

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 3

Friday, May 4, 2007

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
G-FUNK Shoes	119	+3
Best Footwear Co.	118	+1
Herradura Delight	118	+6
Expedient shoes	116	+2
Alpha Footwear	111	-2
Just making it!	74	+2
Imperium Adroit	44	0
F Company	19	+1
C (deleted)	0	0
D (deleted)	0	0
K (deleted)	0	0
L (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Herradura Delight	105	+1
G-FUNK Shoes	98	+2
Expedient shoes	96	+3
Alpha Footwear	82	+3
Best Footwear Co.	81	+4
Imperium Adroit	58	-2
Just making it!	55	+2
F Company	35	-2
C (deleted)	0	0
D (deleted)	0	0
K (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
Best Footwear Co.	96	+1
Herradura Delight	96	+6
G-FUNK Shoes	88	+4
Expedient shoes	83	-4
Alpha Footwear	67	-16
Just making it!	49	-3
Imperium Adroit	32	-2
F Company	13	+1
C (deleted)	0	0
D (deleted)	0	0
K (deleted)	0	0
L (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
Herradura Delight	98	+8
Best Footwear Co.	82	+3
G-FUNK Shoes	81	+6
Expedient shoes	79	-1
Alpha Footwear	65	-6
Just making it!	43	-1
Imperium Adroit	37	-5
F Company	13	-1
C (deleted)	0	0
D (deleted)	0	0
K (deleted)	0	0
L (deleted)	0	0

EARNINGS PER SHARE (\$)

Bold numbers indicate achievement of investor expectation for EPS shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the 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	3.65	2.11	0.52	0.15	2.23	2.28	2.95	2.99	5.90	5.65	2.81	11	10	A
B	3.20	2.19	0.99	-1.61	0.90	1.67	5.21	5.43	6.63	9.15	3.26	18	12	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	2.85	2.15	1.80	1.99	2.93	3.18	5.11	6.09	6.25	7.49	3.77	15	14	E
F	2.47	2.48	0.59	-0.44	-0.61	-6.57	-2.30	-3.33	-3.89	-4.53	-1.61	0	0	F
G	2.95	3.97	1.90	2.22	3.81	2.43	3.57	3.58	5.61	7.81	3.68	16	13	G
H	3.04	4.59	2.71	3.53	5.38	5.88	6.59	7.91	7.40	10.00	5.54	20	20	H
I	2.85	2.81	0.26	-0.37	0.42	1.52	1.58	1.40	0.68	0.89	1.14	2	4	I
J	1.49	2.30	-0.09	-1.72	-0.76	-0.19	1.30	1.57	1.31	1.51	0.57	3	2	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	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 investor expectation for ROE shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the 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	21.5	11.1	2.7	0.8	10.7	9.8	11.6	10.4	17.9	15.8	11.3	12	11	A
B	19.6	11.6	4.4	-7.4	4.3	7.6	20.8	17.8	19.4	26.1	13.0	20	12	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	17.3	10.7	7.9	8.8	11.3	11.2	16.3	17.6	16.2	18.1	13.4	14	13	E
F	15.1	13.1	2.9	-2.1	-3.1	-41.0	-20.5	-39.5	-80.6	-730.9	-12.5	0	0	F
G	17.7	19.9	8.8	9.0	14.7	8.2	17.0	14.7	19.3	21.9	14.5	17	14	G
H	18.8	25.3	15.2	18.1	26.9	24.3	23.5	25.4	20.7	23.5	21.3	18	20	H
I	17.2	15.1	1.2	-1.7	1.9	6.6	5.7	5.3	2.2	2.4	4.6	2	4	I
J	9.7	15.0	-0.6	-12.6	-6.5	-1.9	11.5	12.0	10.6	11.8	4.4	9	4	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	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 investor expectation for stock price shown below each column head. Best-in-industry performers earn a score of 20 (a 20% weighting in the 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	60.34	29.29	16.63	9.65	23.24	26.90	41.74	37.90	97.51	91.23	+12 %	11	11	A
B	51.73	26.17	15.06	9.24	9.14	17.90	70.15	73.10	116.68	160.45	+18	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	35.74	21.85	17.50	18.91	35.46	36.62	84.59	101.08	106.92	127.47	+16	16	16	E
F	26.17	24.73	14.06	8.66	5.60	4.75	4.97	5.50	4.60	5.34	-16	1	1	F
G	39.46	56.24	27.88	23.32	42.61	27.09	41.04	38.09	76.84	125.72	+15	16	16	G
H	44.31	83.26	36.80	42.53	74.38	91.94	99.60	115.28	95.28	160.09	+18	20	20	H
I	35.06	31.84	17.28	10.61	6.47	18.01	19.06	16.67	10.21	7.82	-13	1	1	I
J	16.43	24.38	13.73	8.88	6.15	4.75	16.52	23.09	18.35	17.02	-6	2	2	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	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	A	B	C	C	A-	A-	A	A+	A+	A+	Low	20	20	A
B	B	C+	C-	C-	C-	C	B+	A-	A-	A-	Medium	18	18	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-	B	B-	B	B+	B+	A-	A	A	A	Low	19	19	E
F	B+	B	C-	C-	C-	C-	C-	C-	C-	C-	N/A	0	0	F
G	A-	A	B+	A	A	B	B-	B	A-	A	Low	19	19	G
H	B	B	C	C+	B-	B-	B	B	B	A-	Medium	18	18	H
I	B	B	C	C-	C	B+	B+	B+	B-	B-	Medium	11	11	I
J	B-	A	C-	C-	C-	C-	B+	A	A	A	Low	19	19	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	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	78	68	66	67	66	61	63	66	65	65	65	13	13	A
B	73	86	92	90	90	88	89	97	100	100	99	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	69	72	70	79	82	83	82	87	93	87	19	17	E
F	65	64	64	67	69	58	64	58	57	59	58	12	12	F
G	78	67	70	74	73	86	79	88	95	100	94	20	19	G
H	74	76	77	74	82	83	83	100	99	100	100	20	20	H
I	66	87	84	88	87	86	94	94	85	82	87	16	17	I
J	62	67	63	81	78	83	81	82	81	82	82	16	16	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	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	116	82	39	30	79	76	89	88	113			
B	105	75	43	28	38	54	115	115	117	118	81	Good	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	106	78	65	70	90	91	112	115	114	116	96	Very Good	E
F	94	82	34	23	23	19	20	19	18	19	35	Subpar	F
G	108	113	79	82	104	74	91	93	116	119	98	Very Good	G
H	105	109	83	93	106	106	110	112	112	118	105	Excellent	H
I	98	97	39	28	34	67	67	64	44	44	58	Subpar	I
J	64	92	25	27	24	24	71	78	72	74	55	Subpar	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	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	19,687	1,440	52,402	19,080	92,609
– Pairs Rejected	1,160	60	2,435	1,001	4,656
Net Y20 Production (after rejects)	18,527	1,380	49,967	18,079	87,953
Superior Materials Usage	32.0%	40.0%	24.7%	23.5%	26.3%
Capacity Utilization (branded + P-L prod.)	119.3%	120.0%	112.9%	120.0%	115.8%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	+ 3.08	+ 0.38	9.96
Superior Materials	14.00	- 1.66	+ 0.81	13.15

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	7,110	2,130	6,339	2,114	17,693
– Pairs Cleared (inventory clearance)	261	1,182	293	1,402	3,138
Beginning Y20 Inventories	6,849	948	6,046	712	14,555
+ New Production (shipped from plants)	17,257	19,527	17,484	19,834	74,102
Pairs Available for Sale in Y20	24,106	20,475	23,530	20,546	88,657

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)	18,812	19,768	18,715	18,461	75,756
Actual Year 20 Demand	18,840	19,976	19,208	18,728	76,752
Branded Pairs Sold	18,838	19,318	18,955	18,656	75,767
Required Y20 Ending Inventories	1,112	1,157	1,068	965	4,302
Inventory Surplus (Shortfall)	4,119	-831	3,066	446	6,800

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 5.0%
- Available for shipment to warehouses
- % usage down by 2.1 points from Y19
- % utilization down by 3.9 points from Y19

Lower than normal (26.3% industrywide) superior materials usage led to superior materials prices that were 11.9% below the base and standard materials prices that were 47.4% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 5.8% from the base.

- Average inventory clearance of 17.7%
- 15.5% higher than Y20 demand

Actual demand in Year 20 was 1.3% greater than expected due to decreases in industry average prices.

- Needed to achieve delivery times
- { Very high in N.A. Low 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 (internet + wholesale)				
– North America	19,594	20,378	21,193	22,041
– Europe-Africa	20,775	21,606	22,470	23,369
– Asia-Pacific	20,360	21,582	22,877	24,250
– Latin America	19,852	21,043	22,306	23,644
Total	80,581	84,609	88,846	93,304
Private-Label				
– North America	3,744	3,744	3,744	3,744
– Europe-Africa	3,784	3,784	3,784	3,784
– Asia-Pacific	3,792	3,792	3,792	3,792
– Latin America	3,712	3,712	3,712	3,712
Total	15,032	15,032	15,032	15,032

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply	Beginning Year 21 Inventory (000s)	11,933
	Potential Production (at max OT)	101,400
	Potential Global Supply	113,333
Demand	Branded Sales Forecast (000s)	80,581
	Private-Label Sales Forecast	15,032
	Expected Global Demand	95,613
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	5,400	2,100	0	0	0	0	0	0	5,400	2,100	7,500	4,000	A
B	1,700	0	8,500	2,200	0	0	1,600	0	1,700	0	10,100	2,200	14,000	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	0	0	4,500	6,000	0	0	0	0	0	0	4,500	6,000	10,500	0	E
F	1,800	0	3,600	0	-1,800	0	-2,200	0	0	0	1,400	0	1,400	0	F
G	4,000	0	6,500	0	1,300	0	0	0	5,300	0	6,500	0	11,800	0	G
H	0	0	9,000	4,400	0	0	0	0	0	0	9,000	4,400	13,400	500	H
I	5,800	0	5,000	0	0	0	0	0	5,800	0	5,000	0	10,800	0	I
J	3,700	1,200	4,500	1,200	0	0	0	0	3,700	1,200	4,500	1,200	10,600	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	0	0	0	0	0	0	0	0	0	0	0	0	0	0	L
	17,000	1,200	47,000	15,900	-500	0	-600	0	16,500	1,200	46,400	15,900	80,000	4,500	

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	336,641	206,677	23,339	24,432	9,919	72,274	-169	21,733	50,710	11,219	8,975	A
B	680,917	383,167	41,436	114,770	16,418	125,126	11,744	34,015	79,367	12,311	8,670	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	512,337	301,638	34,853	74,602	12,920	88,324	8,077	24,074	56,173	45,000	7,500	E
F	235,848	123,471	32,196	67,681	3,819	8,681	53,944	0	-45,263	0	10,000	F
G	656,005	381,312	47,568	117,574	14,219	95,332	11,678	25,096	58,558	75	7,500	G
H	633,742	345,675	37,385	106,593	15,819	128,270	21,100	32,151	75,019	15,000	7,500	H
I	538,278	353,525	39,129	114,296	13,218	18,110	7,986	3,037	7,087	0	7,950	I
J	612,491	364,999	38,916	133,501	13,019	62,056	8,719	16,001	37,336	0	24,700	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	0	0	0	0	0	0	0	0	0	0	0	L
	525,782	307,558	36,853	94,181	12,419	74,772	15,385	19,513	39,873	10,451	10,349	

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	8,107	110,839	467,820	34,328	135,000	342,241	-83,241	39,492	298,492	1.25	5 / 2	A
B	3,107	186,798	521,434	79,325	156,300	322,094	-103,340	67,055	285,809	1.42	3 / 3	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	14,983	159,737	443,843	37,177	90,000	305,492	0	11,174	316,666	6.00	6 / 4	E
F	0	247,020	279,032	295,471	0	28,824	0	-45,263	-16,439	0.00	0 / 1	F
G	17,412	213,926	487,159	60,623	129,700	238,352	0	58,483	296,836	0.01	0 / 1	G
H	15,838	183,029	606,546	79,888	177,500	289,136	0	60,022	349,158	2.00	9 / 0	H
I	0	164,451	414,691	64,667	67,400	309,089	-33,550	7,085	282,624	0.00	0 / 1	I
J	50,497	245,754	474,772	50,440	88,000	298,997	0	37,335	336,332	0.00	2 / 3	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	0	0	0	0	0	0	0	0	0.00	0 / 0	L
	13,743	188,944	461,912	87,740	105,488	266,778	-27,516	29,423	268,685	1.34	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	61.4 %	6.9 %	7.3 %	2.9 %	21.5 %	15.1 %	3.23	36	100.00	0.32	3.97	Low	A
B	56.3	6.1	16.9	2.4	18.4	11.7	2.35	16	10.65	0.39	2.19	Medium	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	58.9	6.8	14.6	2.5	17.2	11.0	4.30	28	10.94	0.23	3.65	Low	E
F	52.4	13.7	28.7	1.6	3.7	-19.2	0.84	580	0.16	1.04	0.00	N/A	F
G	58.1	7.3	17.9	2.2	14.5	8.9	3.53	43	8.16	0.31	3.84	Low	G
H	54.5	5.9	16.8	2.5	20.2	11.8	2.29	12	6.08	0.37	2.11	Medium	H
I	65.7	7.3	21.2	2.5	3.4	1.3	2.54	37	2.27	0.24	1.13	Medium	I
J	59.6	6.4	21.8	2.1	10.1	6.1	4.87	43	7.12	0.22	3.54	Low	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	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	L
	58.5 %	7.0 %	17.9 %	2.4 %	14.2 %	7.6 %	2.15	99	18.17	0.39	2.55	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		9.21	8.94	10.85	10.68	12.37	11.89
	Private-Label Footwear		9.12	8.59	10.39	10.16	12.26	11.98
Labor — North America	Total Compensation (\$/year)		16,671	17,408	19,675	19,322	22,086	20,705
	Productivity (pairs/worker/year)		4,122	3,937	4,722	4,583	5,360	5,147
	Labor Cost (\$/pair produced)		2.74	2.94	4.22	4.46	5.09	5.34
Europe Africa	Total Compensation (\$/year)		18,365	18,736	18,365	18,736	18,365	18,736
	Productivity (pairs/worker/year)		4,278	4,369	4,278	4,369	4,278	4,369
	Labor Cost (\$/pair produced)		4.74	4.73	4.74	4.73	4.74	4.73
Asia Pacific	Total Compensation (\$/year)		3,704	3,735	4,392	4,419	5,105	5,154
	Productivity (pairs/worker/year)		2,377	2,352	2,709	2,739	3,311	3,337
	Labor Cost (\$/pair produced)		1.20	1.44	1.57	1.69	1.90	1.93
Latin America	Total Compensation (\$/year)		4,122	4,205	4,409	4,501	4,719	4,821
	Productivity (pairs/worker/year)		2,453	2,496	2,973	3,026	3,847	3,981
	Labor Cost (\$/pair produced)		1.03	1.30	1.56	1.60	1.90	1.90
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.00	0.58	0.55	1.00	1.01
	Cumulative		0.47	0.43	0.72	0.68	1.46	1.41
Reject Rates	Branded Production		2.2%	2.5%	5.3%	5.4%	11.2%	11.2%
	Private-Label Production		2.0%	2.0%	3.6%	3.7%	6.2%	6.2%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.		26.08	26.17	26.66	27.05	28.33	28.93
	E-A		34.41	34.15	34.41	34.15	34.41	34.15
	A-P		18.51	17.84	22.22	22.51	25.02	27.77
	L.A.		19.79	18.80	23.82	23.11	29.14	28.14
	Private-Label — N.A.		19.80	20.13	21.03	22.04	22.91	23.06
	E-A		0.00	0.00	0.00	0.00	0.00	0.00
	A-P		16.74	18.13	19.38	20.65	21.15	24.27
	L.A.		17.24	17.27	18.39	18.26	19.20	19.26

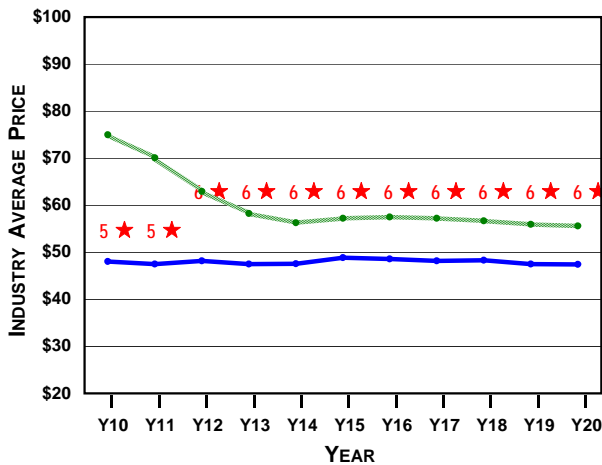
OPERATING BENCHMARKS			Industry Low		Industry Average		Industry High	
			Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Branded Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	22.45	22.06	27.04	27.39	30.33	30.94
		E-A	26.64	25.60	30.92	30.87	35.16	35.08
		A-P	20.46	19.85	24.23	24.45	26.89	29.57
		L.A.	21.77	20.80	27.72	27.05	31.73	31.09
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale		10.36	10.36	10.86	10.78	13.27	12.74
			2.04	2.03	2.63	2.61	5.18	5.19
Marketing Expenses — Internet (\$ per pair sold)	Wholesale		9.01	9.32	11.64	11.87	14.44	14.71
			3.10	3.04	9.49	9.75	13.32	15.15
Administrative Expenses (\$/pair sold)		1.22	0.85	1.43	1.30	2.15	1.66	
Operating Profit (\$ per pair sold)	Internet	N.A.	0.99	2.04	13.70	13.32	25.14	25.43
		E-A	2.84	2.87	10.24	10.36	20.57	21.19
		A-P	9.91	9.54	17.85	16.62	28.55	27.05
		L.A.	7.39	2.56	15.75	16.81	28.61	29.52
Wholesale		N.A.	-1.27	-1.17	5.37	4.97	13.33	10.44
		E-A	-5.58	-5.73	2.53	3.23	11.46	9.98
		A-P	1.82	1.15	5.73	4.86	14.56	9.24
		L.A.	0.68	0.38	4.52	5.72	9.33	10.91
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	20.72	21.79	23.16	23.39	25.12	25.06
		E-A	24.94	25.89	27.60	27.72	29.39	30.84
		A-P	18.75	20.13	21.40	22.65	23.15	26.27
		L.A.	19.24	19.27	24.53	24.86	29.04	32.22
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.	7.54	5.07	12.36	9.23	17.59	16.74
		E-A	3.26	3.95	8.36	8.68	15.50	14.67
		A-P	7.17	6.30	11.37	9.50	17.54	15.86
		L.A.	5.03	5.82	9.22	9.94	15.93	14.58

CELEBRITY ENDORSEMENTS

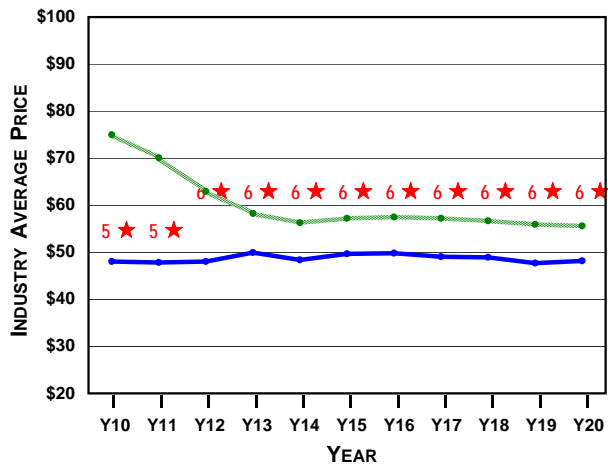
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company J	12,256	Y19	2 years	5	15,200	12,256	9,739	5,006
Oprah Letterman	100	70	65	75	[unsigned]	0	N/A	3 years	1	9,333	0	9,333	9,333
Annika Stockholm	70	100	70	55	Company E	15,000	Y19	5 years	5	15,320	15,000	10,182	1,001
Tiger Green	95	80	85	75	Company H	7,333	Y20	2 years	1	7,333	0	7,333	7,333
José Montaña	60	50	60	95	Company B	10,321	Y18	3 years	5	10,321	9,861	9,085	8,009
Karioki Footsu	55	60	95	90	Company H	12,333	Y20	4 years	1	12,333	0	12,333	12,333
Jaques LaFeet	50	90	50	85	[unsigned]	0	N/A	1 year	1	7,333	0	7,333	7,333
Serenus Willson	70	65	55	60	Company G	15,300	Y19	3 years	5	15,300	12,256	10,379	5,006
Natalie Kwan	75	80	95	50	Company I	24,005	Y17	4 years	6	24,005	15,121	10,851	2,002
Sergio Milano	45	85	60	100	Company G	15,320	Y19	2 years	5	15,320	15,200	11,023	5,006
Lance deFrance	80	85	75	70	[unsigned]	0	N/A	3 years	1	11,333	0	11,333	11,333
Yao KungPao	60	35	100	50	Company B	14,654	Y18	4 years	5	14,654	11,775	10,083	7,333

BRANDED PRICE AND S/Q RATING TRENDS

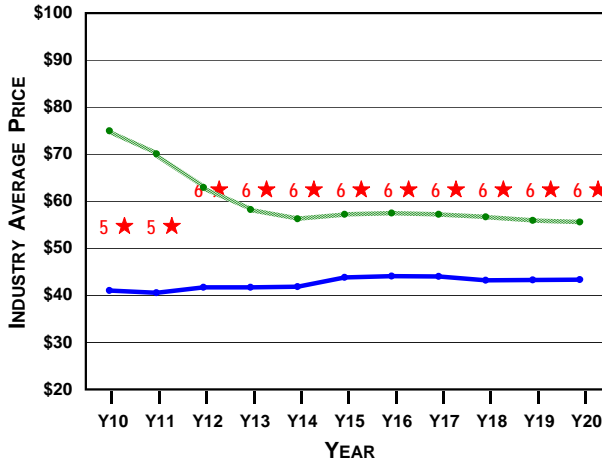
NORTH AMERICA



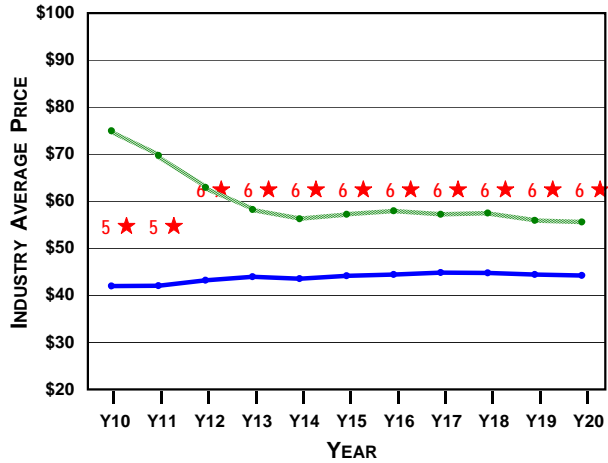
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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