\*

INDUSTRY O PAGE 1 CURRENT PRODUCT OPERATING STATEMENT, PRODUCT 4-1, QUARTER 13 \*

******	*******	*****	******	*******	******
	ALL REGIONS	REGION 1 (LATIN AM)	REGION 2 (U.S. )	REGION 3 (U.K. )	REGION 4 (EUROPE )
ACTIVE PRODUCT?	YES	NO	NO	YES	NO
SALES (Units)	44,763	0	0	44,763	0
UNFILLED ORDERS	0	0	0	0	0
PRICE	1,200	600	1,100	1,200	650
DEALER REBATES	10	10	26	10	10
REVENUE	53,715,600	0	0	53,715,600	0
PRODUCT COSTS	31,236,620	0	0	31,236,620	0
REBATES OFFERED	447,630	0	0	447,630	0
SALES COMMISSIONS	1,074,312	0	0	1,074,312	0
TRANSPORTATION	1,387,653	0	0	1,387,653	0
DUTIES & TARIFFS	2,148,623	0	0	2,148,623	0
GROSS MARGIN	17,420,762	0	0	17,420,762	0
FIXED COSTS:					
ADMINISTRAT O/H	110,640	0	0	110,640	0
ADVERTISING	500,000	0	0	500,000	0
PROMOTION	500,000	0	0	500,000	0
SALES SALARIES	1,092,000	0	0	1,092,000	0
SALES O/H	2,166,312	0	0	2,166,312	0
TOTAL FIXED COSTS	4,368,952	0	0	4,368,952	0
OPERATING INCOME	13,051,810	0	0	13,051,810	0
===========	=======				
MEDIA CONTENT & MI	Χ	8 & 32778	13 & 77557	19 & 99111	10 & 55634
PROMOTIONAL TYPE		96	10	48	36
SALES FORCE:					
SIZE		150	340	130	130
TIME ALLOCATIO	N (%s)	0	0	100	0
EFFORT	(100)	.00		130.00	_
SALARY + COMMI	SSION		4,000 + 3		2,800 + 3
SALES VOLUME FOREC	AST (Units)	0	0	40,000	0
PRODUCT COMPOSITIO	N		12/36/12/	23/ 5/7/7	
DDODUCTION OPDER /	Unite)		1	.7,000	
PRODUCTION ORDER ( EMERGENCY PRODUCTI	•		1	0	

EMERGENCY PRODUCTION LIMIT (%) 0 500,000 **RESEARCH & DEVELOPMENT** 

PLANT CAPACITY ORDER (Units)

\*

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

\* CURRENT PRODUCT OPERATING STATEMENT, PRODUCT 4-2, QUARTER 13 \* REGION 1 REGION 2 REGION 3 ALL REGIONS (LATIN AM) (U.S. ) (U.K. ) (EUROPE ) YES NO YES NO 147,484 0 126,512 0 0 0 0 0 YES ACTIVE PRODUCT? YES SALES (Units) 20,972 UNFILLED ORDERS 1,385 650 1,400 650 1,300 PRICE 0 DEALER REBATES 1 0 0 10 REVENUE 204,380,400 0 177,116,800 0 27,263,600 PRODUCT COSTS 82,360,272 0 70,648,767 0 11,711,505 REBATES OFFERED 209,720 0 0 0 209,720 SALES COMMISSIONS 6,131,412 0 5,313,504 0 817,908 TRANSPORTATION 3,348,828 0 2,656,752 0 692,076 5,178,150 0 3,542,335 0 1,635,815 DUTIES & TARIFFS 0 94,955,442 GROSS MARGIN 107,152,018 0 12,196,576 FIXED COSTS: ADMINISTRAT O/H 223,199 0 118,565 0 104,634 200,000 0 200,000 0 200,000 0 1,092,000 1,200,000 0 1,000,000 1,200,000 0 1,000,000 5,172,000 0 4,080,000 ADVERTISING PROMOTION SALES SALARIES 0 9,393,504 0 1,909,908 11,303,412 SALES O/H TOTAL FIXED COSTS 19,098,611 0 15,592,069 0 3,506,542 ...... 88,053,407 0 79,363,373 0 8,690,034 OPERATING INCOME \_\_\_\_\_\_ MEDIA CONTENT & MIX 1 & 55555 14 & 42559 1 & 55555 18 & 83555 PROMOTIONAL TYPE 10 10 10 SALES FORCE: 130 150 340 130 ST7F 100 340.00 TIME ALLOCATION (%s) 0 0 100 **EFFORT** .00 .00 130.00 SALARY + COMMISSION 2,800 + 3 + 4,000 + 3 + 2,800 + 2 + 2,800 + 3

PRODUCT COMPOSITION 56/32/68/56/ 5/7/7

0 150,000

20,000

0

0

PRODUCTION ORDER (Units) 60,000
EMERGENCY PRODUCTION LIMIT (%) 0
RESEARCH & DEVELOPMENT 850,000

PLANT CAPACITY ORDER (Units)

SALES VOLUME FORECAST (Units)

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	REGION 5 (PACIFIC )		
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	
dito55 FIARGIN	O	v	
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		56/32/68/56/ 5/7/7	
PRODUCTION ORDER (Units)		60,000	
EMERGENCY PRODUCTION LIMIT (%)		0	
RESEARCH & DEVELOPMENT		850,000	
PLANT CAPACITY ORDER (Units)		0	

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	ALL	REGION 1	REGION 2	REGION 3	REGION 4
	REGIONS	(LATIN AM)	(U.S. )	(U.K. )	(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 REBATES OFFERED	25,487,161 0	16,244,905	0	0	0 0
SALES COMMISSIONS	1,193,170	0 865,062	0	0 0	0
TRANSPORTATION	777,360	419,424	0	0	0
DUTIES & TARIFFS	1,640,540	0	0	0	0
501115 Q 1/1K1115					
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
OPERATING INCOME	0,353,863	0,767,431	Ø	Ø	9
=======================================		========		=======	=======
MEDIA CONTENT & MI	X	16 & 64789	1 & 55555	13 & 55736	1 & 55555
PROMOTIONAL TYPE		34	10	89	10
SALES FORCE:					
SIZE		150		130	130
TIME ALLOCATIO	N (%s)	100		_	0
EFFORT		150.00			
SALARY + COMMI	SSION	2,800 + 3	4,000 + 3	2,800 + 2	2,800 + 3
SALES VOLUME FOREC	AST (Units)	35,000	0	0	0
PRODUCT COMPOSITIO	N		20/67/ 8/	32/ 5/5/5	
. MODUCI COIN OSTITU			20,07, 07	J_, J,J,J	

PRODUCTION ORDER (Units) 35,000
EMERGENCY PRODUCTION LIMIT (%) 0
RESEARCH & DEVELOPMENT 850,000

PLANT CAPACITY ORDER (Units) 0

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-		REGION 6 (CANADA )
ACTIVE PRODUCT? SALES (Units) UNFILLED ORDERS	NO 0 0	YES 14,914 0
PRICE DEALER REBATES	650 0	1,100 0
REVENUE PRODUCT COSTS REBATES OFFERED SALES COMMISSIONS TRANSPORTATION DUTIES & TARIFFS	0 0 0 0 0	16,405,400 9,242,256 0 328,108 357,936 1,640,540
GROSS MARGIN	0	4,836,560
FIXED COSTS:  ADMINISTRAT O/H  ADVERTISING  PROMOTION  SALES SALARIES  SALES O/H  TOTAL FIXED COSTS  OPERATING INCOME	0 0 	200,000 2,000,000 1,000,000 750,000 1,078,108 5,028,108 
MEDIA CONTENT & MIX PROMOTIONAL TYPE		19 & 66785 10
SALES FORCE: SIZE TIME ALLOCATION (%s) EFFORT SALARY + COMMISSION		100 100 100.00 2,500 + 2
SALES VOLUME FORECAST (Units)	0	40,000
PRODUCT COMPOSITION		20/67/ 8/32/ 5/5/5
PRODUCTION ORDER (Units) EMERGENCY PRODUCTION LIMIT (%) RESEARCH & DEVELOPMENT		35,000 0 850,000
PLANT CAPACITY ORDER (Units)		0

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INDUSTRY O CURRENT PRODUCT OPERATING STATEMENT, PRODUCT 4-4, QUARTER 13 PAGE 7 \*

	ALL REGIONS	REGION 1 (LATIN AM)	REGION 2 (U.S. )	REGION 3 (U.K. )	REGION 4 (EUROPE )
ACTIVE PRODUCT? SALES (Units) UNFILLED ORDERS	YES 117,630 0	NO 0 0	NO 0 0	NO 0 0	NO 0 0
PRICE DEALER REBATES	1,600 20	650 0	650 0	650 0	650 0
REVENUE PRODUCT COSTS REBATES OFFERED SALES COMMISSIONS TRANSPORTATION DUTIES & TARIFFS	188,208,000 83,486,068 2,352,600 3,764,160 4,352,310 15,056,639	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0
GROSS MARGIN	79,196,223	0	0	0	0
FIXED COSTS:  ADMINISTRAT O/H  ADVERTISING  PROMOTION  SALES SALARIES  SALES O/H  TOTAL FIXED COSTS	136,019 500,000 500,000 840,000 4,604,160 6,580,179	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0
OPERATING INCOME	72,616,044	0	0	0	0
=======================================		========	========	========	=======
MEDIA CONTENT & MEDIA CONTENT	IX	1 & 55555 10	1 & 55555 10	1 & 55555 10	1 & 55555 10
SALES FORCE: SIZE TIME ALLOCATION EFFORT SALARY + COMM	, ,	150 0 .00 2,800 + 3	0 .00	0 .00	
SALES VOLUME FORE	CAST (Units)	0	0	0	0
PRODUCT COMPOSITION	ON		56/32/92/	62/ 5/7/7	

PRODUCTION ORDER (Units) 150,000 EMERGENCY PRODUCTION LIMIT (%) 0 RESEARCH & DEVELOPMENT 600,000

PLANT CAPACITY ORDER (Units)

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		REGION 6 (CANADA )
ACTIVE DRODUCT)	VEC	NO
ACTIVE PRODUCT? SALES (Units)	YES 117,630	NO Ø
UNFILLED ORDERS	0	0
• • • • • • • • • • • • • • • • • • • •		•
PRICE	1,600	650
DEALER REBATES	20	0
551/5111/5	100 000 000	
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	
PROMOTIONAL TYPE	19	10
SALES FORCE:		
SIZE	100	100
	100	0
TIME ALLOCATION (%s) EFFORT	100.00	
SALARY + COMMISSION	2,800 + 2	2,500 + 2
SALES VOLUME FORECAST (Units)	160,000	0
PRODUCT COMPOSITION		56/32/92/62/ 5/7/7
DRODUCTION CROSS (** ** )		150,000
PRODUCTION ORDER (Units)		150,000
EMERGENCY PRODUCTION LIMIT (%)		0
RESEARCH & DEVELOPMENT		600,000
PLANT CAPACITY ORDER (Units)		0

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INDUSTRY O CURRENT DIVISIONAL OPERATING STATEMENT, FIRM 4, QUARTER 13 PAGE 9 \*

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	ALL PRODUCTS	PRODUCT 4-1	PRODUCT 4-2	PRODUCT 4-3	PRODUCT 4-4
SALES (Units) UNFILLED ORDERS	351,005 0	44,763 0	147,484 0	41,128 0	117,630 0
PRICE DEALER REBATES	1,400 8	1,200 10	1,385 1	1,100 0	1,600 20
REVENUE PRODUCT COSTS REBATES OFFERED SALES COMMISSIONS TRANSPORTATION DUTIES & TARIFFS	491,544,800 222,570,121 3,009,950 12,163,054 9,866,151 24,023,952	53,715,600 31,236,620 447,630 1,074,312 1,387,653 2,148,623	204,380,400 82,360,272 209,720 6,131,412 3,348,828 5,178,150	45,240,800 25,487,161 0 1,193,170 777,360 1,640,540	
GROSS MARGIN	219,911,572	17,420,762	107,152,018	16,142,569	79,196,223
FIXED COSTS:  ADMINISTRAT O/H  ADVERTISING  CONSULTING FEES  CORPORATE O/H	803,374 4,700,000 0 1,000,000	110,640 500,000	223,199 1,200,000	333,516 2,500,000	136,019 500,000
DEPRECIATION DISPOSAL SALES EMERG PREMIUMS INTRODUCTIONS INVENTORY CHARG	5,894,999 0 0 0 7,286,647	0 0 0 508,497	0 0 0 2,934,289	0 0 0 1,729,659	0 0 0 2,114,202
MARKET RESEARCH PROD ORDER COST PROMOTION REFORMULATIONS RESEARCH & DEV	17,000 400,000 3,700,000 0 2,800,000	100,000 500,000 0 500,000	100,000 1,200,000 0 850,000	100,000 1,500,000 0 850,000	100,000 500,000 0 600,000
SALES EXPENSES SALES SALARIES SALES O/H TOTAL FIXED COSTS	325,000 9,114,000 21,277,054 57,318,074	1,092,000 2,166,312 5,477,449	5,172,000 11,303,412 22,982,900	2,010,000 3,203,170 12,226,345	840,000 4,604,160 9,394,381
OPERATING INCOME	162,593,498	11,943,313	84,169,118	3,916,224	69,801,842
NON-OPERAT INCOME LESS: TAXES	-32,935,577 64,828,960				
NET INCOME	64,828,961				

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	ALL PRODUCTS	PRODUCT 4-1	PRODUCT 4-2	PRODUCT 4-3	PRODUCT 4-4
SALES (Units) UNFILLED ORDERS	351,005 0	44,763 0	147,484 0	41,128 0	117,630 0
PRICE DEALER REBATES	1,400 8	1,200 10	1,385 1	1,100 0	1,600 20
REVENUE PRODUCT COSTS REBATES OFFERED SALES COMMISSIONS TRANSPORTATION DUTIES & TARIFFS	491,544,800 222,570,121 3,009,950 12,163,054 9,866,151 24,023,952	53,715,600 31,236,620 447,630 1,074,312 1,387,653 2,148,623	204,380,400 82,360,272 209,720 6,131,412 3,348,828 5,178,150	45,240,800 25,487,161 0 1,193,170 777,360 1,640,540	4,352,310
GROSS MARGIN	219,911,572	17,420,762	107,152,018	16,142,569	79,196,223
FIXED COSTS: ADMINISTRAT O/H ADVERTISING CONSULTING FEES CORPORATE O/H DEPRECIATION	803,374 4,700,000 0 1,000,000 5,894,999	110,640 500,000	223,199 1,200,000	333,516 2,500,000	136,019 500,000
DISPOSAL SALES EMERG PREMIUMS INTRODUCTIONS INVENTORY CHARG MARKET RESEARCH	7,286,647 17,000	0 0 0 508,497	0 0 0 2,934,289	0 0 0 1,729,659	0 0 0 2,114,202
PROD ORDER COST PROMOTION REFORMULATIONS RESEARCH & DEV SALES EXPENSES	400,000 3,700,000 0 2,800,000 325,000	100,000 500,000 0 500,000	100,000 1,200,000 0 850,000	100,000 1,500,000 0 850,000	100,000 500,000 0 600,000
SALES SALARIES SALES O/H TOTAL FIXED COSTS	9,114,000 21,277,054 57,318,074	1,092,000 2,166,312 5,477,449	5,172,000 11,303,412 22,982,900	2,010,000 3,203,170 12,226,345	840,000 4,604,160 9,394,381
OPERATING INCOME	162,593,498	11,943,313	84,169,118	3,916,224	69,801,842
NON-OPERAT INCOME LESS: TAXES	-32,935,577 64,828,960				
NET INCOME	64,828,961				

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FIRM 4: ???????????????????????????????????			77777	INDUSTRY O PAGE 11
******************************	_		*****	
ASSETS				24 577 240
CASH MARKETABLE SECURITIES				24,577,240 0
FINISHED GOODS INVENTORY: PRODUCT 4-1 ( 468 U	nits) [\$	697.82 Pe	r Unit]	326,581
PRODUCT 4-2 ( 58,994 U	nits) [\$	558.44 Pe	r Unit]	32,944,335
PRODUCT 4-3 ( 50,595 U				31,353,895
PRODUCT 4-4 ( 72,614 U PLANT {located in Region 1 (LAT	<pre>Inits) [\$ IN AM)}:</pre>	709.73 Pe	er Unitj	51,536,665
CURRENT PLANT	, ,	PACITY =	351,005]	263,253,752
PLANT ON ORDER FOR 1 QUARTER	HENCE [CA	PACITY =	0]	0
TOTAL ASSETS				403,992,468
LIABILITIES AND EQUITY				
LOANS				205,496,167
INITIAL (QUARTER 0) CORPORATE C		ION		100,000,000
- DIVIDENDS PAID, PRIOR TO THIS		CVEAD		0
<ul> <li>DIVIDENDS PAID, END OF QUARTE</li> <li>DIVIDENDS PAID, END OF QUARTE</li> </ul>				0 0
- DIVIDENDS PAID, END OF QUARTE				0
- DIVIDENDS PAID, END OF QUARTE				0
+ RETAINED EARNINGS (AFTER-TAX			•	33,667,340
+ YEAR-TO-DATE EARNINGS (AFTER-	TAX INCOME	THIS YEAR	1)	64,828,961
TOTAL LIABILITIES AND EQUITY				403,992,468
**************************************	IONS, FIRM	4, QUARTE	R 13	PAGE 11
	PRODUCT	PRODUCT	PRODUCT	PRODUCT
	4-1	4-2	4-3	4-4
BEGINNING INVENTORY	28 231	146 478	56.723	40.244

	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

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FIRM 4: ???????????????????????????????????	INDUSTRY O
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)	9
= 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.

				MARKET SE	IARES (%)
	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%

COST COMPONENTS		PRODUCT 4-2		
RAW MATERIAL #1 [SYNTECH] RAW MATERIAL #2 [PLUMBO] RAW MATERIAL #3 [GLOMP] RAW MATERIAL #4 [TRIMICRO] RAW MATERIAL #5 [FRALANGE]	162.00 5.40 6.90	16.80	301.50 3.60	144.00 41.40 18.60
RAW MATERIAL (Experience Curve Adjust.) LABOR (Base) LABOR (Smoothing Adjustment) LABOR (Experience Curve Adjustment) PRODUCTION (Base) PRODUCTION (Smoothing Adjustment) PRODUCTION (Experience Curve Adjustment) PACKAGING VARIABLE DEPRECIATION	-53.93 30.00 30.00 -20.42 60.00	-116.97 30.00 9.00 -22.01 60.00 9.00 -38.93 10.00	-106.37 30.00 9.75 -14.81 60.00 9.75	-86.79 30.00 30.00 -24.33 60.00 30.00 -36.50 10.00
SUB-TOTAL VARIABLE COSTS	348.86	264.25	392.78	349.13
COMPATIBILITY (Cost Premium Impact) WARRANTY (Cost Premium Impact)		95.13 155.25		
TOTAL VARIABLE COSTS	679.41	514.62	543.10	679.94

> ESTIMATES OF NEXT QUARTER EXPERIENCE CURVE ADJUSTED VARIABLE (Per Unit) COSTS

## MARGIN ANALYSIS

					=======		=======
	RAW	PDCOST	PROD				
	MATERI	+PKCST	+LABOR	TOTAL	PRICE	COST	MARGIN
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

<sup>\*\*\*</sup> NOTES \*\*\*

<sup>(1)</sup> Variable depreciation cost (PDCOST) has been estimated assuming that production next quarter is equal to plant capacity.

<sup>(2)</sup> In this table, PKCST refers to packaging cost.

<sup>(3)</sup> MARGIN ANALYSIS figures do not include transportation, shipping, duties, and tariffs. Also, dealer rebates have been assumed to be \$0.

<sup>(4)</sup> TOTAL includes cost-premium impacts of Compatibility and Warranty.

FIRM 4	: 33333	??????	, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5,	,,,,,,,,,,	,,,,,,,,,,	, , , , , , , , , , , , , , , , , , , ,
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	MARKET	Γ SALES	ACTUAL	UNFILLED	ACTUAL +	ACCURACY
PRODUCT	REGION	N FORECAST	SALES	ORDERS	UNFILLED	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.

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 O
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 preordered 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. \*

### **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%.

\*

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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

				ansportation nd Shipping	[	Outies & 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%