

THE FOOTWEAR INDUSTRY REPORT

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INDUSTRY 4

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
IYAP	119	0
Dreamstep	118	+3
BYU Cougars	118	-1
Cratos	118	-1
Gotta Have Em	117	+4
Eishh	117	0
LaFeete	93	+5
F Company	80	-39
A (deleted)	0	0
H (deleted)	0	0
J (deleted)	0	0
K (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
IYAP	114	+1
Gotta Have Em	106	+2
F Company	97	-2
Cratos	95	+3
BYU Cougars	92	+2
Eishh	91	+2
Dreamstep	88	+3
LaFeete	58	+4
A (deleted)	0	0
H (deleted)	0	0
J (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
IYAP	100	+2
Dreamstep	91	+18
Gotta Have Em	84	+3
BYU Cougars	79	-13
Cratos	76	-9
Eishh	76	-9
LaFeete	55	-1
F Company	45	-44
A (deleted)	0	0
H (deleted)	0	0
J (deleted)	0	0
K (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
IYAP	97	+3
Gotta Have Em	92	+4
Cratos	79	-2
BYU Cougars	76	0
Eishh	75	-1
Dreamstep	74	+10
F Company	67	-15
LaFeete	52	+3
A (deleted)	0	0
H (deleted)	0	0
J (deleted)	0	0
K (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	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	3.12	3.90	1.23	0.95	1.10	2.90	4.66	4.64	9.38	9.83	3.88	15	12	B
C	4.54	3.92	-0.74	-3.05	1.97	4.57	5.81	7.51	6.88	7.26	3.87	11	12	C
D	4.53	5.88	2.36	0.34	-4.43	0.48	3.13	5.85	6.61	11.60	3.44	18	10	D
E	3.33	3.55	1.78	1.05	1.28	3.60	5.59	8.15	9.01	9.48	4.44	15	13	E
F	3.20	3.74	3.02	1.04	2.30	8.76	3.77	8.80	10.32	2.75	4.50	4	13	F
G	4.78	5.28	4.18	3.96	5.66	7.81	7.60	7.67	8.94	11.07	6.69	17	20	G
H	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	H
I	2.87	4.68	3.88	3.36	4.82	5.42	7.98	9.12	10.11	12.80	6.21	20	19	I
J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	1.67	1.47	0.30	0.75	0.95	1.36	1.90	0.15	2.94	3.36	1.49	5	4	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	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	18.6	19.3	5.4	4.0	4.5	11.0	14.9	14.9	24.6	21.7	13.7	14	13	B
C	27.9	28.1	-5.3	-25.5	17.5	31.5	29.5	30.7	25.5	26.5	21.0	17	19	C
D	26.0	28.3	9.0	0.9	-9.1	1.5	9.3	16.3	16.1	25.8	10.1	17	9	D
E	19.8	18.2	8.6	4.9	5.7	14.4	18.6	24.5	23.1	19.6	15.7	13	14	E
F	19.1	18.9	13.6	4.3	8.9	26.1	11.0	21.6	20.5	4.8	13.8	3	13	F
G	29.6	36.2	23.6	20.6	24.8	26.4	22.2	19.4	19.8	21.4	21.7	14	20	G
H	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	H
I	17.5	23.7	16.5	12.7	16.3	16.2	21.0	21.9	23.6	30.4	19.8	20	18	I
J	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	10.4	8.4	1.6	3.9	6.7	8.6	9.9	0.8	15.3	15.0	8.2	10	8	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	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	43.21	54.89	28.26	15.83	10.41	36.99	60.64	65.84	160.40	152.81	+18	12	12	B
C	79.66	52.32	26.39	14.77	17.69	61.48	80.17	158.36	120.43	116.23	+15	9	9	C
D	81.95	103.34	41.80	22.38	12.72	8.13	34.12	120.34	103.11	207.18	+21	17	17	D
E	46.91	47.09	24.40	13.78	11.49	42.31	76.59	126.41	136.13	130.03	+16	10	10	E
F	46.99	48.86	33.47	18.54	21.64	98.04	44.73	141.78	129.36	51.76	+6	4	4	F
G	78.93	85.43	71.31	52.27	68.40	117.70	110.58	115.52	134.38	189.02	+20	15	15	G
H	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	H
I	34.22	72.92	50.46	40.87	63.00	78.65	156.06	164.35	202.48	250.50	+24	20	20	I
J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	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	16.56	12.86	8.17	6.11	8.34	16.12	22.77	12.87	36.87	40.33	+3 %	3	3	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	A-	A-	C+	C+	B-	A-	B+	B	A	A+	Low	20	20	B
C	B+	B-	C-	C-	C	B+	A-	A+	A+	A	Medium	19	19	C
D	A	B+	B+	C+	C	A+	A	A+	A+	A+	Low	20	20	D
E	B+	B-	C	C-	C+	C+	B+	B+	A-	A	Low	19	19	E
F	A-	B+	B+	C+	B-	B+	B	A	A+	A-	Medium	18	18	F
G	B	B-	C	C	B-	B-	B-	B	B+	A-	Low	18	18	G
H	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	H
I	A-	A-	A-	B+	A	A+	A+	A+	A+	A+	Low	20	20	I
J	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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+	B-	B-	C	B	B+	Medium	17	17	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	81	74	73	82	82	80	86	90	95	84	90	18	19	B
C	76	98	100	100	94	95	92	97	94	92	94	20	20	C
D	69	81	100	77	50	78	88	85	83	87	85	19	18	D
E	77	92	78	86	77	83	85	88	88	89	88	19	19	E
F	90	90	82	89	92	100	94	94	93	74	87	16	19	F
G	66	73	72	79	80	86	87	85	85	94	88	20	19	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	59	66	78	88	96	90	92	92	90	93	92	20	20	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	80	73	79	80	88	89	100	92	95	93	93	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	0	0	0	0	0	0	0	0	0			
B	112	114	58	49	51	91	107	105	119	118	92	Very Good	B
C	113	108	38	32	68	114	117	120	119	118	95	Very Good	C
D	115	114	92	43	24	54	89	115	115	118	88	Good	D
E	110	103	61	42	49	88	112	115	117	117	91	Very Good	E
F	114	113	98	52	70	116	93	118	119	80	97	Very Good	F
G	107	104	96	94	105	106	106	109	113	117	106	Excellent	G
H	0	0	0	0	0	0	0	0	0	0	0	N/A	H
I	103	113	111	100	116	116	119	119	119	119	114	Superior	I
J	0	0	0	0	0	0	0	0	0	0	0	N/A	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	K
L	70	53	29	34	49	60	69	34	88	93	58	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	18,536	3,840	50,515	19,081	91,972
– Pairs Rejected	936	139	2,116	673	3,864
Net Y20 Production (after rejects)	17,600	3,701	48,399	18,408	88,108
Superior Materials Usage	40.0%	46.8%	36.9%	26.1%	35.7%
Capacity Utilization (branded + P-L prod.)	100.2%	120.0%	105.0%	106.0%	104.8%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	+ 1.86	0.00	8.36
Superior Materials	14.00	– 1.00	0.00	13.00

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	1,962	1,619	2,398	2,378	8,357
– Pairs Cleared (inventory clearance)	686	618	826	697	2,827
Beginning Y20 Inventories	1,276	1,001	1,572	1,681	5,530
+ New Production (shipped from plants)	19,183	19,499	17,928	17,559	74,169
Pairs Available for Sale in Y20	20,459	20,500	19,500	19,240	79,699

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)	21,224	21,133	19,920	19,059	81,336
Actual Year 20 Demand	21,240	21,312	20,298	19,377	82,227
Branded Pairs Sold	18,862	18,898	17,934	17,895	73,589
Required Y20 Ending Inventories	1,597	1,602	1,566	1,345	6,110
Inventory Surplus (Shortfall)	-2,373	-2,419	-2,362	-1,540	-8,694

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.2%
- Available for shipment to warehouses
- % usage up by 1.6 points over Y19
- % utilization down by 13.0 points from Y19

Lower than normal (35.7% industrywide) superior materials usage led to superior materials prices that were 7.2% below the base and standard materials prices that were 28.6% above the base.

- Average inventory clearance of 33.8%
- 3.1% lower than Y20 demand

Actual demand in Year 20 was 1.1% greater than expected due to decreases in industry average prices.

- Needed to achieve delivery times

↘ { Low in N.A. Low in E-A
 Low 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)	22,090	22,974	23,893	24,849
Europe-Africa	22,164	23,051	23,973	24,932
Asia-Pacific	21,516	22,807	24,175	25,626
Latin America	20,539	21,771	23,077	24,462
Total	86,309	90,603	95,118	99,869
Private-Label — North America	3,744	3,744	3,744	3,744
Europe-Africa	3,776	3,776	3,776	3,776
Asia-Pacific	3,792	3,792	3,792	3,792
Latin America	3,808	3,808	3,808	3,808
Total	15,120	15,120	15,120	15,120

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	6,110
Potential Production (at max OT)	106,200
Potential Global Supply	112,310
Demand — Branded Sales Forecast (000s)	86,309
Private-Label Sales Forecast	15,120
Expected Global Demand	101,429
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	2,500	2,200	5,000	2,000	0	0	0	0	2,500	2,200	5,000	2,000	11,700	700	B
C	1,000	1,000	2,500	1,000	0	0	0	0	1,000	1,000	2,500	1,000	5,500	0	C
D	0	0	3,000	4,200	2,700	0	0	0	2,700	0	3,000	4,200	9,900	0	D
E	4,400	0	8,000	0	0	0	0	0	4,400	0	8,000	0	12,400	0	E
F	3,900	0	5,500	2,100	1,000	0	0	0	4,900	0	5,500	2,100	12,500	0	F
G	3,000	0	6,700	5,400	0	0	0	0	3,000	0	6,700	5,400	15,100	0	G
H	0	0	0	0	0	0	0	0	0	0	0	0	0	0	H
I	0	0	9,300	0	0	0	0	0	0	0	9,300	0	9,300	0	I
J	0	0	0	0	0	0	0	0	0	0	0	0	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	0	0	8,100	3,300	0	0	0	0	0	0	8,100	3,300	11,400	0	L
Total	14,800	3,200	48,100	18,000	3,700	0	0	0	18,500	3,200	48,100	18,000	87,800	700	

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	619,753	299,090	45,672	145,287	14,119	115,585	10,213	31,612	73,760	0	7,500	B
C	279,257	157,802	18,971	15,281	7,918	79,285	1,471	23,344	54,470	56,250	7,500	C
D	441,005	228,082	21,872	52,891	12,319	125,841	1,607	37,270	86,964	75,000	7,500	D
E	691,798	369,524	54,901	131,887	14,820	120,666	19,068	30,479	71,119	0	7,500	E
F	396,047	271,942	24,687	47,675	14,919	36,824	7,372	8,836	20,616	0	7,500	F
G	807,700	408,108	48,722	184,066	17,519	149,285	30,688	35,579	83,018	28,125	7,500	G
H	0	0	0	0	0	0	0	0	0	0	0	H
I	551,422	289,146	34,832	73,186	11,720	142,538	5,445	41,128	95,965	26,625	7,500	I
J	0	0	0	0	0	0	0	0	0	0	0	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	541,298	285,246	37,903	125,522	13,821	78,806	24,163	16,393	38,250	0	11,400	L
	541,035	288,618	35,945	96,974	13,394	106,104	12,503	28,080	65,520	23,250	7,988	

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	13,385	178,696	443,997	34,993	32,000	303,244	0	73,760	377,004	0.00	1 / 2	B
C	12,748	84,133	234,135	18,526	10,750	206,638	0	-1,780	204,859	7.50	3 / 1	C
D	16,545	128,068	457,472	32,871	81,000	331,636	0	11,965	343,601	10.00	4 / 3	D
E	5,391	215,158	537,349	45,766	93,600	326,863	0	71,121	397,983	0.00	0 / 1	E
F	144,877	267,109	557,934	40,068	81,400	415,852	0	20,614	436,466	0.00	1 / 3	F
G	26,451	277,739	700,271	59,694	225,000	360,684	0	54,893	415,577	3.75	7 / 2	G
H	0	0	0	0	0	0	0	0	0	0.00	0 / 0	H
I	20,620	185,257	434,452	39,134	94,070	329,624	-97,716	69,341	301,248	3.55	9 / 1	I
J	0	0	0	0	0	0	0	0	0	0.00	0 / 0	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	148,003	446,060	51,038	132,000	248,056	-23,286	38,252	263,022	0.00	0 / 1	L
	30,002	185,521	476,459	40,261	93,728	315,325	-15,125	42,271	342,470	3.10	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	Mktnng. 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	48.3	7.4	23.4	2.3	18.7	11.9	5.11	15	11.32	0.09	12.33	Low	B
C	56.5	6.8	5.5	2.8	28.4	19.5	4.54	4	53.90	0.06	2.75	Medium	C
D	51.7	5.0	12.0	2.8	28.5	19.7	3.90	6	78.31	0.20	3.59	Low	D
E	53.4	7.9	19.1	2.1	17.4	10.3	4.70	40	6.33	0.20	6.51	Low	E
F	68.7	6.2	12.0	3.8	9.3	5.2	6.67	32	5.00	0.18	2.28	Medium	F
G	50.5	6.0	22.8	2.2	18.5	10.3	4.65	49	4.86	0.36	3.62	Low	G
H	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	H
I	52.4	6.3	13.3	2.1	25.8	17.4	4.73	38	26.18	0.25	6.27	Low	I
J	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	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	52.7	7.0	23.2	2.6	14.6	7.1	2.90	20	3.26	0.35	2.70	Medium	L
	53.3 %	6.6 %	17.9 %	2.5 %	19.6 %	12.1 %	4.61	26	23.65	0.21	5.01	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	8.93	8.13	9.89	9.51	10.76	10.79
	Private-Label Footwear	8.39	7.42	9.19	8.51	10.03	9.42
Labor — North America	Total Compensation (\$/year)	21,340	22,018	24,374	24,190	28,555	28,062
	Productivity (pairs/worker/year)	5,640	5,688	6,004	6,111	6,440	6,611
	Labor Cost (\$/pair produced)	3.03	3.20	4.21	4.07	4.85	4.86
Europe Africa	Total Compensation (\$/year)	17,330	17,340	18,237	18,355	19,143	19,369
	Productivity (pairs/worker/year)	5,311	5,389	5,462	5,556	5,612	5,723
	Labor Cost (\$/pair produced)	2.80	2.75	3.26	3.22	3.72	3.68
Asia Pacific	Total Compensation (\$/year)	4,355	4,372	5,702	5,516	6,438	6,481
	Productivity (pairs/worker/year)	2,573	2,547	3,210	3,270	3,709	3,826
	Labor Cost (\$/pair produced)	1.64	1.66	1.81	1.80	1.99	2.00
Latin America	Total Compensation (\$/year)	4,508	3,910	5,559	5,492	6,549	7,087
	Productivity (pairs/worker/year)	2,637	2,660	3,361	3,461	3,908	3,972
	Labor Cost (\$/pair produced)	1.39	1.41	1.65	1.71	1.79	1.85
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20	0.36	0.00	1.16	1.10	2.31	2.31
	Cumulative	0.53	0.52	1.20	1.17	2.15	2.16
Reject Rates	Branded Production	1.6%	1.5%	4.1%	4.2%	7.1%	7.0%
	Private-Label Production	1.4%	1.9%	2.0%	2.5%	2.4%	3.0%
Total Manufacturing Costs (\$/pair produced)	Branded — N.A.	23.75	20.93	25.04	25.77	25.85	34.57
	E-A	22.19	21.43	24.02	23.16	25.84	24.89
	A-P	19.79	19.85	21.36	22.14	23.28	24.58
	L.A.	18.57	19.08	21.45	23.20	24.56	27.52
	Private-Label — N.A.	21.03	18.54	21.61	18.54	22.19	18.54
	E-A	21.63	20.92	21.63	20.92	21.63	20.92
	A-P	18.04	16.32	18.90	19.00	19.83	21.97
	L.A.	18.84	14.22	20.43	18.66	22.57	23.10

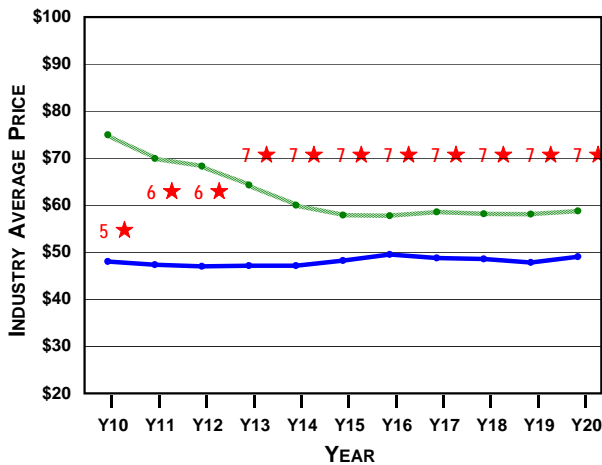
OPERATING BENCHMARKS		Industry Low		Industry Average		Industry High		
		Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	
Branded Market Segments	Costs of Pairs Sold — N.A.	22.86	22.93	26.10	26.83	27.92	36.23	
	(\$/pair sold. Includes manufac-	E-A	24.75	24.65	28.85	28.80	31.51	32.17
	turing, shipping, import tariffs,	A-P	21.77	21.84	23.36	24.72	25.28	29.01
	and exchange rate adjustments.)	L.A.	20.61	21.12	25.40	26.42	31.23	29.54
Warehouse Expenses - Internet (\$ per pair sold)	Wholesale	10.32	10.35	10.51	10.62	10.74	11.41	
		1.87	1.95	2.25	2.38	2.63	3.25	
Marketing Expenses — Internet (\$ per pair sold)	Wholesale	6.19	5.36	12.77	12.40	14.64	18.63	
		2.49	2.36	10.15	10.28	14.71	16.47	
Administrative Expenses (\$/pair sold)		1.07	1.14	1.33	1.69	1.63	3.90	
Operating Profit (\$ per pair sold)	Internet — N.A.	7.87	8.74	16.75	16.73	29.30	30.16	
	E-A	3.62	5.07	13.55	14.52	26.28	28.44	
	A-P	11.77	9.70	19.98	17.92	30.31	30.37	
	L.A.	7.86	11.22	19.46	20.71	28.94	30.81	
Wholesale	N.A.	3.11	-3.29	7.04	6.98	12.31	12.93	
	E-A	3.24	2.60	6.51	7.77	10.81	12.08	
	A-P	4.10	3.45	8.41	7.23	13.05	13.18	
	L.A.	4.22	3.99	9.46	10.62	14.06	16.36	
Private-Label Market Segments	Costs of Pairs Sold — N.A.	22.02	18.65	22.86	21.74	24.19	25.55	
	(\$/pair sold. Includes manufac-	E-A	23.63	22.92	26.23	26.11	27.43	29.68
	turing, shipping, import tariffs,	A-P	20.04	18.32	21.06	18.90	21.83	19.48
	and exchange rate adjustments.)	L.A.	20.84	16.22	24.37	20.66	27.22	25.10
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.	12.04	9.67	15.08	11.52	17.97	14.23	
	E-A	9.92	9.23	13.61	12.05	15.99	16.14	
	A-P	12.11	9.90	15.63	11.83	17.72	13.75	
	L.A.	10.78	9.86	13.14	11.67	15.74	13.47	

CELEBRITY ENDORSEMENTS

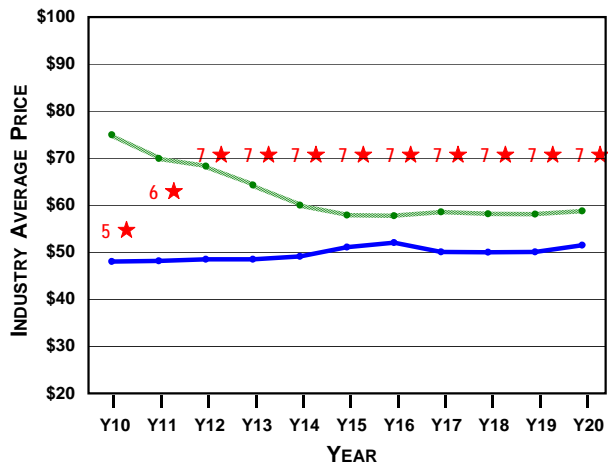
CELEBRITY	CONSUMER APPEAL				CURRENTLY SIGNED BY	CONTRACT (\$000s/year)	YEAR SIGNED	CONTRACT LENGTH	MOST RECENT ROUND OF BIDDING				
	NA	EA	AP	LA					# OF BIDS	HIGH BID	2nd BID	AVG BID	LOW BID
Payton Manyon	85	45	35	40	Company D	16,122	Y19	2 years	5	16,407	16,122	10,808	504
Oprah Letterman	100	70	65	75	Company E	18,007	Y20	3 years	2	18,007	15,000	16,504	15,000
Annika Stockholm	70	100	70	55	Company B	22,009	Y16	5 years	5	22,009	11,197	8,862	602
Tiger Green	95	80	85	75	Company B	15,000	Y20	2 years	2	18,007	15,000	16,504	15,000
José Montaña	60	50	60	95	Company G	18,544	Y18	3 years	7	18,544	16,607	8,652	503
Karioki Footsu	55	60	95	90	Company B	15,000	Y20	4 years	2	16,005	15,000	15,503	15,000
Jaques LaFeet	50	90	50	85	[unsigned]	0	N/A	1 year	2	16,556	15,000	15,778	15,000
Serenus Willson	70	65	55	60	Company B	16,000	Y19	3 years	5	16,407	16,122	11,807	503
Natalie Kwan	75	80	95	50	Company G	24,980	Y17	4 years	6	24,980	24,006	16,146	510
Sergio Milano	45	85	60	100	Company E	16,407	Y19	2 years	5	16,407	16,122	12,906	501
Lance deFrance	80	85	75	70	Company B	15,000	Y20	3 years	2	16,607	15,000	15,804	15,000
Yao KungPao	60	35	100	50	Company E	19,907	Y18	4 years	6	19,907	6,578	6,250	501

BRANDED PRICE AND S/Q RATING TRENDS

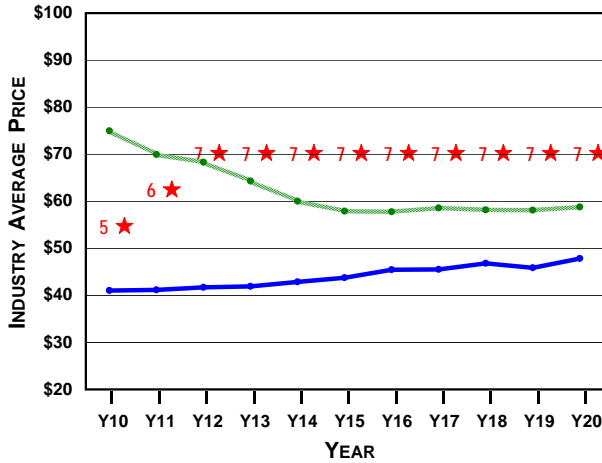
NORTH AMERICA



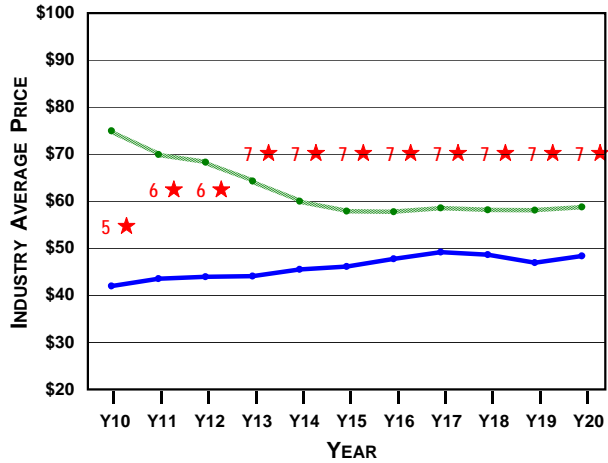
EUROPE-AFRICA



ASIA-PACIFIC



LATIN AMERICA



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