

| | REGION 5 (PACIFIC) | REGION 6 (CANADA) |
|--------------------------------|------------------------|-----------------------|
| ACTIVE PRODUCT? | NO | NO |
| SALES (Units) | 0 | 0 |
| UNFILLED ORDERS | 0 | 0 |
| PRICE | 650 | 650 |
| DEALER REBATES | 0 | 0 |
| REVENUE | 0 | 0 |
| PRODUCT COSTS | 0 | 0 |
| REBATES OFFERED | 0 | 0 |
| SALES COMMISSIONS | 0 | 0 |
| TRANSPORTATION | 0 | 0 |
| DUTIES & TARIFFS | 0 | 0 |
| GROSS MARGIN | 0 | 0 |
| FIXED COSTS: | | |
| ADMINISTRAT O/H | 0 | 0 |
| ADVERTISING | 0 | 0 |
| PROMOTION | 0 | 0 |
| SALES SALARIES | 0 | 0 |
| SALES O/H | 0 | 0 |
| TOTAL FIXED COSTS | 0 | 0 |
| OPERATING INCOME | 0 | 0 |
| ===== | | |
| MEDIA CONTENT & MIX | 1 & 55555 | 1 & 55555 |
| PROMOTIONAL TYPE | 10 | 10 |
| SALES FORCE: | | |
| SIZE | 100 | 100 |
| TIME ALLOCATION (%s) | 0 | 0 |
| EFFORT | .00 | .00 |
| SALARY + COMMISSION | 2,800 + 2 | 2,500 + 2 |
| SALES VOLUME FORECAST (Units) | 0 | 0 |
| PRODUCT COMPOSITION | 12/36/12/23/ 5/7/7 | |
| PRODUCTION ORDER (Units) | 17,000 | |
| EMERGENCY PRODUCTION LIMIT (%) | 0 | |
| RESEARCH & DEVELOPMENT | 500,000 | |
| PLANT CAPACITY ORDER (Units) | 0 | |

FIRM 4: ?? INDUSTRY 0
CURRENT PRODUCT OPERATING STATEMENT, PRODUCT 4-2, QUARTER 13 PAGE 4

| | ALL REGIONS | REGION 1 (LATIN AM) | REGION 2 (U.S.) | REGION 3 (U.K.) | REGION 4 (EUROPE) |
|-------------------|----------------|------------------------|---------------------|---------------------|-----------------------|
| ACTIVE PRODUCT? | YES | YES | NO | NO | NO |
| SALES (Units) | 41,128 | 26,214 | 0 | 0 | 0 |
| UNFILLED ORDERS | 0 | 0 | 0 | 0 | 0 |
| PRICE | 1,100 | 1,100 | 650 | 1,100 | 650 |
| DEALER REBATES | 0 | 0 | 0 | 20 | 0 |
| REVENUE | 45,240,800 | 28,835,400 | 0 | 0 | 0 |
| PRODUCT COSTS | 25,487,161 | 16,244,905 | 0 | 0 | 0 |
| REBATES OFFERED | 0 | 0 | 0 | 0 | 0 |
| SALES COMMISSIONS | 1,193,170 | 865,062 | 0 | 0 | 0 |
| TRANSPORTATION | 777,360 | 419,424 | 0 | 0 | 0 |
| DUTIES & TARIFFS | 1,640,540 | 0 | 0 | 0 | 0 |
| GROSS MARGIN | 16,142,569 | 11,306,009 | 0 | 0 | 0 |
| FIXED COSTS: | | | | | |
| ADMINISTRAT O/H | 333,516 | 133,516 | 0 | 0 | 0 |
| ADVERTISING | 2,500,000 | 500,000 | 0 | 0 | 0 |
| PROMOTION | 1,500,000 | 500,000 | 0 | 0 | 0 |
| SALES SALARIES | 2,010,000 | 1,260,000 | 0 | 0 | 0 |
| SALES O/H | 3,203,170 | 2,125,062 | 0 | 0 | 0 |
| TOTAL FIXED COSTS | 9,546,686 | 4,518,578 | 0 | 0 | 0 |
| OPERATING INCOME | 6,595,883 | 6,787,431 | 0 | 0 | 0 |

| | | | | |
|--------------------------------|------------|-----------|------------|-----------|
| MEDIA CONTENT & MIX | 16 & 64789 | 1 & 55555 | 13 & 55736 | 1 & 55555 |
| PROMOTIONAL TYPE | 34 | 10 | 89 | 10 |
| SALES FORCE: | | | | |
| SIZE | 150 | 340 | 130 | 130 |
| TIME ALLOCATION (%s) | 100 | 0 | 0 | 0 |
| EFFORT | 150.00 | .00 | .00 | .00 |
| SALARY + COMMISSION | 2,800 + 3 | 4,000 + 3 | 2,800 + 2 | 2,800 + 3 |
| SALES VOLUME FORECAST (Units) | 35,000 | 0 | 0 | 0 |
| PRODUCT COMPOSITION | | 20/67/ | 8/32/ | 5/5/5 |
| PRODUCTION ORDER (Units) | | 35,000 | | |
| EMERGENCY PRODUCTION LIMIT (%) | | 0 | | |
| RESEARCH & DEVELOPMENT | | 850,000 | | |
| PLANT CAPACITY ORDER (Units) | | | 0 | |

FIRM 4: ?? INDUSTRY 0
CURRENT PRODUCT OPERATING STATEMENT, PRODUCT 4-3, QUARTER 13 PAGE 6

FIRM 4: ?? INDUSTRY 0
CURRENT PRODUCT OPERATING STATEMENT, PRODUCT 4-4, QUARTER 13 PAGE 7

| | REGION 5 (PACIFIC) | REGION 6 (CANADA) |
|--------------------------------|------------------------|-----------------------|
| ACTIVE PRODUCT? | YES | NO |
| SALES (Units) | 117,630 | 0 |
| UNFILLED ORDERS | 0 | 0 |
| PRICE | 1,600 | 650 |
| DEALER REBATES | 20 | 0 |
| REVENUE | 188,208,000 | 0 |
| PRODUCT COSTS | 83,486,068 | 0 |
| REBATES OFFERED | 2,352,600 | 0 |
| SALES COMMISSIONS | 3,764,160 | 0 |
| TRANSPORTATION | 4,352,310 | 0 |
| DUTIES & TARIFFS | 15,056,639 | 0 |
| GROSS MARGIN | 79,196,223 | 0 |
| FIXED COSTS: | | |
| ADMINISTRAT O/H | 136,019 | 0 |
| ADVERTISING | 500,000 | 0 |
| PROMOTION | 500,000 | 0 |
| SALES SALARIES | 840,000 | 0 |
| SALES O/H | 4,604,160 | 0 |
| TOTAL FIXED COSTS | 6,580,179 | 0 |
| OPERATING INCOME | 72,616,044 | 0 |
| ===== | | |
| MEDIA CONTENT & MIX | 18 & 91519 | 1 & 55555 |
| PROMOTIONAL TYPE | 19 | 10 |
| SALES FORCE: | | |
| SIZE | 100 | 100 |
| TIME ALLOCATION (%s) | 100 | 0 |
| EFFORT | 100.00 | .00 |
| SALARY + COMMISSION | 2,800 + 2 | 2,500 + 2 |
| SALES VOLUME FORECAST (Units) | 160,000 | 0 |
| PRODUCT COMPOSITION | | 56/32/92/62/ 5/7/7 |
| PRODUCTION ORDER (Units) | | 150,000 |
| EMERGENCY PRODUCTION LIMIT (%) | | 0 |
| RESEARCH & DEVELOPMENT | | 600,000 |
| PLANT CAPACITY ORDER (Units) | | 0 |

FIRM 4: ?? INDUSTRY 0
CUMULATIVE DIVISIONAL OPERATING STATEMENT, FIRM 4, QUARTER 13 PAGE 10

| | PRODUCT 4-1 | PRODUCT 4-2 | PRODUCT 4-3 | PRODUCT 4-4 |
|------------------------|----------------|----------------|----------------|----------------|
| | ----- | ----- | ----- | ----- |
| BEGINNING INVENTORY | 28,231 | 146,478 | 56,723 | 40,244 |
| + PRODUCTION | 17,000 | 60,000 | 35,000 | 150,000 |
| + EMERGENCY PRODUCTION | 0 | 0 | 0 | 0 |
| = AVAILABLE FOR SALE | 45,231 | 206,478 | 91,723 | 190,244 |
| - SALES | | | | |
| REGION 1 (LATIN AM) | 0 | 0 | -26,214 | 0 |
| REGION 2 (U.S.) | 0 | -126,512 | 0 | 0 |
| REGION 3 (U.K.) | -44,763 | 0 | 0 | 0 |
| REGION 4 (EUROPE) | 0 | -20,972 | 0 | 0 |
| REGION 5 (PACIFIC) | 0 | 0 | 0 | -117,630 |
| REGION 6 (CANADA) | 0 | 0 | -14,914 | 0 |
| = ENDING INVENTORY | 468 | 58,994 | 50,595 | 72,614 |

FIRM 4: ?? INDUSTRY 0
CASH FLOW ANALYSIS REPORT, FIRM 4, QUARTER 13 PAGE 12

| | |
|---|--------------|
| STARTING "CASH" BALANCE (FINAL "CASH" BALANCE, QUARTER 12) | 26,988,232 |
| + "MARKETABLE SECURITIES" (CONVERTED TO "CASH" IN QUARTER 13) | 0 |
| - "LOANS" (LIQUIDATED DURING QUARTER 13) | -365,950,869 |
| + "FINISHED GOODS INVENTORY" INVESTMENT CHANGES | |
| PRODUCT 4-1 (From 20,013,314 To 326,581) | 19,686,733 |
| PRODUCT 4-2 (From 84,427,252 To 32,944,335) | 51,482,917 |
| PRODUCT 4-3 (From 37,832,479 To 31,353,895) | 6,478,584 |
| PRODUCT 4-4 (From 33,031,430 To 51,536,665) | -18,505,235 |
| + "PLANT" INVESTMENT CHANGE (From 297,325,502 To 263,253,752) | 34,071,750 |
| + "NET INCOME" | 64,828,961 |
| = INITIAL END-OF-QUARTER "CASH" BALANCE | -180,918,927 |
| - "DIVIDENDS" (PAID AT END OF QUARTER 13) | 0 |
| = ACTUAL "CASH" BALANCE (END OF QUARTER 13) | -180,918,927 |
| - OPERATING "CASH" EXCESS (TO "MARKETABLE SECURITIES") | 0 |
| + OPERATING "CASH" DEFICIT (FROM "LOANS") | 205,496,167 |
| = FINAL "CASH" BALANCE (END OF QUARTER 13) | 24,577,240 |

*** NOTES ***

- (1) "MARKETABLE SECURITIES" and "LOANS" in the second and third lines above refer to the values on last quarter's balance sheet.
- (2) INVESTMENT CHANGES can be positive, negative, or zero. A positive (negative) {zero} INVESTMENT CHANGE corresponds to an increase (a decrease) {no change} in the dollar value of the investment from last quarter to this quarter which leads to a decrease (an increase) {no change} in current-quarter "CASH" balance.
- (3) In every quarter, plant capacity depreciates. The depreciation process results in additions to cash, by converting investment in plant capacity to cash which may be used for other operating and investment purposes. The net "PLANT" INVESTMENT CHANGE includes this cash-increasing effect as well as the cash-decreasing impact of ordering new plant capacity.
- (4) At most, one of OPERATING "CASH" EXCESS and OPERATING "CASH" DEFICIT will be non-zero; it is possible for both to be zero. Recall that "CASH" must be between 5.0% and 8.0% of current-quarter sales revenues. Excess "CASH" (above 8.0% of revenues) is invested in marketable securities; shortfalls in "CASH" (below 5.0% of revenues) result in loans.

 OPERATING PERFORMANCE REPORT, FIRM 4, QUARTER 13 PAGE 12

| | | | | MARKET SHARES (%) | |
|------------------|---------------|---------------|---------|-------------------|--------|
| | REVENUES (\$) | EARNINGS (\$) | ROI (%) | VOLUME | DOLLAR |
| CURRENT QUARTER | 491,544,800 | 64,828,961 | 194.0 | 45.32 | 47.71 |
| PREVIOUS QUARTER | 539,764,650 | 45,182,365 | 175.8 | 48.03 | 50.73 |
| CHANGE RATE | -8.9% | 43.5% | 10.4% | -5.6% | -6.0% |

| | | | | |
|----------------------|--------|--------|--------|--------|
| TOTAL VARIABLE COSTS | 679.41 | 514.62 | 543.10 | 679.94 |
|----------------------|--------|--------|--------|--------|

| | | | | | | | |
|-------------|--------|--------|-------|--------|----------|--------|----------|
| PRODUCT 4-1 | 127.74 | 100.00 | 58.07 | 556.61 | 1,200.00 | 556.61 | 643.39 |
| PRODUCT 4-2 | 114.88 | 100.00 | 38.29 | 493.05 | 1,385.00 | 493.05 | 891.95 |
| PRODUCT 4-3 | 216.98 | 100.00 | 54.33 | 513.41 | 1,100.00 | 513.41 | 586.59 |
| PRODUCT 4-4 | 144.16 | 100.00 | 47.22 | 567.47 | 1,600.00 | 567.47 | 1,032.53 |

(4) TOTAL includes cost-premium impacts of Compatibility and Warranty.

FIRM 4: ?? INDUSTRY 0
SALES FORECASTING ACCURACY REPORT, FIRM 4, QUARTER 13 PAGE 14

| PRODUCT | MARKET REGION | SALES FORECAST | ACTUAL SALES | UNFILLED ORDERS | ACTUAL + UNFILLED | ACCURACY SCORE |
|---------------------------|------------------|-------------------|-----------------|--------------------|----------------------|-------------------|
| 4-1 | 3 | 40,000 | 44,763 | 0 | 44,763 | 89.36 |
| 4-2 | 2 | 150,000 | 126,512 | 0 | 126,512 | 81.43 |
| 4-2 | 4 | 20,000 | 20,972 | 0 | 20,972 | 95.37 |
| 4-3 | 1 | 35,000 | 26,214 | 0 | 26,214 | 66.48 |
| 4-3 | 6 | 40,000 | 14,914 | 0 | 14,914 | .00 |
| 4-4 | 5 | 160,000 | 117,630 | 0 | 117,630 | 63.98 |
| AVERAGE (Current Quarter) | | | | | | 66.10 |

ON 6 SALES VOLUME FORECASTS IN THE CURRENT YEAR:
CUMULATIVE (Total) FORECASTING SCORE POINTS = 396.62
AVERAGE FORECASTING SCORE (Per Forecast) = 66.10

*** NOTE ***

Only forecasts associated with actual market shares of at least 2.5% in a market region are counted in the calculation of forecasting accuracy scores.

STOCK MARKET REPORT, FIRM 4, QUARTER 13 PAGE 14

| | |
|---|-----------|
| CURRENT STOCK PRICE (Per Share), FIRM 1 | \$ 396.42 |
| CURRENT STOCK PRICE (Per Share), FIRM 2 | \$.01 |
| CURRENT STOCK PRICE (Per Share), FIRM 3 | \$.01 |
| CURRENT STOCK PRICE (Per Share), FIRM 4 | \$ 219.48 |
| CURRENT STOCK PRICE (Per Share), FIRM 5 | \$.01 |

FIRM 4: ?? INDUSTRY 0
MARKETING RESEARCH BILLINGS, FIRM 4, QUARTER 13 PAGE 15

| STUDY # | MARKETING RESEARCH STUDY DESCRIPTION | UNIT COST | TIMES | COST |
|---------|---|-----------|-------|--------|
| 55 | INFORMATION SYSTEMS COSTS {PAGE COUNTS} | 1,000 | 17 | 17,000 |
| TOTAL | | | | 17,000 |

*** NOTE ***

This marketing research billing report is based on marketing research pre-ordered for quarter 12 and billed in connection with quarter 13. Marketing research study premium rates, in connection with syndicated and custom marketing research, are based on quarter 12.

FIRM 4: ?? INDUSTRY 0
FINANCIAL AND OPERATING STATEMENT MESSAGES, FIRM 4, QUARTER 13 PAGE 16

EMERGENCY PRODUCTION ACTIVITY

No products have emergency production this quarter.

INVENTORY LEVELS

Product 4-2 inventory is 58,994 units, which represents .4 quarters of sales, at the current sales volume levels for this product.

Product 4-3 inventory is 50,595 units, which represents 1.2 quarters of sales, at the current sales volume levels for this product.

Product 4-4 inventory is 72,614 units, which represents .6 quarters of sales, at the current sales volume levels for this product.

PRODUCT FORMULATION STATUS

Product 4-1 has formulation 12/36/12/23/ 5/7/7 and patent zone of 3.

Product 4-2 has formulation 56/32/68/56/ 5/7/7 and patent zone of 3.

Product 4-3 has formulation 20/67/ 8/32/ 5/5/5 and patent zone of 3.

Product 4-4 has formulation 56/32/92/62/ 5/7/7 and patent zone of 3.

CUMULATIVE PRODUCTION EXPERIENCE WITH CURRENT FORMULATION

Product 4-1 has cumulative production experience of 277,000 units.

Product 4-2 has cumulative production experience of 910,000 units.

Product 4-3 has cumulative production experience of 335,000 units.

Product 4-4 has cumulative production experience of 500,000 units.

SALES FORECASTING ACCURACY SCORES

Product 4-2, region 4, sales forecasting accuracy is excellent [95.37].

Product 4-3, region 6, sales forecasting accuracy is very poor [.00].

REGIONAL GROSS MARGINS

All products in all regions have contribution margins greater than 25%.

CAPACITY: AUTOMATIC CAPACITY MANAGEMENT EXISTS IN BRANDMAPS

BRANDMAPS is managing capacity ordering decisions. Appropriate amounts of capacity are automatically added to or deleted from your current capacity each quarter to ensure that current capacity is always equal to current sales volume. (There are no penalties for these instantaneous capacity adjustments, although such capacity adjustments involve cash flows equal to the current value of plant capacity orders.) Your firm is operating at exactly 100% capacity each quarter.

DECISIONS: SOME DECISION VARIABLES ARE AUTOMATICALLY CONTROLLED OR FIXED

Reformulation bidding decisions are fixed and may not be changed.

Capacity ordering decisions are controlled automatically by BRANDMAPS.

Emergency production limit decisions are fixed and may not be changed.

INFORMATION REPORTING: SOME INFORMATION IS NOT REPORTED AT THIS TIME

Cumulative profit-and-loss statements are not reported at this time.

VAPORWARE TECHNOLOGY CONSTRAINTS

Product attributes #1-#5 must sum to between 50 and 300.

Attribute #5 [Fralange] must equal 5.

| REGION-SPECIFIC COSTS | Transportation and Shipping | Duties & Tariffs |
|-----------------------|--------------------------------|---------------------|
| | ----- | ----- |
| Region 1 (LATIN AM) | \$ 16.00/unit | .0% |
| Region 2 (U.S.) | \$ 21.00/unit | 2.0% |
| Region 3 (U.K.) | \$ 31.00/unit | 4.0% |
| Region 4 (EUROPE) | \$ 33.00/unit | 6.0% |
| Region 5 (PACIFIC) | \$ 37.00/unit | 8.0% |
| Region 6 (CANADA) | \$ 24.00/unit | 10.0% |