

THE FOOTWEAR INDUSTRY REPORT

The Business Strategy Game © 2007 GLO-BUS Software, Inc. All rights reserved.

INDUSTRY 9

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
F-Turkish Mafia	120	0
Double Air	119	+4
Jolly Roger Pirates	118	+5
Giant	117	0
ELATA	108	-6
Heros \$cott Mclean	102	+7
Boots R Us	82	+2
Link Co\$t Us ThaGame	17	-5
A (deleted)	0	0
C (deleted)	0	0
I (deleted)	0	0
K (deleted)	0	0

OVERALL INVESTOR CONFIDENCE AVERAGE

Company Name	G-T-D Index	Change from Y19
Giant	100	+2
F-Turkish Mafia	95	+3
ELATA	90	+2
Double Air	84	+4
Jolly Roger Pirates	84	+4
Boots R Us	69	+2
Heros \$cott Mclean	62	+4
Link Co\$t Us ThaGame	26	-1
A (deleted)	0	0
C (deleted)	0	0
I (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
F-Turkish Mafia	100	+5
Double Air	80	+3
Jolly Roger Pirates	78	-1
Giant	77	+5
ELATA	69	+2
Heros \$cott Mclean	51	+2
Boots R Us	48	-1
Link Co\$t Us ThaGame	11	-3
A (deleted)	0	0
C (deleted)	0	0
I (deleted)	0	0
K (deleted)	0	0

GAME-TO-DATE PERFORMANCE RANKINGS

Company Name	G-T-D Score	Change from Y19
F-Turkish Mafia	100	0
Double Air	81	+1
Giant	81	-1
Jolly Roger Pirates	76	+1
ELATA	64	-4
Heros \$cott Mclean	47	+5
Boots R Us	47	-2
Link Co\$t Us ThaGame	13	-1
A (deleted)	0	0
C (deleted)	0	0
I (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	3.86	3.61	-0.25	-4.26	0.23	0.08	1.90	1.73	1.90	2.16	1.16	2	3	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	2.56	3.88	1.51	0.54	-0.30	2.11	5.06	9.70	9.20	12.75	4.63	12	13	D
E	2.36	4.56	1.46	2.79	1.96	1.54	4.67	4.86	7.19	11.47	4.14	11	11	E
F	3.89	4.92	2.65	2.77	1.96	2.74	8.82	12.36	13.76	20.67	7.40	20	20	F
G	4.41	5.56	1.49	1.78	2.91	4.45	5.92	7.56	7.67	12.04	5.34	12	14	G
H	1.60	1.66	-0.26	-1.49	-0.84	0.74	2.85	2.56	4.09	4.29	1.47	4	4	H
I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	I
J	3.30	3.26	0.83	0.64	1.42	1.49	2.96	6.49	9.85	11.91	4.08	12	11	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	1.51	0.46	-0.09	-1.25	-2.75	-3.42	-0.30	-0.90	-0.77	-0.38	-0.89	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	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	23.1	17.5	-1.0	-19.1	1.5	0.6	11.9	10.2	10.6	11.0	6.2	7	6	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	15.7	21.2	10.9	3.7	-2.1	13.6	26.6	36.8	26.2	28.9	20.1	18	18	D
E	14.5	23.0	6.7	11.8	7.3	6.2	17.0	15.7	20.1	30.6	15.6	19	14	E
F	22.9	26.7	13.2	12.3	8.0	10.4	27.8	28.8	23.5	32.8	21.8	20	20	F
G	27.2	35.2	7.9	8.9	13.1	17.2	19.9	21.3	19.1	27.9	19.2	17	18	G
H	11.3	8.5	-1.4	-8.8	-5.3	4.7	16.2	12.8	17.9	17.5	7.8	11	7	H
I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	I
J	20.0	20.0	5.7	4.8	9.1	8.7	14.4	27.1	30.7	27.7	18.3	17	17	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	9.8	3.0	-0.6	-12.3	-31.1	-77.8	-10.8	-36.9	-39.4	-22.5	-17.4	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	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	64.55	49.81	25.46	14.23	8.63	5.43	29.34	26.18	28.11	25.60	-2	1	1	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	30.26	50.34	25.30	14.59	9.34	24.77	67.59	140.74	157.38	255.67	+24	12	12	D
E	25.91	73.85	34.74	29.72	18.90	14.56	72.95	83.09	144.25	218.91	+22	11	11	E
F	64.46	76.37	35.02	29.98	19.17	30.41	121.79	229.27	255.39	414.11	+30	20	20	F
G	77.81	91.90	39.03	21.58	28.54	56.00	97.92	140.39	142.04	253.01	+24	12	12	G
H	16.89	13.74	8.57	5.31	4.80	6.36	33.87	40.65	53.21	52.61	+6	3	3	H
I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	I
J	45.64	39.22	21.02	12.08	13.02	15.85	37.30	107.84	168.00	239.08	+23	12	12	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	17.18	10.36	6.30	4.85	5.55	4.75	5.57	4.65	5.25	4.55	-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	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	C-	C-	C	B	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-	C-	C-	C	B	B+	A	Low	19	19	D
E	A-	B+	C	B	C+	B	A+	A	A	B	High	14	14	E
F	B+	C+	C	C-	C-	C-	C+	A-	A+	A+	Low	20	20	F
G	B+	B	C-	C	C	B	A-	A	A-	A-	Medium	18	18	G
H	B-	B	C-	C-	C-	B+	B	B+	B-	B+	Medium	17	17	H
I	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	I
J	A-	B+	C-	C-	C	C+	B-	B+	B+	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	B-	C	C-	C-	C-	C-	C-	C-	C-	C-	High	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	73	95	83	73	92	92	95	83	86	89	86	18	17	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	80	80	94	100	100	100	100	100	91	97	96	19	19	D
E	65	67	70	68	66	57	63	67	72	70	70	14	14	E
F	79	81	91	92	96	99	100	100	100	100	100	20	20	F
G	84	87	92	90	88	93	89	98	100	92	97	18	19	G
H	61	64	64	71	68	67	85	72	82	79	78	16	16	H
I	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	71	77	70	81	84	82	86	84	77	92	84	18	17	J
K	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	60	51	56	57	66	81	67	77	71	54	67	11	13	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	108	109	36	27	34	42	87	80	80	82	69	Subpar	B
C	0	0	0	0	0	0	0	0	0	0	0	N/A	C
D	99	101	62	39	28	65	99	112	115	119	84	Good	D
E	94	111	62	83	57	55	109	108	114	108	90	Very Good	E
F	113	102	81	71	55	67	104	118	120	120	95	Very Good	F
G	114	110	65	61	75	105	116	119	117	117	100	Excellent	G
H	67	65	23	23	21	52	89	87	95	102	62	Subpar	H
I	0	0	0	0	0	0	0	0	0	0	0	N/A	I
J	111	106	44	38	52	57	84	114	113	118	84	Good	J
K	0	0	0	0	0	0	0	0	0	0	0	N/A	K
L	64	32	19	18	22	24	21	23	22	17	26	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	21,662	5,160	67,873	9,732	104,427
– Pairs Rejected	1,095	244	2,420	430	4,189
Net Y20 Production (after rejects)	20,567	4,916	65,453	9,302	100,238
Superior Materials Usage	19.0%	32.0%	35.4%	36.4%	31.9%
Capacity Utilization (branded + P-L prod.)	102.2%	120.0%	117.8%	103.5%	112.9%

MATERIALS PRICES (\$ per pair)

	Base Price	Year 20 Price Adjustments for		Year 20 Price
		Materials Usage	Capacity Utilization	
Standard Materials	6.50	+ 2.35	+ 0.19	9.04
Superior Materials	14.00	- 1.27	+ 0.41	13.14

BRANDED WAREHOUSES (000s of pairs)

	N.A. Market	E-A Market	A-P Market	L.A. Market	Industry Total
Ending Y19 Inventories	3,143	3,426	2,316	2,864	11,749
– Pairs Cleared (inventory clearance)	793	1,073	674	858	3,398
Beginning Y20 Inventories	2,350	2,353	1,642	2,006	8,351
+ New Production (shipped from plants)	20,677	23,177	22,620	21,541	88,015
Pairs Available for Sale in Y20	23,027	25,530	24,262	23,547	96,366

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)	21,516	21,882	20,286	19,470	83,154
Actual Year 20 Demand	21,288	21,944	20,798	19,802	83,831
Branded Pairs Sold	20,619	21,931	20,794	19,785	83,129
Required Y20 Ending Inventories	1,659	1,635	1,373	1,423	6,090
Inventory Surplus (Shortfall)	-412	1,754	1,964	1,869	5,175

COMMENTARY

- Pairs produced before rejects
- Average reject rate = 4.0%
- Available for shipment to warehouses
- % usage down by 2.4 points from Y19
- % utilization down by 4.2 points from Y19

Lower than normal (31.9% industrywide) superior materials usage led to superior materials prices that were 9.1% below the base and standard materials prices that were 36.2% above the base. Industrywide capacity utilization above 110% resulted in materials price increases of 2.9% from the base.

- Average inventory clearance of 28.9%
- 15.0% higher than Y20 demand
- Actual demand in Year 20 was 0.8% greater than expected.
- Needed to achieve delivery times
- { Low in N.A. Okay in E-A
Okay 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)	22,140	23,026	23,947	24,905
Europe-Africa	22,822	23,735	24,684	25,671
Asia-Pacific	22,046	23,369	24,771	26,257
Latin America	20,990	22,249	23,584	24,999
Total	87,998	92,379	96,986	101,832
Private-Label — North America	3,720	3,720	3,720	3,720
Europe-Africa	3,808	3,808	3,808	3,808
Asia-Pacific	3,816	3,816	3,816	3,816
Latin America	3,744	3,744	3,744	3,744
Total	15,088	15,088	15,088	15,088

GLOBAL SUPPLY / DEMAND ANALYSIS FOR YEAR 21

Supply — Beginning Year 21 Inventory (000s)	11,677
Potential Production (at max OT)	113,640
Potential Global Supply	125,317
Demand — Branded Sales Forecast (000s)	87,998
Private-Label Sales Forecast	15,088
Expected Global Demand	103,086
Conclusion:	Excess supply of 21.6% 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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	A
B	2,000	0	8,000	0	-2,000	0	0	0	0	0	0	8,000	0	8,000	2,000	B
C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	C
D	0	0	10,000	0	0	0	0	0	0	0	0	10,000	0	10,000	200	D
E	12,000	0	0	0	0	0	0	0	12,000	0	0	0	0	12,000	0	E
F	0	0	12,000	4,200	0	0	0	0	0	0	12,000	4,200	16,200	0	F	
G	0	0	9,900	0	0	0	0	0	0	0	9,900	0	9,900	0	G	
H	0	2,100	6,900	1,500	1,500	0	0	0	1,500	2,100	6,900	1,500	12,000	0	H	
I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	I
J	4,300	2,200	6,800	2,200	0	0	0	0	4,300	2,200	6,800	2,200	15,500	0	J	
K	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	K
L	3,400	0	4,000	1,500	0	0	0	0	3,400	0	4,000	1,500	8,900	0	L	
Total	21,700	4,300	57,600	9,400	-500	0	0	0	21,200	4,300	57,600	9,400	92,500	2,200		

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	441,397	264,182	24,677	74,685	10,418	67,435	-127	20,269	47,293	10,950	21,900	B
C	0	0	0	0	0	0	0	0	0	0	0	C
D	691,717	339,100	43,250	146,021	12,420	150,926	14,361	40,970	95,595	16,500	7,500	D
E	546,009	316,785	29,399	47,577	14,419	137,829	14,962	36,860	86,007	103,875	7,500	E
F	863,596	447,591	50,118	107,368	18,618	239,901	8,142	69,528	162,231	7,850	7,850	F
G	627,855	305,364	40,256	130,885	12,317	139,033	9,045	38,996	90,992	68,040	7,560	G
H	612,750	281,351	44,913	194,830	14,419	77,237	15,568	18,501	43,168	302	10,067	H
I	0	0	0	0	0	0	0	0	0	0	0	I
J	824,600	415,270	54,496	188,576	17,919	148,339	20,685	38,296	89,358	375	7,500	J
K	0	0	0	0	0	0	0	0	0	0	0	K
L	215,284	135,832	18,706	36,470	11,319	12,957	28,338	0	-15,381	0	40,000	L
	602,901	313,184	38,227	115,802	13,981	121,707	13,872	32,928	74,908	25,987	13,735	

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	0	152,342	474,022	27,616	0	410,065	0	36,341	446,406	0.50	3 / 4	B
C	0	0	0	0	0	0	0	0	0	0.00	0 / 0	C
D	21,524	227,412	500,453	51,546	78,000	291,768	0	79,139	370,907	2.20	4 / 3	D
E	0	175,345	483,425	49,513	161,500	290,281	0	-17,869	272,412	13.85	4 / 5	E
F	38,000	307,456	732,866	68,324	261,000	585,864	-336,720	154,398	403,542	1.00	9 / 1	F
G	0	189,689	457,194	51,105	64,000	310,662	8,455	22,972	342,089	9.00	7 / 2	G
H	44,366	233,605	547,324	54,679	225,000	224,779	0	42,866	267,645	0.03	4 / 3	H
I	0	0	0	0	0	0	0	0	0	0.00	0 / 0	I
J	37,136	253,254	608,289	74,267	167,500	277,539	0	88,983	366,522	0.05	7 / 2	J
K	0	0	0	0	0	0	0	0	0	0.00	0 / 0	K
L	0	155,896	346,374	274,162	0	64,644	22,950	-15,382	72,212	0.00	0 / 1	L
	17,628	211,875	518,743	81,402	119,625	306,950	-38,164	48,931	317,717	3.33	5 / 3	

SELECTED FINANCIAL AND OPERATING STATISTICS

CREDIT RATING DATA

	Costs and Profits as a % of Net Revenues							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	Current Ratio						
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	59.9	5.6	16.9	2.4	15.3	10.7	5.52	58	100.00	0.00	40.16	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	49.0	6.3	21.1	1.8	21.8	13.8	4.41	37	10.51	0.21	3.96	Low	D
E	58.0	5.4	8.7	2.6	25.2	15.8	3.54	55	9.21	0.37	0.19	High	E
F	51.8	5.8	12.4	2.2	27.8	18.8	4.50	53	29.46	0.40	6.45	Low	F
G	48.6	6.4	20.8	2.0	22.1	14.5	3.71	43	15.37	0.19	1.83	Medium	G
H	45.9	7.3	31.8	2.4	12.6	7.0	4.27	52	4.96	0.46	2.56	Medium	H
I	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.00	0.00	0.00	N/A	I
J	50.4	6.6	22.9	2.2	18.0	10.8	3.41	12	7.17	0.33	3.34	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	63.1	8.7	16.9	5.3	6.0	-7.1	0.57	468	0.46	0.74	0.02	High	L
	51.9 %	6.3 %	19.2 %	2.3 %	20.2 %	12.4 %	2.60	97	22.14	0.34	7.31	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		8.34	8.37	9.91	9.44	12.61	11.40
	Private-Label Footwear		7.47	7.57	8.69	9.61	10.94	11.86
Labor — North America	Total Compensation (\$/year)		17,401	17,702	19,549	19,420	22,081	21,415
	Productivity (pairs/worker/year)		4,166	4,956	4,870	5,200	5,216	5,588
	Labor Cost (\$/pair produced)		0.00	3.49	3.27	4.09	4.76	4.42
Europe Africa	Total Compensation (\$/year)		15,302	15,455	17,467	16,037	19,631	16,619
	Productivity (pairs/worker/year)		4,011	4,073	4,178	4,142	4,344	4,210
	Labor Cost (\$/pair produced)		4.24	4.23	4.58	4.39	4.92	4.55
Asia Pacific	Total Compensation (\$/year)		3,589	3,622	5,812	5,834	8,007	9,076
	Productivity (pairs/worker/year)		2,438	2,451	3,029	3,102	3,771	4,019
	Labor Cost (\$/pair produced)		1.39	1.54	1.89	1.86	2.37	2.41
Latin America	Total Compensation (\$/year)		3,335	3,335	4,255	4,423	5,467	5,664
	Productivity (pairs/worker/year)		2,872	2,961	3,024	3,139	3,291	3,419
	Labor Cost (\$/pair produced)		1.43	1.34	1.74	1.73	2.30	2.21
TQM / 6σ Quality Expenditures (\$ per pair of capacity)	Year 20		0.00	0.00	1.17	0.98	2.50	2.50
	Cumulative		0.21	0.19	1.29	1.23	2.37	2.39
Reject Rates	Branded Production		2.5%	3.5%	4.4%	4.2%	8.5%	6.2%
	Private-Label Production		1.0%	1.3%	2.2%	3.0%	4.3%	4.3%
Total Manufacturing Costs (\$/pair produced)	Branded	N.A.	20.00	19.81	21.54	23.31	22.52	27.08
		E-A	18.93	23.18	20.89	23.18	22.84	23.18
		A-P	17.59	17.47	21.26	20.46	25.96	24.01
		L.A.	18.13	19.49	21.47	20.85	24.81	22.21
	Private-Label	N.A.	24.05	23.83	24.05	26.72	24.05	29.61
		E-A	0.00	18.07	0.00	18.07	0.00	18.07
		A-P	16.43	16.33	18.70	20.26	22.20	22.44
		L.A.	17.71	16.63	19.17	32.77	20.62	64.43

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.	21.94	21.83	25.18	25.49	29.87	29.05
		E-A	23.22	24.95	29.14	28.66	34.17	31.98
		A-P	19.59	19.48	24.12	23.68	30.21	31.79
		L.A.	21.98	23.29	28.30	26.86	33.92	31.19
Warehouse Expenses - Internet	(\$ per pair sold)	Wholesale	10.34	10.39	10.51	10.63	11.00	11.82
			1.92	1.95	2.22	2.35	2.79	3.72
Marketing Expenses — Internet	(\$ per pair sold)	Wholesale	9.88	10.10	13.83	13.30	17.16	16.94
			5.13	4.50	11.87	10.91	19.18	18.34
Administrative Expenses	(\$/pair sold)		1.10	1.04	1.50	1.58	2.46	3.78
Operating Profit (\$ per pair sold)	Internet	N.A.	-6.82	-3.00	18.60	17.67	28.68	27.14
		E-A	-5.12	-5.61	15.61	14.59	24.78	23.84
		A-P	5.22	4.08	21.90	19.91	30.25	27.21
		L.A.	0.86	1.68	17.73	19.16	26.67	26.43
Wholesale		N.A.	-3.22	1.67	6.43	7.44	10.22	11.70
		E-A	0.58	2.89	6.28	7.01	9.85	9.70
		A-P	3.22	1.51	8.89	8.27	14.69	13.58
		L.A.	1.27	4.10	7.25	10.36	14.89	18.55
Private-Label Market Segments	Costs of Pairs Sold (\$/pair sold. Includes manufacturing, shipping, import tariffs, and exchange rate adjustments.)	N.A.	20.40	20.02	23.23	22.93	26.05	25.83
		E-A	24.62	20.07	28.49	27.32	32.36	37.79
		A-P	18.43	18.33	20.70	22.26	24.20	24.44
		L.A.	19.71	18.63	22.79	34.77	25.48	66.43
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.	-4.22	11.80	-0.90	13.15	2.42	14.50
		E-A	0.17	1.72	2.00	5.32	3.82	7.51
		A-P	-2.95	5.71	2.06	9.81	5.48	13.80
		L.A.	2.75	-29.02	4.59	-4.14	6.51	11.10

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	27,956	Y19	2 years	6	28,670	27,956	19,658	9,069
Oprah Letterman	100	70	65	75	Company D	11,009	Y20	3 years	2	11,009	500	5,755	500
Annika Stockholm	70	100	70	55	Company H	24,913	Y16	5 years	6	24,913	22,609	17,347	8,501
Tiger Green	95	80	85	75	Company D	11,009	Y20	2 years	2	11,009	500	5,755	500
José Montaña	60	50	60	95	Company G	26,546	Y18	3 years	5	26,546	25,801	20,574	12,069
Karioki Footsu	55	60	95	90	Company D	11,009	Y20	4 years	2	11,009	500	5,755	500
Jaques LaFeet	50	90	50	85	Company H	500	Y20	1 year	2	11,009	500	5,755	500
Serenus Willson	70	65	55	60	Company J	29,420	Y19	3 years	5	29,420	20,432	18,504	10,069
Natalie Kwan	75	80	95	50	Company J	26,501	Y17	4 years	6	26,501	25,609	18,732	6,000
Sergio Milano	45	85	60	100	Company H	29,331	Y19	2 years	7	29,331	28,501	21,257	10,069
Lance deFrance	80	85	75	70	Company H	500	Y20	3 years	2	11,009	500	5,755	500
Yao KungPao	60	35	100	50	Company G	22,765	Y18	4 years	5	22,765	21,512	18,806	12,069

BRANDED PRICE AND S/Q RATING TRENDS

