	5.63	2.21	2.41	1.17	2.35	-0.50	-4.49	0.73	-0.28	1.31	0	4	I
J	1.94	6.61	1.25	1.35	1.35	1.81	-1.93	-1.02	-5.06	3.53	1.02	5	3	J
K	3.12	4.32	3.65	2.13	3.85	5.42	-1.78	-3.71	2.18	6.24	2.34	8	7	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 (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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	A
B	14.9	39.7	16.9	22.4	26.1	22.3	11.3	15.5	16.6	26.7	19.5	20	20	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	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	22.7	24.3	11.6	8.7	4.9	9.3	-3.1	-1.6	-17.0	-19.4	3.5	0	4	E
F	13.2	25.5	15.8	12.4	5.3	10.6	-1.6	-0.1	6.2	6.2	8.0	5	8	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	42.2	44.2	20.4	13.9	6.9	12.4	-1.1	2.7	5.8	5.5	11.1	4	11	H
I	23.5	27.0	9.0	9.1	4.3	8.5	-1.9	-19.3	3.4	-1.3	5.5	0	6	I
J	12.4	33.4	6.6	6.7	6.0	7.9	-8.6	-4.8	-28.1	20.5	5.2	15	5	J
K	19.6	19.3	13.3	6.8	11.3	14.1	-4.6	-13.1	6.5	15.5	7.3	12	7	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0 %	0	0	A
B	27.01	114.90	57.47	166.84	164.71	75.24	33.90	67.47	82.25	197.73	+21	20	20	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	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	69.03	97.01	40.67	23.23	13.20	23.33	13.98	8.74	5.49	4.55	-17	0	0	E
F	21.99	91.40	46.15	35.50	18.82	30.57	16.80	9.82	16.66	22.18	-3	2	2	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	120.59	153.09	65.22	43.40	22.59	45.07	23.03	13.60	21.44	26.32	-1	3	3	H
I	80.80	93.78	39.46	27.50	15.36	27.89	16.21	9.73	8.26	4.90	-17	0	0	I
J	19.79	94.35	39.87	22.12	13.00	19.33	11.18	6.53	4.60	28.22	-1	3	3	J
K	46.17	74.19	48.34	25.57	43.65	76.29	35.08	18.63	27.50	93.75	+12	9	9	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	A
B	B+	B+	B+	B+	C+	C-	C	B-	A-	A	Low	19	19	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	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	A	A	A-	B	B-	B-	C-	C-	C-	C-	N/A	0	0	E
F	B	A+	A+	A-	B-	B-	C-	C-	C-	C	High	4	4	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	A-	A	A-	B+	B	B	C-	C-	C-	C	High	4	4	H
I	A-	A-	B	A	B+	B+	C-	C-	B-	B-	Medium	11	11	I
J	B	A-	C	C	C	C	C-	C-	C-	A+	Low	20	20	J
K	A-	A	A	B+	A-	B	C-	C	A+	A+	Low	20	20	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	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	66	76	77	100	92	91	100	100	100	99	100	20	20	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	72	70	62	66	68	72	64	61	74	72	69	15	14	E
F	64	81	79	81	79	86	80	82	93	89	88	18	18	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	83	80	74	78	77	74	77	77	90	86	84	17	17	H
I	80	74	72	76	73	68	61	66	76	68	70	14	14	I
J	61	82	57	73	82	79	71	78	84	92	85	19	17	J
K	70	75	77	75	90	89	77	89	92	90	90	18	18	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	0	0	0	0	0	0	0	0	0			
B	94	113	110	116	103	95	73	104	115	119	104	Excellent	B
C	0	0	0	0	0	0	0	0	0	0	0	N/A	C
D	0	0	0	0	0	0	0	0	0	0	0	N/A	D
E	115	115	94	72	51	68	24	21	23	22	61	Subpar	E
F	82	118	110	98	57	78	28	26	47	52	70	Fair	F
G	0	0	0	0	0	0	0	0	0	0	0	N/A	G
H	116	116	115	103	70	96	31	36	50	53	79	Fair	H
I	115	115	83	85	60	76	24	23	44	33	66	Subpar	I
J	77	116	58	52	48	55	25	24	24	98	58	Subpar	J
K	111	115	107	76	101	106	36	35	77	115	88	Good	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	13,502	3,442	49,700	7,851	74,495
– Pairs Rejected	455	158	2,221	608	3,442
Net Y20 Production (after rejects)	13,047	3,284	47,479	7,243	71,053
Superior Materials Usage	48.1%	31.2%	45.7%	31.7%	44.0%
Capacity Utilization (branded + P-L prod.)	86.6%	111.0%	113.0%	117.2%	107.3%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	7.00	+ 0.84	0.00	7.84
Superior Materials	14.00	- 0.42	0.00	13.58

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	8,398	6,194	7,383	2,661	24,636
– Pairs Cleared (inventory clearance)	0	0	0	0	0
Beginning Y20 Inventories	8,398	6,194	7,383	2,661	24,636
+ New Production (shipped from plants)	17,241	15,929	15,867	13,310	62,347
Pairs Available for Sale in Y20	25,639	22,123	23,250	15,971	86,983

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)	17,902	17,254	16,867	16,382	68,405
Actual Year 20 Demand	17,703	17,381	17,372	16,446	68,902
Branded Pairs Sold	17,456	17,355	17,329	15,114	67,254
Required Y20 Ending Inventories	935	1,023	1,054	857	3,869
Inventory Surplus (Shortfall)	6,582	2,821	3,973	-2,993	10,383

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.6%
- Available for shipment to warehouses
- % usage up by 2.9 points over Y19
- % utilization up by 4.4 points over Y19

Lower than normal (44.0% industrywide) superior materials usage led to superior materials prices that were 3.0% below the base and standard materials prices that were 12.0% above the base.

- Average inventory clearance of 0.0%
- 26.2% higher than Y20 demand
- Actual demand in Year 20 was 0.7% greater than expected.
- Needed to achieve delivery times
- { Very high in N.A. High in E-A
Very high 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)	18,411	19,147	19,913	20,710
Europe-Africa	18,076	18,799	19,551	20,333
Asia-Pacific	18,414	19,519	20,690	21,931
Latin America	17,432	18,478	19,587	20,762
Total	72,333	75,943	79,741	83,736
Private-Label — North America	3,262	3,262	3,262	3,262
Europe-Africa	3,262	3,262	3,262	3,262
Asia-Pacific	3,304	3,304	3,304	3,304
Latin America	3,262	3,262	3,262	3,262
Total	13,090	13,090	13,090	13,090

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	17,245
Potential Production (at max OT)	83,280
Potential Global Supply	100,525
Demand — Branded Sales Forecast (000s)	72,333
Private-Label Sales Forecast	13,090
Expected Global Demand	85,423
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	0	0	12,000	3,900	0	0	0	0	0	0	12,000	3,900	15,900	0	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	D
E	5,000	0	4,200	0	0	0	0	0	5,000	0	4,200	0	9,200	0	E
F	4,200	0	5,600	0	0	0	0	0	4,200	0	5,600	0	9,800	0	F
G	0	0	0	0	0	0	0	0	0	0	0	0	0	0	G
H	2,200	1,500	4,000	1,200	0	0	0	0	2,200	1,500	4,000	1,200	8,900	0	H
I	2,200	1,600	3,200	1,600	0	0	0	0	2,200	1,600	3,200	1,600	8,600	0	I
J	2,000	0	4,000	0	0	0	0	0	2,000	0	4,000	0	6,000	0	J
K	0	0	11,000	0	0	0	0	0	0	0	11,000	0	11,000	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
Total	15,600	3,100	44,000	6,700	0	0	0	0	15,600	3,100	44,000	6,700	69,400	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	0	0	0	0	0	0	0	0	0	0	0	A
B	896,587	420,853	65,882	183,258	18,319	208,275	12,951	58,597	136,727	18,000	9,000	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	0	0	0	0	0	0	0	0	0	D
E	376,832	278,465	31,170	44,495	11,619	11,083	50,323	0	-39,240	0	15,300	E
F	498,866	296,182	35,352	101,169	12,222	53,941	26,059	8,365	19,517	0	10,000	F
G	0	0	0	0	0	0	0	0	0	0	0	G
H	611,828	394,747	45,980	108,132	11,321	51,648	27,067	7,374	17,207	0	7,500	H
I	306,134	229,007	22,967	42,625	11,020	515	3,333	0	-2,818	0	10,000	I
J	316,145	207,747	22,010	47,650	8,418	30,320	3,808	0	26,512	0	7,500	J
K	680,553	318,937	38,662	221,811	13,418	87,725	-396	10,380	77,741	0	12,450	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	526,706	306,563	37,432	107,020	12,334	63,358	17,592	12,102	33,664	2,571	10,250	

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	0	0	0	0	0	0	0	0	0.00	0 / 0	A
B	37,753	289,786	714,441	77,146	111,000	498,957	-91,390	118,728	526,295	2.00	3 / 2	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	0	0	0	0	0	0	0	0	0	0.00	0 / 0	D
E	0	333,616	549,557	357,236	0	213,063	18,500	-39,241	192,321	0.00	3 / 4	E
F	0	280,984	474,956	138,292	10,350	306,793	0	19,520	326,314	0.00	0 / 2	F
G	0	0	0	0	0	0	0	0	0	0.00	0 / 0	G
H	0	297,322	494,397	131,790	38,700	306,697	0	17,210	323,907	0.00	0 / 1	H
I	2,586	85,011	254,291	31,639	8,553	216,916	0	-2,817	214,099	0.00	5 / 2	I
J	3,942	85,520	185,770	26,714	16,500	116,044	0	26,511	142,556	0.00	4 / 2	J
K	14,609	216,001	517,435	28,628	0	517,534	-106,485	77,758	488,807	0.00	1 / 2	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	8,413	226,891	455,835	113,064	26,443	310,858	-25,625	31,096	316,328	0.29	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	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.00	0	0.00	0.00	0.00	N/A	A
B	46.9	7.3	20.4	2.0	23.2	15.2	3.76	28	16.08	0.21	4.18	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	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	73.9	8.3	11.8	3.1	2.9	-10.4	0.93	354	0.22	0.62	0.00	N/A	E
F	59.4	7.1	20.3	2.4	10.8	3.9	2.03	204	2.07	0.27	0.35	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	64.5	7.5	17.7	1.9	8.4	2.8	2.26	138	1.91	0.31	0.35	High	H
I	74.8	7.5	13.9	3.6	0.2	-0.9	2.69	11	0.15	0.07	1.82	Medium	I
J	65.7	7.0	15.1	2.7	9.6	8.4	3.20	7	7.96	0.12	6.42	Low	J
K	46.9	5.7	32.6	2.0	12.9	11.4	7.55	36	100.00	0.00	10.00	Low	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
	58.2 %	7.1 %	20.3 %	2.3 %	12.0 %	6.4 %	2.01	111	18.34	0.23	3.30	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		7.76	7.47	10.37	10.35	13.69	13.89
	Private-Label Footwear		8.13	8.77	9.59	10.06	11.21	11.46
Labor	North America	Total Compensation (\$/year)	17,450	17,457	22,159	22,394	24,529	24,386
		Productivity (pairs/worker/year)	4,210	4,202	5,034	5,045	5,497	5,474
		Labor Cost (\$/pair produced)	3.64	3.62	4.70	4.71	6.00	5.78
	Europe	Total Compensation (\$/year)	15,912	15,923	18,970	18,828	22,027	21,732
		Productivity (pairs/worker/year)	3,537	3,589	3,812	3,844	4,087	4,099
		Labor Cost (\$/pair produced)	5.05	4.97	5.45	5.30	5.85	5.63
	Asia Pacific	Total Compensation (\$/year)	3,469	3,468	4,487	4,541	6,163	6,255
		Productivity (pairs/worker/year)	2,476	2,451	2,911	2,921	3,734	3,808
		Labor Cost (\$/pair produced)	1.40	1.39	1.59	1.61	1.84	1.83
	Latin America	Total Compensation (\$/year)	3,138	3,138	3,812	3,835	4,248	4,287
		Productivity (pairs/worker/year)	2,520	2,517	2,643	2,651	2,869	2,889
		Labor Cost (\$/pair produced)	1.36	1.36	1.50	1.49	1.76	1.75
TQM / 6Σ Quality Expenditures (\$ per pair of capacity)	Year 20	0.20	0.20	1.11	1.11	2.50	2.50	
	Cumulative	0.30	0.30	1.03	1.04	2.18	2.22	
Reject Rates	Branded Production	1.8%	1.8%	4.5%	4.5%	6.1%	6.3%	
	Private-Label Production	2.5%	2.9%	3.8%	4.2%	5.7%	6.5%	
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	27.18	26.94	31.41	30.15	36.59	35.63
		E-A	31.01	29.44	32.02	31.08	33.02	32.71
		A-P	18.60	18.19	25.56	23.17	41.44	29.91
		L.A.	20.80	20.71	25.32	24.59	28.41	28.26
		Private-Label	N.A.	25.57	30.78	28.66	31.27	31.75
	E-A	27.16	0.00	27.16	0.00	27.16	0.00	
	A-P	17.74	17.03	20.11	19.78	23.17	22.33	
	L.A.	18.40	18.48	21.39	18.48	24.38	18.48	

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.	22.88	22.24	30.39	29.57	38.34	38.10
		E-A	29.02	28.99	34.86	33.08	51.45	38.60
		A-P	20.61	20.23	27.73	25.62	43.03	29.71
		L.A.	22.83	22.72	33.12	31.85	42.17	41.83
	Warehouse Expenses - Internet (\$ per pair sold)	Wholesale	10.34	10.31	11.08	10.89	12.47	12.10
			1.95	1.99	2.87	2.64	4.39	3.66
	Marketing Expenses - Internet (\$ per pair sold)	Wholesale	8.50	4.18	12.81	11.57	23.50	20.53
			7.24	6.25	11.03	10.43	20.32	17.31
	Administrative Expenses (\$/pair sold)		0.91	0.94	1.66	1.44	2.81	2.24
	Operating Profit (\$ per pair sold)	Internet	N.A.	-8.10	2.67	9.53	13.29	24.68
E-A			-19.67	2.47	5.97	8.93	22.04	20.22
A-P			-12.09	9.58	13.61	17.91	31.30	31.48
L.A.			-12.11	-3.48	6.18	11.99	20.26	20.98
Wholesale		N.A.	-3.70	-4.06	2.44	5.20	8.10	14.44
		E-A	-16.40	-3.54	-1.23	0.94	6.94	6.43
		A-P	-8.17	0.54	3.97	7.30	9.48	13.29
		L.A.	-6.30	-5.75	-1.94	2.50	5.48	14.57

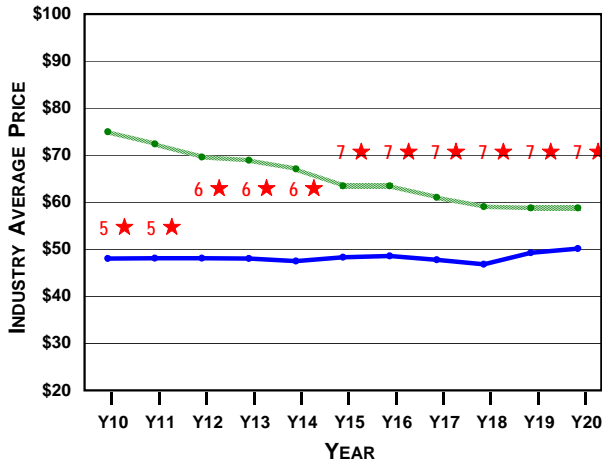
Private-Label Market Segments	Production Costs (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	21.93	20.91	27.75	25.85	33.75	32.78
		E-A	28.19	27.81	28.68	29.31	29.16	30.81
		A-P	19.74	21.98	22.11	23.16	25.17	24.33
		L.A.	22.53	22.76	24.46	29.20	26.38	35.64
	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.	1.25	1.22	2.31	2.38	4.24	4.15
		E-A	3.32	0.38	4.18	1.85	5.04	3.32
		A-P	-4.94	-0.50	0.53	0.54	4.68	1.58
		L.A.	2.70	5.45	3.26	5.54	3.81	5.62

CELEBRITY ENDORSEMENTS

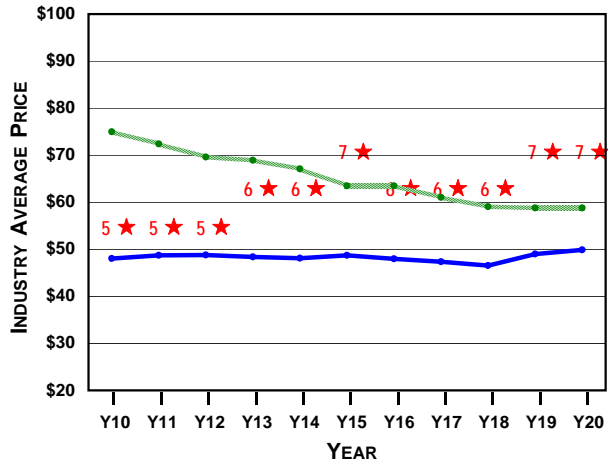
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# of BIDS	HIGH BID	2nd BID	AVG BID	Low Bid
Payton Manyon	85	45	35	40	Company H	10,111	Y19	2 years	2	13,200	10,111	11,656	10,111
Oprah Letterman	100	70	65	75	Company H	23,222	Y20	3 years	2	23,222	7,000	15,111	7,000
Annika Stockholm	70	100	70	55	Company K	30,001	Y16	5 years	6	30,001	28,000	20,462	10,000
Tiger Green	95	80	85	75	Company K	7,000	Y20	2 years	1	7,000	0	7,000	7,000
José Montaña	60	50	60	95	Company B	16,200	Y18	3 years	1	16,200	0	16,200	16,200
Karioki Footsu	55	60	95	90	Company K	7,000	Y20	4 years	1	7,000	0	7,000	7,000
Jaques LaFeet	50	90	50	85	[unsigned]	0	N/A	1 year	1	13,111	0	13,111	13,111
Serenus Willson	70	65	55	60	Company B	15,200	Y19	3 years	1	15,200	0	15,200	15,200
Natalie Kwan	75	80	95	50	Company K	30,001	Y17	4 years	5	30,001	23,222	22,445	17,999
Sergio Milano	45	85	60	100	Company B	15,200	Y19	2 years	2	15,200	10,111	12,656	10,111
Lance deFrance	80	85	75	70	Company K	7,000	Y20	3 years	2	23,222	7,000	15,111	7,000
Yao KungPao	60	35	100	50	Company B	14,200	Y18	4 years	1	14,200	0	14,200	14,200

BRANDED PRICE AND S/Q RATING TRENDS

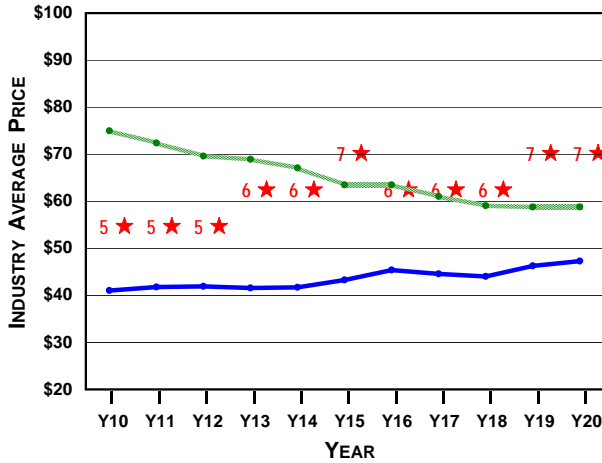
NORTH AMERICA



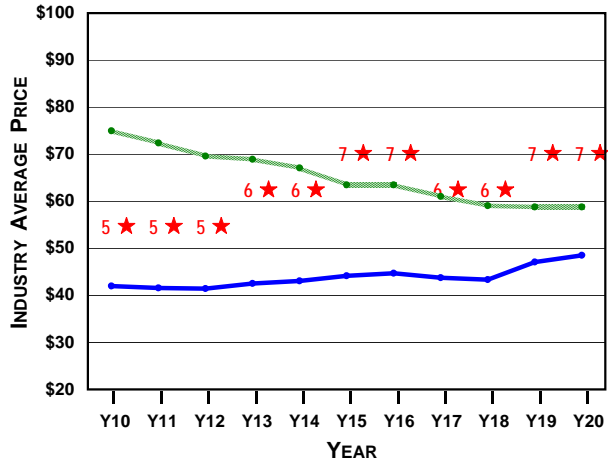
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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