

A Company
Industry 59

PLANT OPERATIONS REPORT

Year 20

PLANT CAPACITY (000s of pairs w/o OT)	North America Plant		Europe-Africa Plant		Asia-Pacific Plant		Latin America Plant		All Plants Combined	
Plant Capacity at the End of Year 19	2,000 pairs		0 pairs		4,000 pairs		0 pairs		6,000 pairs	
+ New Construction (initiated in Year 19)	0		0		0		0		0	
+ Capacity Purchased (at beginning of Y20)	0		0		0		0		0	
- Capacity Sold-Off (at beginning of Y20)	0		0		0		0		0	
Capacity Available for Year 20 Production	2,000		0		4,000		0		6,000	
New Construction Initiated in Year 20	0		0		0		0		0	
Total Capacity Available for Year 21	2,000 pairs		0 pairs		4,000 pairs		0 pairs		6,000 pairs	
Plant Upgrade Options — Online (initiated prior to Y20) Pending (initiated in Y20)	none none		none none		none none		none none		none none	
PLANT INVESTMENT (\$000s)	North America Plant		Europe-Africa Plant		Asia-Pacific Plant		Latin America Plant		All Plants Combined	
Gross Investment at the End of Year 19	80,666		0		191,334		0		272,000	
+ Upgrade Options (initiated in Year 19)	0		0		0		0		0	
+ New Construction (initiated in Year 19)	0		0		0		0		0	
+ Capacity Purchased (at beginning of Y20)	0		0		0		0		0	
- Capacity Sold-Off (at beginning of Y20)	0		0		0		0		0	
+ Energy Efficiency Initiatives (in Y20)	1,999		0		4,001		0		6,000	
Gross Investment in Year 20 Capacity	82,665		0		195,335		0		278,000	
- Accumulated Depreciation (through Y19)	62,215		0		114,435		0		176,650	
- Current Depreciation (incurred in Y20)	4,133		0		9,767		0		13,900	
Net Investment in Year 20 Capacity	16,317		0		71,133		0		87,450	
Upgrade and Construction Work in Progress	0		0		0		0		0	
LABOR STATISTICS	North America		Europe-Africa		Asia-Pacific		Latin America		All Plants Combined	
	Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	Year 19	Year 20	Year 19	Year 20
Worker Productivity (pairs per worker per year)	4,176	3,991	0	0	2,495	2,323	0	0	4,176	3,991
Number of Workers Employed	423	443	0	0	1,415	1,520	0	0	423	443
Compensation — Annual Base Wage (\$000s per worker)	16.4	16.6	0.0	0.0	3.1	3.1	0.0	0.0	16.4	16.6
Incentive Pay	5.0	4.7	0.0	0.0	0.9	0.9	0.0	0.0	5.0	4.7
Total Compensation	21.4	21.3	0.0	0.0	4.0	4.0	0.0	0.0	21.4	21.3
Incentive Pay Per Pair (\$ per non-rejected pair)	1.25	1.25	0.00	0.00	0.40	0.40	0.00	0.00	1.25	1.25
Cumulative Best Practices — \$ Per Worker \$ Per Branded Pair	1,000 0.25		0 0.00		500 0.20		0 0.00		1,000 0.25	
PRODUCTION STATISTICS	North America		Europe-Africa		Asia-Pacific		Latin America		Overall	
	Branded	P-Label	Branded	P-Label	Branded	P-Label	Branded	P-Label	Branded	P-Label
Footwear Production (000s of pairs)	1,766	0	0	0	3,133	395	0	0	4,899	395
— Regular Pairs Produced	0	0	0	0	0	0	0	0	0	0
— Overtime Pairs Produced	89	0	0	0	223	25	0	0	312	25
— Rejected Pairs	1,677	0	0	0	2,910	370	0	0	4,587	370
Net Footwear Production										
Reject Rate (% of regular + OT production)	5.0%	0.0%	0.0%	0.0%	7.1%	6.1%	0.0%	0.0%	6.4%	6.3%
Number of Models Produced	200	0	0	0	200	100	0	0	200	0
S/Q Rating of Pairs Produced	4★	0★	0★	0★	4★	3★	0★	0★	4★	0★
Capacity Utilization (max utilization at full OT = 120%)	88.3%		0.0%		88.2%		0.0%		88.2%	
BRANDED PRODUCTION COSTS	North America		Europe-Africa		Asia-Pacific		Latin America		Overall	
	\$000s	\$/pair	\$000s	\$/pair	\$000s	\$/pair	\$000s	\$/pair	\$000s	\$/pair
Materials Costs — Standard	4,565	2.72	0	0.00	8,100	2.78	0	0.00	12,665	2.76
— Superior	15,478	9.23	0	0.00	27,458	9.44	0	0.00	42,936	9.36
Labor Costs — Regular Pay	9,437	5.63	0	0.00	5,331	1.83	0	0.00	14,768	3.22
— Overtime Pay	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Best Practices Training	443	0.26	0	0.00	599	0.21	0	0.00	1,042	0.23
Plant Supervision	2,658	1.58	0	0.00	2,700	0.93	0	0.00	5,358	1.17
Enhanced Styling/Features	2,000	1.19	0	0.00	2,000	0.69	0	0.00	4,000	0.87
TQM/6-Sigma Quality Program	1,000	0.60	0	0.00	1,776	0.61	0	0.00	2,776	0.61
Production Run Set-Up	6,000	3.58	0	0.00	6,000	2.06	0	0.00	12,000	2.62
Plant Maintenance	7,233	4.31	0	0.00	12,142	4.17	0	0.00	19,375	4.22
Depreciation	4,133	2.46	0	0.00	8,673	2.98	0	0.00	12,806	2.79
Total Production Costs	52,947	31.57	0	0.00	74,779	25.70	0	0.00	127,726	27.85
Cost of Rejected Pairs	2,668	1.59	0	0.00	5,323	1.83	0	0.00	7,991	1.74