

	ALL REGIONS	REGION 1 (AUST/NZ)	REGION 2 (U.S.)	REGION 3 (JAPAN)	REGION 4 (HK/T/K/S)
ACTIVE PRODUCT?	YES	YES	NO	NO	NO
SALES (Units)	16,826	16,826	0	0	0
UNFILLED ORDERS	0	0	0	0	0
PRICE	2,400	2,400	500	600	600
DEALER REBATES	30	30	0	0	0
REVENUE	40,382,400	40,382,400	0	0	0
PRODUCT COSTS	15,873,348	15,873,348	0	0	0
REBATES OFFERED	504,780	504,780	0	0	0
SALES COMMISSIONS	807,648	807,648	0	0	0
TRANSPORTATION	487,954	487,954	0	0	0
DUTIES & TARIFFS	0	0	0	0	0
GROSS MARGIN	22,708,670	22,708,670	0	0	0
FIXED COSTS:					
ADMINISTRAT O/H	131,136	131,136	0	0	0
ADVERTISING	3,000,000	3,000,000	0	0	0
PROMOTION	1,000,000	1,000,000	0	0	0
SALES SALARIES	1,200,000	1,200,000	0	0	0
SALES O/H	2,007,648	2,007,648	0	0	0
TOTAL FIXED COSTS	7,338,784	7,338,784	0	0	0
OPERATING INCOME	15,369,886	15,369,886	0	0	0

MEDIA CONTENT & MIX	17 & 67776	14 & 34443	14 & 57665	14 & 93115
PROMOTIONAL TYPE	10	10	10	10
SALES FORCE:				
SIZE	160	200	230	170
TIME ALLOCATION (%s)	100	0	0	0
EFFORT	160.00	.00	.00	.00
SALARY + COMMISSION	2,500 + 2	2,800 + 2	2,800 + 2	2,800 + 2
SALES VOLUME FORECAST (Units)	16,000	0	0	0
PRODUCT COMPOSITION	32/92/20/56/ 5/8/8			
PRODUCTION ORDER (Units)	8,000			
EMERGENCY PRODUCTION LIMIT (%)	0			
RESEARCH & DEVELOPMENT	1,000,000			
PLANT CAPACITY ORDER (Units)	25,000			
PLANT LOCATION (Region)	3			

REGION 5
(U.K.)

ACTIVE PRODUCT?	NO
SALES (Units)	0
UNFILLED ORDERS	0
PRICE	550
DEALER REBATES	0
REVENUE	0
PRODUCT COSTS	0
REBATES OFFERED	0
SALES COMMISSIONS	0
TRANSPORTATION	0
DUTIES & TARIFFS	0

GROSS MARGIN	0
FIXED COSTS:	
ADMINISTRAT O/H	0
ADVERTISING	0
PROMOTION	0
SALES SALARIES	0
SALES O/H	0
TOTAL FIXED COSTS	0

OPERATING INCOME	0

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MEDIA CONTENT & MIX	1 & 55555
PROMOTIONAL TYPE	10

SALES FORCE:	
SIZE	100
TIME ALLOCATION (%s)	0
EFFORT	.00
SALARY + COMMISSION	2,500 + 2

SALES VOLUME FORECAST (Units)	0
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PRODUCT COMPOSITION	32/92/20/56/ 5/8/8
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PRODUCTION ORDER (Units)	8,000
EMERGENCY PRODUCTION LIMIT (%)	0
RESEARCH & DEVELOPMENT	1,000,000

PLANT CAPACITY ORDER (Units)	25,000
PLANT LOCATION (Region)	3

	ALL REGIONS	REGION 1 (AUST/NZ)	REGION 2 (U.S.)	REGION 3 (JAPAN)	REGION 4 (HK/T/K/S)
ACTIVE PRODUCT?	YES	NO	NO	NO	YES
SALES (Units)	15,495	0	0	0	13,688
UNFILLED ORDERS	0	0	0	0	0
PRICE	1,800	2,200	2,300	2,200	1,800
DEALER REBATES	20	0	20	0	20
REVENUE	27,891,000	0	0	0	24,638,400
PRODUCT COSTS	11,663,034	0	0	0	10,302,912
REBATES OFFERED	309,900	0	0	0	273,760
SALES COMMISSIONS	557,820	0	0	0	492,768
TRANSPORTATION	393,564	0	0	0	328,512
DUTIES & TARIFFS	1,738,510	0	0	0	1,478,303
GROSS MARGIN	13,228,172	0	0	0	11,762,145
FIXED COSTS:					
ADMINISTRAT O/H	432,641	0	0	0	182,641
ADVERTISING	3,000,000	0	0	0	2,000,000
PROMOTION	2,500,000	0	0	0	1,500,000
SALES SALARIES	1,178,400	0	0	0	428,400
SALES O/H	1,736,220	0	0	0	921,168
TOTAL FIXED COSTS	8,847,261	0	0	0	5,032,209
OPERATING INCOME	4,380,911	0	0	0	6,729,936

MEDIA CONTENT & MIX	13 & 55555	14 & 34443	13 & 55555	15 & 66666
PROMOTIONAL TYPE	10	14	10	10
SALES FORCE:				
SIZE	160	200	230	170
TIME ALLOCATION (%s)	0	0	0	30
EFFORT	.00	.00	.00	51.00
SALARY + COMMISSION	2,500 + 2	2,800 + 2	2,800 + 2	2,800 + 2
SALES VOLUME FORECAST (Units)	0	0	0	20,000
PRODUCT COMPOSITION	50/20/60/60/ 5/8/8			
PRODUCTION ORDER (Units)	20,000			
EMERGENCY PRODUCTION LIMIT (%)	0			
RESEARCH & DEVELOPMENT	3,250,000			
PLANT CAPACITY ORDER (Units)	25,000			
PLANT LOCATION (Region)	3			

	REGION 5 (U.K.) -----
ACTIVE PRODUCT?	YES
SALES (Units)	1,807
UNFILLED ORDERS	0
PRICE	1,800
DEALER REBATES	20
REVENUE	3,252,600
PRODUCT COSTS	1,360,122
REBATES OFFERED	36,140
SALES COMMISSIONS	65,052
TRANSPORTATION	65,052
DUTIES & TARIFFS	260,207

GROSS MARGIN	1,466,027
FIXED COSTS:	
ADMINISTRAT O/H	250,000
ADVERTISING	1,000,000
PROMOTION	1,000,000
SALES SALARIES	750,000
SALES O/H	815,052
TOTAL FIXED COSTS	3,815,052

OPERATING INCOME	-2,349,025

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MEDIA CONTENT & MIX	18 & 55555
PROMOTIONAL TYPE	10
SALES FORCE:	
SIZE	100
TIME ALLOCATION (%s)	100
EFFORT	100.00
SALARY + COMMISSION	2,500 + 2

SALES VOLUME FORECAST (Units) 5,000

PRODUCT COMPOSITION 50/20/60/60/ 5/8/8

PRODUCTION ORDER (Units) 20,000
EMERGENCY PRODUCTION LIMIT (%) 0
RESEARCH & DEVELOPMENT 3,250,000

PLANT CAPACITY ORDER (Units) 25,000
PLANT LOCATION (Region) 3

	ALL REGIONS	REGION 1 (AUST/NZ)	REGION 2 (U.S.)	REGION 3 (JAPAN)	REGION 4 (HK/T/K/S)
ACTIVE PRODUCT?	YES	NO	NO	YES	NO
SALES (Units)	17,000	0	0	17,000	0
UNFILLED ORDERS	808	0	0	808	0
PRICE	2,000	1,750	550	2,000	550
DEALER REBATES	20	10	0	20	0
REVENUE	34,000,000	0	0	34,000,000	0
PRODUCT COSTS	10,056,512	0	0	10,056,512	0
REBATES OFFERED	340,000	0	0	340,000	0
SALES COMMISSIONS	680,000	0	0	680,000	0
TRANSPORTATION	323,000	0	0	323,000	0
DUTIES & TARIFFS	0	0	0	0	0
GROSS MARGIN	22,600,488	0	0	22,600,488	0
FIXED COSTS:					
ADMINISTRAT O/H	130,671	0	0	130,671	0
ADVERTISING	3,000,000	0	0	3,000,000	0
PROMOTION	1,000,000	0	0	1,000,000	0
SALES SALARIES	1,932,000	0	0	1,932,000	0
SALES O/H	2,612,000	0	0	2,612,000	0
TOTAL FIXED COSTS	8,674,671	0	0	8,674,671	0
OPERATING INCOME	13,925,817	0	0	13,925,817	0

MEDIA CONTENT & MIX	2 & 67776	1 & 55555	17 & 93339	1 & 55555
PROMOTIONAL TYPE	1	10	47	10
SALES FORCE:				
SIZE	160	200	230	170
TIME ALLOCATION (%s)	0	0	100	0
EFFORT	.00	.00	230.00	.00
SALARY + COMMISSION	2,500 + 2	2,800 + 2	2,800 + 2	2,800 + 2
SALES VOLUME FORECAST (Units)	0	0	17,000	0
PRODUCT COMPOSITION	32/44/20/56/ 5/7/7			
PRODUCTION ORDER (Units)	17,000			
EMERGENCY PRODUCTION LIMIT (%)	0			
RESEARCH & DEVELOPMENT	1,750,000			
PLANT CAPACITY ORDER (Units)	25,000			
PLANT LOCATION (Region)	3			

	REGION 5	
	(U.K.)	

ACTIVE PRODUCT?	NO	
SALES (Units)	0	
UNFILLED ORDERS	0	
PRICE	550	
DEALER REBATES	0	
REVENUE	0	
PRODUCT COSTS	0	
REBATES OFFERED	0	
SALES COMMISSIONS	0	
TRANSPORTATION	0	
DUTIES & TARIFFS	0	

GROSS MARGIN	0	
FIXED COSTS:		
ADMINISTRAT O/H	0	
ADVERTISING	0	
PROMOTION	0	
SALES SALARIES	0	
SALES O/H	0	
TOTAL FIXED COSTS	0	

OPERATING INCOME	0	
=====		
MEDIA CONTENT & MIX	1 & 55555	
PROMOTIONAL TYPE	10	
SALES FORCE:		
SIZE	100	
TIME ALLOCATION (%s)	0	
EFFORT	.00	
SALARY + COMMISSION	2,500 + 2	
SALES VOLUME FORECAST (Units)	0	
PRODUCT COMPOSITION	32/44/20/56/ 5/7/7	
PRODUCTION ORDER (Units)	17,000	
EMERGENCY PRODUCTION LIMIT (%)	0	
RESEARCH & DEVELOPMENT	1,750,000	
PLANT CAPACITY ORDER (Units)	25,000	
PLANT LOCATION (Region)	3	

	ALL REGIONS	REGION 1 (AUST/NZ)	REGION 2 (U.S.)	REGION 3 (JAPAN)	REGION 4 (HK/T/K/S)
ACTIVE PRODUCT?	YES	NO	YES	NO	YES
SALES (Units)	18,536	0	16,893	0	1,643
UNFILLED ORDERS	0	0	0	0	0
PRICE	1,826	550	1,800	550	2,100
DEALER REBATES	48	0	50	0	30
REVENUE	33,857,700	0	30,407,400	0	3,450,300
PRODUCT COSTS	14,784,450	0	13,473,982	0	1,310,468
REBATES OFFERED	893,940	0	844,650	0	49,290
SALES COMMISSIONS	677,154	0	608,148	0	69,006
TRANSPORTATION	529,329	0	489,897	0	39,432
DUTIES & TARIFFS	815,164	0	608,147	0	207,017
GROSS MARGIN	16,157,663	0	14,382,576	0	1,775,087
FIXED COSTS:					
ADMINISTRAT O/H	272,990	0	147,990	0	125,000
ADVERTISING	11,000,000	0	9,000,000	0	2,000,000
PROMOTION	3,000,000	0	2,000,000	0	1,000,000
SALES SALARIES	2,679,600	0	1,680,000	0	999,600
SALES O/H	3,356,754	0	2,288,148	0	1,068,606
TOTAL FIXED COSTS	20,309,344	0	15,116,138	0	5,193,206
OPERATING INCOME	-4,151,681	0	-733,562	0	-3,418,119

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MEDIA CONTENT & MIX	1 & 55555	17 & 41659	1 & 55555	15 & 66666
PROMOTIONAL TYPE	10	10	10	10

SALES FORCE:				
SIZE	160	200	230	170
TIME ALLOCATION (%s)	0	100	0	70
EFFORT	.00	200.00	.00	119.00
SALARY + COMMISSION	2,500 + 2	2,800 + 2	2,800 + 2	2,800 + 2

SALES VOLUME FORECAST (Units)	0	20,000	0	10,000
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PRODUCT COMPOSITION 68/ 8/80/68/ 5/7/7

PRODUCTION ORDER (Units)	30,000
EMERGENCY PRODUCTION LIMIT (%)	0
RESEARCH & DEVELOPMENT	1,000,000

PLANT CAPACITY ORDER (Units)	25,000
PLANT LOCATION (Region)	3

	REGION 5	
	(U.K.)	

ACTIVE PRODUCT?	NO	
SALES (Units)	0	
UNFILLED ORDERS	0	
PRICE	550	
DEALER REBATES	0	
REVENUE	0	
PRODUCT COSTS	0	
REBATES OFFERED	0	
SALES COMMISSIONS	0	
TRANSPORTATION	0	
DUTIES & TARIFFS	0	

GROSS MARGIN	0	
FIXED COSTS:		
ADMINISTRAT O/H	0	
ADVERTISING	0	
PROMOTION	0	
SALES SALARIES	0	
SALES O/H	0	
TOTAL FIXED COSTS	0	

OPERATING INCOME	0	

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MEDIA CONTENT & MIX	1 & 55555	
PROMOTIONAL TYPE	10	

SALES FORCE:		
SIZE	100	
TIME ALLOCATION (%s)	0	
EFFORT	.00	
SALARY + COMMISSION	2,500 + 2	

SALES VOLUME FORECAST (Units)	0	
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PRODUCT COMPOSITION	68/ 8/80/68/ 5/7/7	
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PRODUCTION ORDER (Units)	30,000	
EMERGENCY PRODUCTION LIMIT (%)	0	
RESEARCH & DEVELOPMENT	1,000,000	

PLANT CAPACITY ORDER (Units)	25,000	
PLANT LOCATION (Region)	3	

FIRM 4: ES LO QUE HAY

INDUSTRY 0

CURRENT DIVISIONAL OPERATING STATEMENT, FIRM 4, QUARTER 8

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	ALL PRODUCTS	PRODUCT 4-1	PRODUCT 4-2	PRODUCT 4-3	PRODUCT 4-4
SALES (Units)	67,857	16,826	15,495	17,000	18,536
UNFILLED ORDERS	808	0	0	808	0
PRICE	2,006	2,400	1,800	2,000	1,826
DEALER REBATES	30	30	20	20	48
REVENUE	136,131,100	40,382,400	27,891,000	34,000,000	33,857,700
PRODUCT COSTS	52,377,344	15,873,348	11,663,034	10,056,512	14,784,450
REBATES OFFERED	2,048,620	504,780	309,900	340,000	893,940
SALES COMMISSIONS	2,722,622	807,648	557,820	680,000	677,154
TRANSPORTATION	1,733,847	487,954	393,564	323,000	529,329
DUTIES & TARIFFS	2,553,674	0	1,738,510	0	815,164
GROSS MARGIN	74,694,993	22,708,670	13,228,172	22,600,488	16,157,663
FIXED COSTS:					
ADMINISTRAT O/H	967,438	131,136	432,641	130,671	272,990
ADVERTISING	20,000,000	3,000,000	3,000,000	3,000,000	11,000,000
CONSULTING FEES	4,426,148				
CORPORATE O/H	1,200,000				
DEPRECIATION	1,935,916				
DISPOSAL SALES	5,298,792	0	0	942,128	4,356,664
EMERG PREMIUMS	0	0	0	0	0
INTRODUCTIONS	400,000	0	0	0	400,000
INVENTORY CHARG	726,996	224,509	273,893	0	228,594
MARKET RESEARCH	1,550,000				
PROD ORDER COST	400,000	100,000	100,000	100,000	100,000
PROMOTION	7,500,000	1,000,000	2,500,000	1,000,000	3,000,000
REFORMULATIONS	5,000,000	0	0	2,500,000	2,500,000
RESEARCH & DEV	7,000,000	1,000,000	3,250,000	1,750,000	1,000,000
SALES EXPENSES	417,000				
SALES SALARIES	6,990,000	1,200,000	1,178,400	1,932,000	2,679,600
SALES O/H	9,712,622	2,007,648	1,736,220	2,612,000	3,356,754
TOTAL FIXED COSTS	73,524,912	8,663,293	12,471,154	13,966,799	28,894,602
OPERATING INCOME	1,170,081	14,045,377	757,018	8,633,689	-12,736,939
NON-OPERAT INCOME	0				
LESS: TAXES	444,630				
NET INCOME	725,451				

	ALL PRODUCTS	PRODUCT 4-1	PRODUCT 4-2	PRODUCT 4-3	PRODUCT 4-4
SALES (Units)	274,757	37,473	112,144	94,140	31,000
UNFILLED ORDERS	808	0	0	808	0
PRICE	1,835	1,766	2,034	1,630	1,819
DEALER REBATES	25	18	22	19	64
REVENUE	504,279,500	66,198,300	228,197,800	153,473,600	56,409,800
PRODUCT COSTS	181,358,052	26,138,666	86,754,510	45,796,024	22,668,852
REBATES OFFERED	7,074,310	690,000	2,503,870	1,876,600	2,003,840
SALES COMMISSIONS	7,546,374	1,251,027	3,010,942	2,195,484	1,088,921
TRANSPORTATION	7,351,069	1,026,713	3,105,735	2,302,908	915,713
DUTIES & TARIFFS	16,637,377	159,593	11,718,400	3,493,181	1,266,203
GROSS MARGIN	284,312,318	36,932,301	121,104,343	97,809,403	28,466,271
FIXED COSTS:					
ADMINISTRAT O/H	3,439,315	720,300	1,215,585	888,428	615,002
ADVERTISING	80,500,000	8,500,000	24,000,000	19,000,000	29,000,000
CONSULTING FEES	90,051,148				
CORPORATE O/H	4,200,000				
DEPRECIATION	10,943,154				
DISPOSAL SALES	25,239,901	1,680,114	0	942,128	22,617,659
EMERG PREMIUMS	0	0	0	0	0
INTRODUCTIONS	2,400,000	1,200,000	400,000	0	800,000
INVENTORY CHARG	9,300,333	1,045,974	2,494,263	2,072,964	3,687,132
MARKET RESEARCH	6,193,000				
PROD ORDER COST	1,300,000	300,000	400,000	300,000	300,000
PROMOTION	51,000,000	4,500,000	18,500,000	15,000,000	13,000,000
REFORMULATIONS	12,500,000	2,500,000	0	2,500,000	7,500,000
RESEARCH & DEV	22,000,000	2,500,000	11,500,000	5,500,000	2,500,000
SALES EXPENSES	1,017,000				
SALES SALARIES	21,765,000	3,052,500	5,434,650	7,767,000	5,510,850
SALES O/H	29,311,374	4,303,527	8,445,592	9,962,484	6,599,771
TOTAL FIXED COSTS	371,160,225	30,302,415	72,390,090	63,933,004	92,130,414
OPERATING INCOME	-86,847,907	6,629,886	48,714,253	33,876,399	-63,664,143
NON-OPERAT INCOME	-4,955,905				
LESS: TAXES	-46,042,317				
NET INCOME	-45,761,495				

ASSETS

CASH		10,890,487
MARKETABLE SECURITIES		7,695,002
FINISHED GOODS INVENTORY:		
PRODUCT 4-1 (0 Units) [\$.00 Per Unit]		0
PRODUCT 4-2 (9,503 Units) [\$ 752.70 Per Unit]		7,152,877
PRODUCT 4-3 (0 Units) [\$.00 Per Unit]		0
PRODUCT 4-4 (11,464 Units) [\$ 797.61 Per Unit]		9,143,771
PLANT {located in Region 3 (JAPAN)}:		
CURRENT PLANT [CAPACITY = 63,925]		54,869,609
PLANT ON ORDER FOR 1 QUARTER HENCE [CAPACITY = 25,000]		18,606,100
TOTAL ASSETS		108,357,846

LIABILITIES AND EQUITY

LOANS		0
INITIAL (QUARTER 0) CORPORATE CAPITALIZATION		100,000,000
- DIVIDENDS PAID, PRIOR TO THIS YEAR		-5,000,000
- DIVIDENDS PAID, END OF QUARTER 1 OF THIS YEAR		0
- DIVIDENDS PAID, END OF QUARTER 2 OF THIS YEAR		0
- DIVIDENDS PAID, END OF QUARTER 3 OF THIS YEAR		0
- DIVIDENDS PAID, END OF QUARTER 4 OF THIS YEAR		0
+ RETAINED EARNINGS (AFTER-TAX INCOME PRIOR TO THIS YEAR)		59,119,341
+ YEAR-TO-DATE EARNINGS (AFTER-TAX INCOME THIS YEAR)		-45,761,495
TOTAL LIABILITIES AND EQUITY		108,357,846

	PRODUCT 4-1	PRODUCT 4-2	PRODUCT 4-3	PRODUCT 4-4
BEGINNING INVENTORY	8,826	4,998	0	0
+ PRODUCTION	8,000	20,000	17,000	30,000
+ EMERGENCY PRODUCTION	0	0	0	0
= AVAILABLE FOR SALE	16,826	24,998	17,000	30,000
- SALES				
REGION 1 (AUST/NZ)	-16,826	0	0	0
REGION 2 (U.S.)	0	0	0	-16,893
REGION 3 (JAPAN)	0	0	-17,000	0
REGION 4 (HK/T/K/S)	0	-13,688	0	-1,643
REGION 5 (U.K.)	0	-1,807	0	0
= ENDING INVENTORY	0	9,503	0	11,464

STARTING "CASH" BALANCE (FINAL "CASH" BALANCE, QUARTER 7)	9,123,447
+ "MARKETABLE SECURITIES" (CONVERTED TO "CASH" IN QUARTER 8)	0
- "LOANS" (LIQUIDATED DURING QUARTER 8)	0
+ "FINISHED GOODS INVENTORY" INVESTMENT CHANGES	
PRODUCT 4-1 (From 8,980,364 To 0)	8,980,364
PRODUCT 4-2 (From 3,802,867 To 7,152,877)	-3,350,010
PRODUCT 4-3 (From 3,768,512 To 0)	3,768,512
PRODUCT 4-4 (From 17,426,657 To 9,143,771)	8,282,886
+ "PLANT" INVESTMENT CHANGE (From 64,530,548 To 73,475,709)	-8,945,161
+ "NET INCOME"	725,451
= INITIAL END-OF-QUARTER "CASH" BALANCE	18,585,489
- "DIVIDENDS" (PAID AT END OF QUARTER 8)	0
= ACTUAL "CASH" BALANCE (END OF QUARTER 8)	18,585,489
- OPERATING "CASH" EXCESS (TO "MARKETABLE SECURITIES")	-7,695,002
+ OPERATING "CASH" DEFICIT (FROM "LOANS")	0
= FINAL "CASH" BALANCE (END OF QUARTER 8)	10,890,487

*** 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.

	REVENUES (\$)	EARNINGS (\$)	ROI (%)	MARKET SHARES (%)	
				VOLUME	DOLLAR
CURRENT QUARTER	136,131,100	725,451	1.9	13.84	17.98
PREVIOUS QUARTER	114,226,950	-8,132,241	-21.1	13.84	16.22
CHANGE RATE	19.2%	-108.9%	-108.9%	.0%	10.8%

COST COMPONENTS	PRODUCT 4-1	PRODUCT 4-2	PRODUCT 4-3	PRODUCT 4-4

RAW MATERIAL #1 [SYNTECH]	24.00	37.50	24.00	51.00
RAW MATERIAL #2 [PLUMBO]	96.60	21.00	46.20	8.40
RAW MATERIAL #3 [GLOMP]	9.00	27.00	9.00	36.00
RAW MATERIAL #4 [TRIMICRO]	16.80	18.00	16.80	20.40
RAW MATERIAL #5 [FRALANGE]	.75	.75	.75	.75
RAW MATERIAL (Experience Curve Adjust.)	.00	.00	.00	.00
LABOR (Base)	25.00	25.00	25.00	25.00
LABOR (Smoothing Adjustment)	12.00	10.00	7.00	35.00
LABOR (Experience Curve Adjustment)	.00	.00	.00	.00
PRODUCTION (Base)	50.00	50.00	50.00	50.00
PRODUCTION (Smoothing Adjustment)	17.00	15.00	12.00	70.00
PRODUCTION (Experience Curve Adjustment)	.00	.00	.00	.00
PACKAGING	13.00	13.00	13.00	13.00
VARIABLE DEPRECIATION	103.00	103.00	103.00	103.00
SUB-TOTAL VARIABLE COSTS	367.15	320.25	306.75	412.55
COMPATIBILITY (Cost Premium Impact)	179.90	156.92	110.43	148.52
WARRANTY (Cost Premium Impact)	321.67	280.58	180.22	242.38
TOTAL VARIABLE COSTS	868.72	757.75	597.40	803.45

	ESTIMATES OF NEXT QUARTER EXPERIENCE CURVE ADJUSTED VARIABLE (Per Unit) COSTS				MARGIN ANALYSIS		
	-----				=====		
	RAW MATERI	PDCOST +PKCST	PROD +LABOR	TOTAL	PRICE	COST	MARGIN

PRODUCT 4-1	147.15	116.00	75.00	800.11	2,400.00	800.11	1,599.89
PRODUCT 4-2	104.25	116.00	75.00	698.60	1,800.00	698.60	1,101.40
PRODUCT 4-3	96.75	116.00	75.00	560.40	2,000.00	560.40	1,439.60
PRODUCT 4-4	116.55	116.00	75.00	598.96	1,826.00	598.96	1,227.04

*** NOTES ***
(1) Variable depreciation cost (PDCOST) has been estimated assuming that production next quarter is equal to plant capacity.
(2) In this table, PKCST refers to packaging cost.
(3) MARGIN ANALYSIS figures do not include transportation, shipping, duties, and tariffs. Also, dealer rebates have been assumed to be \$0.
(4) TOTAL includes cost-premium impacts of Compatibility and Warranty.

PRODUCT	MARKET REGION	SALES FORECAST	ACTUAL SALES	UNFILLED ORDERS	ACTUAL + UNFILLED	ACCURACY SCORE
-----	-----	-----	-----	-----	-----	-----
4-1	1	16,000	16,826	0	16,826	95.09
4-2	4	20,000	13,688	0	13,688	53.89
4-2	5	5,000	1,807	0	1,807	.00
4-3	3	17,000	17,000	808	17,808	95.46
4-4	2	20,000	16,893	0	16,893	81.61
4-4	4	10,000	1,643	0	1,643	n/a
AVERAGE (Current Quarter)						65.21

ON 20 SALES VOLUME FORECASTS IN THE CURRENT YEAR:
CUMULATIVE (Total) FORECASTING SCORE POINTS = 1254.16
AVERAGE FORECASTING SCORE (Per Forecast) = 62.71

*** 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.

CURRENT STOCK PRICE (Per Share), FIRM 1 \$ 387.79
CURRENT STOCK PRICE (Per Share), FIRM 2 \$ 125.60
CURRENT STOCK PRICE (Per Share), FIRM 3 \$.01
CURRENT STOCK PRICE (Per Share), FIRM 4 \$ 97.65
CURRENT STOCK PRICE (Per Share), FIRM 5 \$ 131.77

STUDY #	MARKETING RESEARCH STUDY DESCRIPTION	UNIT COST	TIMES	COST
1	COMP INFO - DIVIDENDS AND EARNINGS	1,000	4	4,000
2	BRAND COMPOSITION ANALYSIS	25,000	2	50,000
3	INDUSTRY SALES FORCE SIZE	7,500	1	7,500
7	INDUSTRY R&D	12,000	1	12,000
8	MEDIA CONTENT ANALYSIS	2,500	1	2,500
9	PROMOTIONAL TYPE ANALYSIS	5,000	1	5,000
11	CUSTOMER BRAND AWARENESS	21,000	1	21,000
16	OPERATING STATISTICS REPORT	25,000	1	25,000
17	BRAND QUALITY RATINGS	15,000	1	15,000
18	PATENT SEARCH	1,000	2	2,000
19	COMPETITIVE INFORMATION - BALANCE SHEETS	20,000	4	80,000
21	BRAND PERCEPTUAL RATINGS	50,000	1	50,000
22	AGGREGATE MARKET STATISTICS	1,000	1	1,000
23	REFORMULATION ACTIVITY	1,000	1	1,000
24	MARKET SHARES	2,500	1	2,500
25	DEALER PRICES	2,500	1	2,500
26	DEALER REBATES	3,000	1	3,000
27	DEALER PROMOTION AWARENESS	12,000	1	12,000
28	DEALER AVAILABILITY	24,000	1	24,000
29	COMPETITIVE POSITION AUDIT	100,000	4	400,000
31	INDUSTRY SALES VOLUME FORECASTS	2,500	1	2,500
32	BRAND SALES VOLUME FORECASTS	5,000	1	5,000
36	COMPETITIVE INFORMATION - BRAND PROFILES	10,000	33	330,000
37	COMPETITIVE INFORMATION - SFC STATISTICS	40,000	1	40,000
39	COMPETITIVE INFORMATION - UNFILLED ORDER	10,000	1	10,000
40	COMPETITIVE INFORMATION - BRAND MARGINS	60,000	1	60,000
41	REGIONAL SUMMARY ANALYSIS	1	75,500	75,500
42	MARKETING RESEARCH ORDERING STATISTICS	1,000	1	1,000
43	MARKETING SUPPORT SPENDING PRODUCTIVITY	5,000	5	25,000
44	POPULATION FORECASTS	2,000	1	2,000
45	PER CAPITA INCOME FORECASTS	2,000	1	2,000
46	CONSUMER PRICE INDEX FORECASTS	2,000	1	2,000
47	SELF-REPORTED ATTRIBUTE PREFERENCES	5,000	5	25,000
48	BRAND SATISFACTION RATINGS	20,000	1	20,000
49	DEALER INVENTORY ANALYSIS	15,000	1	15,000
50	PRICE SENSITIVITY ANALYSIS	25,000	5	125,000
55	INFORMATION SYSTEMS COSTS {PAGE COUNTS}	1,000	90	90,000
TOTAL				1,550,000

*** NOTE ***

This marketing research billing report is based on marketing research pre-ordered for quarter 7 and billed in connection with quarter 8. Marketing research study premium rates, in connection with syndicated and custom marketing research, are based on quarter 7.

CAPACITY USAGE SITUATION

Current capacity is 63,925 units; pending capacity is 25,000 units.
With no change in production, next quarter capacity usage will be 117.3%.
Next quarter capacity is 94.2% of current quarter sales volume.
Forecast capacity utilization is more than 100%.
WARNING: Major Overcapacity Utilization Problem May Be Imminent

EMERGENCY PRODUCTION ACTIVITY

No products have emergency production this quarter.

INVENTORY LEVELS

Product 4-2 inventory is 9,503 units, which represents .6 quarters
of sales, at the current sales volume levels for this product.
Product 4-4 inventory is 11,464 units, which represents .6 quarters
of sales, at the current sales volume levels for this product.

PRODUCT FORMULATION STATUS

Product 4-1 has formulation 32/92/20/56/ 5/8/8 and patent zone of 4.
Product 4-2 has formulation 50/20/60/60/ 5/8/8 and patent zone of 3.
Product 4-3 has formulation 32/44/20/56/ 5/7/7 and patent zone of 7.
Product 4-4 has formulation 68/ 8/80/68/ 5/7/7 and patent zone of 7.

CUMULATIVE PRODUCTION EXPERIENCE WITH CURRENT FORMULATION

Product 4-1 has cumulative production experience of 8,000 units.
Product 4-2 has cumulative production experience of 20,000 units.
Product 4-3 has cumulative production experience of 17,000 units.
Product 4-4 has cumulative production experience of 30,000 units.

SALES FORECASTING ACCURACY SCORES

Product 4-1, region 1, sales forecasting accuracy is excellent [95.09].
Product 4-2, region 5, sales forecasting accuracy is very poor [.00].
Product 4-3, region 3, sales forecasting accuracy is excellent [95.46].

REGIONAL GROSS MARGINS

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

SPECIAL NOTES, REMINDERS, AND WARNING MESSAGES

Product 4-3, area 3, has unfilled orders of 808 units:
With total potential sales volume of 17,000 units {SALES (Units)
plus UNFILLED ORDERS} and an emergency production limit of 0%, a
maximum of 0 units of emergency production are possible for
sale in this market region.
Premium plant capacity order executed for firm 4 of 2,446 units.

PLANT RELOCATION COSTS

Fixed Cost of Plant Relocation = \$ 1,000,000

Variable Cost of Plant Relocation = 25.0% of Current Plant Value

REGION-SPECIFIC COSTS, BASED ON PLANT LOCATION - DUTIES AND TARIFFS

Duties and tariffs are levied on all vaporware manufactured outside of a market region. Locally sourced vaporware manufactured within a market incurs no duties or tariffs in the local market region (i.e., in the market region in which it is manufactured). Trade rules prohibit differential duties and tariffs by region of origin. Thus, duties and tariffs are independent of the market region of origin of manufactured vaporware. Thus, for example, a market region with a 5% duties and tariffs rate applies that rate to all vaporware manufactured outside the region regardless of region of origin. Current duties and tariffs are shown in the table below.

	Region 1	Region 2	Region 3	Region 4	Region 5
	-----	-----	-----	-----	-----
Duty/Tariff (%)	.00	2.00	4.00	6.00	8.00

REGION-SPECIFIC COSTS, BASED ON PLANT LOCATION

The relevant costs for your firm are in the column corresponding to your plant location, which is currently market region #3. Data for other market regions are presented to provide the necessary cost data for plant location and relocation decisions.

	Region 1	Region 2	Region 3	Region 4	Region 5
	-----	-----	-----	-----	-----
Admin O/H	100000	100000	125000	150000	80000
Corporate O/H	250000	250000	300000	350000	225000
Labor	30.00	35.00	25.00	23.00	27.00
Packaging	10.00	12.00	13.00	14.00	10.00
Plant Capacity	750	825	700	675	725
Production	60.00	65.00	50.00	45.00	55.00
Raw Material #1	25.00	25.00	25.00	25.00	25.00
Raw Material #2	35.00	35.00	35.00	35.00	35.00
Raw Material #3	15.00	15.00	15.00	15.00	15.00
Raw Material #4	10.00	10.00	10.00	10.00	10.00
Raw Material #5	5.00	5.00	5.00	5.00	5.00
Taxation (%)	50.00	43.00	38.00	40.00	44.00
Tran/Ship To R#1	15.00	31.00	29.00	27.00	37.00
Tran/Ship To R#2	31.00	17.00	29.00	34.00	25.00
Tran/Ship To R#3	29.00	29.00	19.00	24.00	36.00
Tran/Ship To R#4	27.00	34.00	24.00	19.00	36.00
Tran/Ship To R#5	37.00	25.00	36.00	36.00	13.00

DECISIONS: SOME DECISION VARIABLES ARE AUTOMATICALLY CONTROLLED OR FIXED
Reformulation bidding decisions are fixed and may not be changed.
Emergency production limit decisions are fixed and may not be changed.

SPECIAL DECISIONS: SOME SPECIAL DECISION VARIABLES EXIST
Plant location decision variable exists (see previous page for details).

SEASONALITY: SEASONALITY DOES NOT EXIST IN BRANDMAPS
Extensive recent marketing research shows that seasonality does not seem
to exist in the vaporware industry. Prior widely-held beliefs about
vaporware sales seasonality are incorrect.

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 75 and 200.
Attribute #5 [Fralange] must equal 5.