

L-Group Growth Rate	0%
S-Group Growth Rate	20%
Products per R&D % per year	1
Average R&D Time	3 Years
Average Product Age	5 Years
Increase in Affection to Favorite Segment	5%
Initial L-Group Marketsize	1,000 per year
Initial S-Group Marketsize	250 per year
Policy	5 Change on Control1 page

Quarters	0	0.25	0.5	0.75	1	1.25
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### L-Group Products

Affection for L-Group Market	50%	51%	53%	54%	55%	56%
R&D as a % of sales for L-Group Market		7%	7%	8%	8%	8%
Building L-Group Products		1.79375	1.8375	1.88125	1.925	1.96875
Releasing L-Group Products		0.83	0.91	0.99	1.06	1.14
L-Group Products WIP	10	10.96042	11.88455	12.77542	13.6358	14.46823
Aging L-Group Products		1.25	1.229167	1.213377	1.202227	1.195346
Released L-Group Products	25	24.58333	24.26753	24.04454	23.90693	23.8479

### S-Group Products

Affection for S-Group Market		49%	48%	46%	45%	44%
R&D as a % of sales for S-Group Market		7%	7%	6%	6%	6%
Building S-Group Products		1.70625	1.6625	1.61875	1.575	1.53125
Releasing S-Group Products		0.83	0.91	0.97	1.02	1.07
S-Group Products WIP	10	10.87292	11.62934	12.27898	12.83073	13.29275
Aging S-Group Products		1.25	1.229167	1.213012	1.200817	1.191939
Released S-Group Products	25	24.58333	24.26024	24.01634	23.83877	23.71606

### L-Group Market

L-Group Marketsize	250	250	250	250	250	250
L-Group Marketshare		25%	24%	24%	24%	24%

### S-Group Market

S-Group Marketsize	63	65.625	68.90625	72.35156	75.96914	79.7676
S-Group Marketshare		25%	24%	24%	24%	24%

### Affection Shift

Change to L-Group Affection		1.3%	1.3%	1.3%	1.3%	1.3%
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### Favorite Segment

Policy #1: By Larger Revenue	A	A	A	A	A
Policy #2: By Larger Market	A	A	A	A	A
Policy #3: By Higher Growth	B	B	B	B	B

Policy #4: Stick with 50/50

Policy #5: Largest in 3 years

Which Policy to Use

A	A	A	A	A
5 A	A	A	A	A

**Output Variables**

L-Group Revenue		61	61	60	60	60
S-Group Revenue		16	17	17	18	19
Total Revenue	78.125	78	77	77	78	79
Total Marketsize	312.5	315.625	318.9063	322.3516	325.9691	329.7676
Total MarketAAGR		4%	4%	4%	4%	5%
Our AAGR		-3%	-1%	1%	2%	3%
Beat Market?		0	0	0	0	0
Incremental Revenue		-1	-1	-1	0	0



A	A	A	A	A	A	A	A	A	A
A	A	A	A	A	A	A	A	A	A

60	60	60	61	61	62	63	64	65	66
20	21	22	23	24	25	27	28	29	31
79	81	82	84	85	87	89	92	94	97
333.756	337.9438	342.341	346.958	351.8059	356.8962	362.241	367.8531	373.7457	379.933
5%	5%	5%	5%	6%	6%	6%	6%	6%	7%
5%	6%	7%	8%	9%	9%	10%	10%	11%	11%
0	1	1	1	1	1	1	1	1	1
1	2	4	5	7	9	11	14	16	19



A	A	B	B	B	B	B	B	B	B	B
A	A	B	B	B	B	B	B	B	B	B
	67	69	70	71	73	74	76	77	78	80
	32	34	36	37	39	41	43	45	48	50
	100	103	106	109	112	115	119	122	126	130
386.4297	393.2511	400.4137	407.9344	415.8311	424.1227	432.8288	441.9702	451.5687	461.6472	
	7%	7%	7%	8%	8%	8%	8%	8%	9%	9%
	11%	12%	12%	12%	12%	12%	12%	12%	12%	12%
	1	1	1	1	1	1	1	1	1	1
	22	24	27	31	34	37	41	44	48	51



B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B

81	82	83	84	85	86	87	88	88	89
52	55	58	61	64	68	72	76	80	85
133	137	141	145	150	154	159	163	168	174
472.2295	483.341	495.0081	507.2585	520.1214	533.6275	547.8088	562.6993	578.3342	594.751
9%	9%	10%	10%	10%	10%	11%	11%	11%	11%
12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
1	1	1	1	1	1	1	1	1	1
55	59	63	67	72	76	81	85	90	96





B	B	B	B	B	B	B	B	B	B	B
B	B	B	B	B	B	B	B	B	B	B
	89	90	90	90	90	90	90	90	90	90
	90	95	101	107	114	121	129	137	146	156
	179	185	191	198	204	212	219	227	236	245
611.9885	630.0879	649.0923	669.0469	689.9993	711.9993	735.0992	759.3542	784.8219	811.563	
	12%	12%	12%	12%	13%	13%	13%	13%	13%	14%
	13%	13%	13%	13%	14%	14%	15%	15%	15%	16%
	1	1	1	1	1	1	1	1	1	1
	101	107	113	119	126	133	141	149	158	167

11.5      11.75      12      12.25      12.5

35%      34%      33%      31%      30%  
5%      5%      5%      4%      4%

1.225    1.18125    1.1375    1.09375    1.05  
1.66      1.62      1.58      1.55      1.51  
19.45332 19.01346 18.56651 18.11305 17.65363

1.79605 1.789104 1.780704 1.770892 1.759708  
35.78208 35.61408 35.41784 35.19415 34.94387

65%      66%      68%      69%      70%  
9%      9%      9%      10%      10%

2.275    2.31875    2.3625    2.40625    2.45  
1.81      1.85      1.88      1.92      1.96  
22.14475 22.6181 23.09576 23.57736 24.06258

1.385857 1.406881 1.428807 1.451609 1.475261  
28.13762 28.57614 29.03217 29.50521 29.99473

250      250      250      250      250  
36%      36%      35%      35%      35%

589.6411 619.1232 650.0794 682.5833 716.7125  
28%      29%      29%      30%      30%

-1.3%    -1.3%    -1.3%    -1.3%    -1.3%

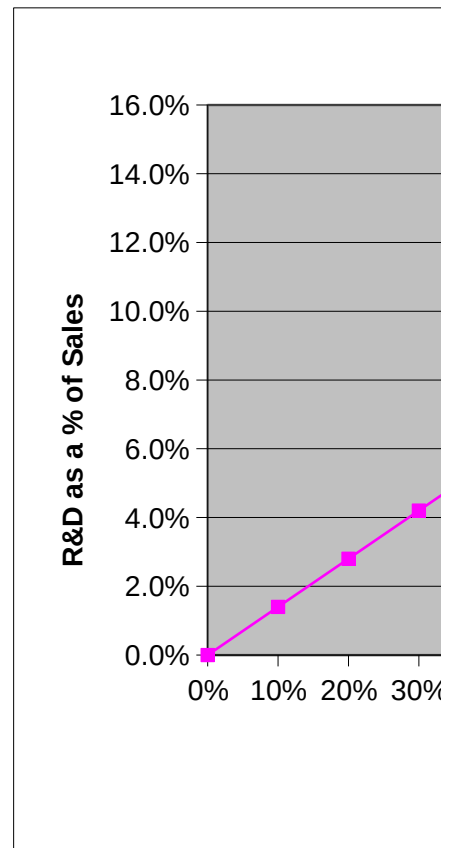
B      B      B      B      B  
B      B      B      B      B  
B      B      B      B      B

B	B	B	B	B
B	B	B	B	B

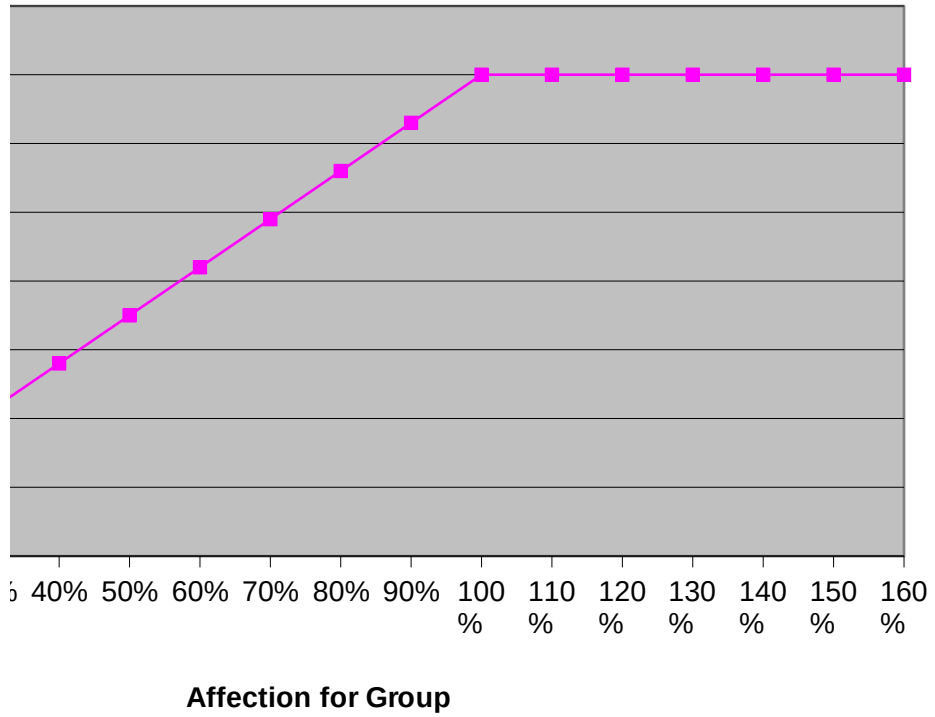
	89	89	89	88	87
	166	177	189	201	215
	255	266	277	289	302
839.6411	869.1232	900.0794	932.5833	966.7125	
	14%	14%	14%	14%	15%
	16%	17%	17%	17%	18%
	1	1	1	1	1
	177	188	199	211	224

Affection for A-Group Market	R&D as a % of Sales
0%	0.0%
10%	1.4%
20%	2.8%
30%	4.2%
40%	5.6%
50%	7.0%
60%	8.4%
70%	9.8%
80%	11.2%
90%	12.6%
100%	14.0%
110%	14.0%
120%	14.0%
130%	14.0%
140%	14.0%
150%	14.0%
160%	14.0%

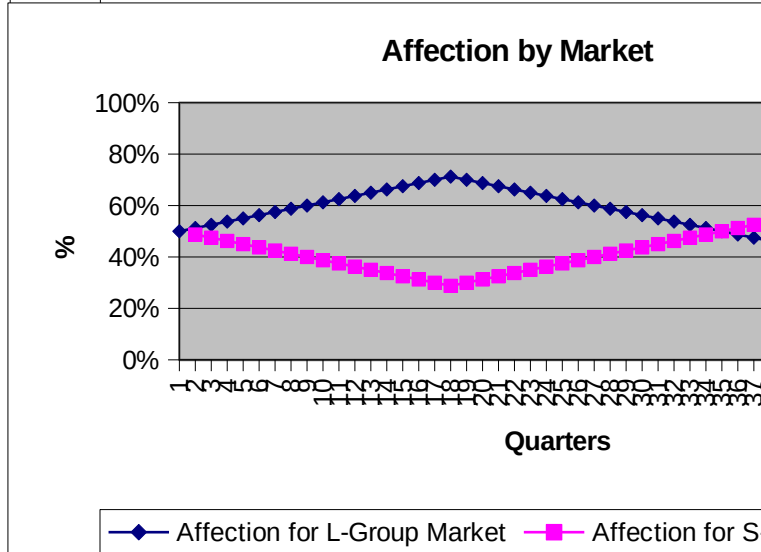
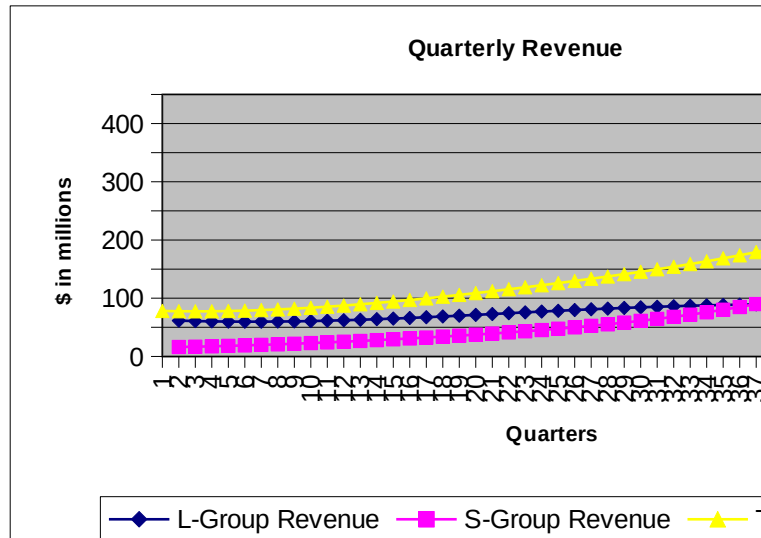
Equation  $R\&D = (7\%/50\%) * Affection$



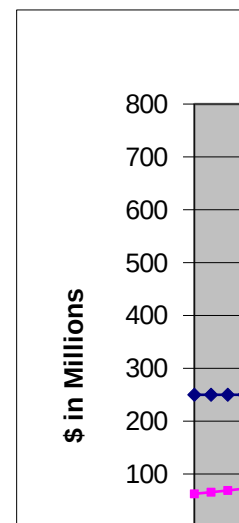
### R&D Transfer Function

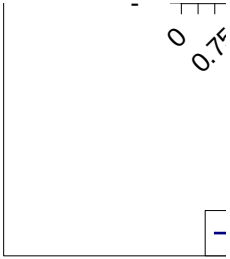


Policy	5
Accumulated Incremental Revenue (AIR)	3507
Base Case	3014
AIR Improvement %	16%
Qtrs>Market V	88%



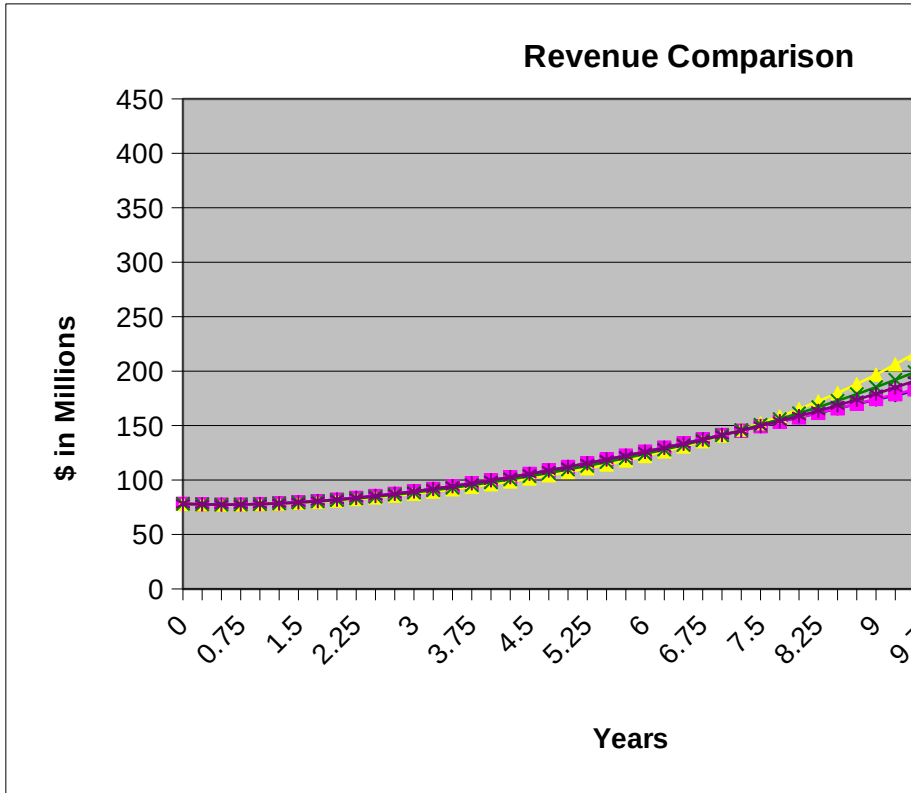
Policy	Accumulated Incremental Revenue	Improvement %	Qtrs > Market AAGR
1-Most Revenue	3,014	0%	50%
2-Largest Market	3,166	5%	52%
3-Highest Growth	4,296	43%	86%
4-Invest in both	3,655	21%	88%
5-Largest in 3yrs	3,507	16%	88%



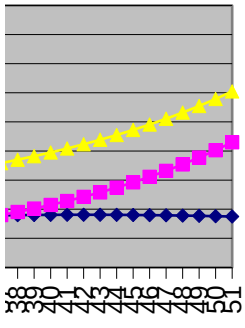


Comparison Table

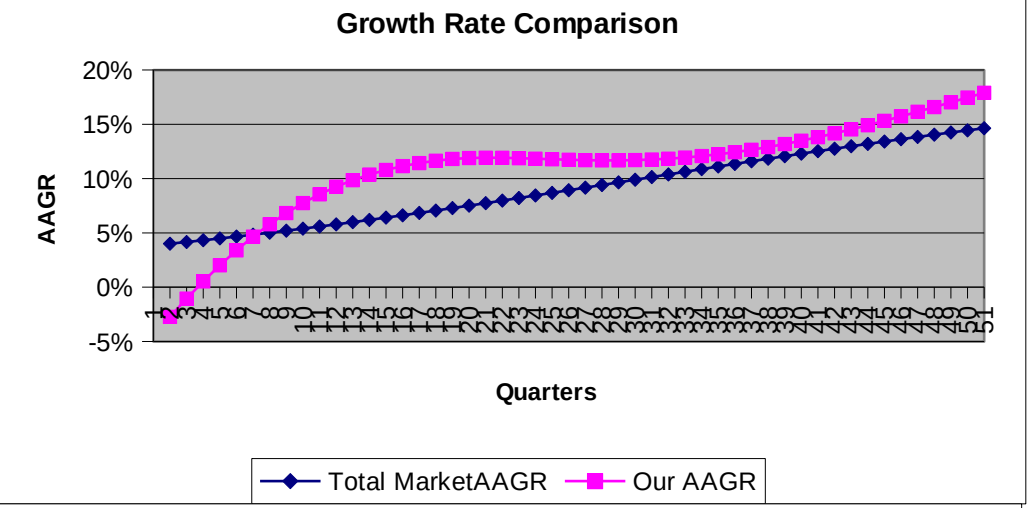
Policy 1	78.125	77.591145833	77.38566054	77.48754	77.87743	78.53748
Policy 2	78.125	77.591145833	77.38566054	77.48754	77.87743	78.53748
Policy 3	78.125	77.591145833	77.37245578	77.43745	77.75882	78.31305
Policy 4	78.125	77.591145833	77.37905816	77.4625	77.81813	78.42527
Policy 5	78.125	77.591145833	77.38566054	77.48754	77.87743	78.53748



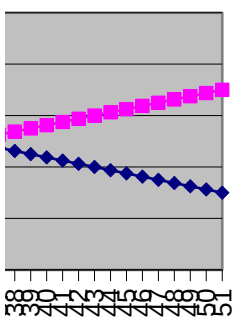




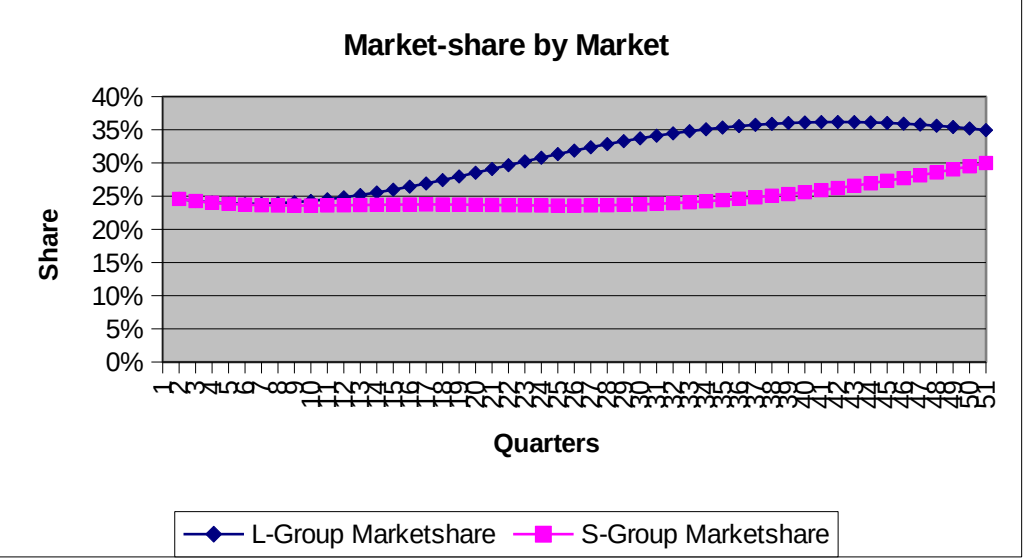
Total Revenue



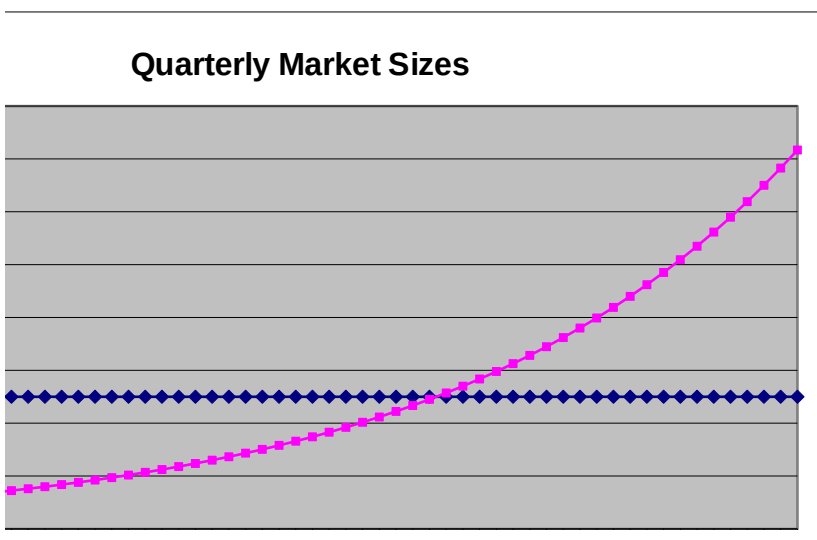
◆ Total Market AAGR    ■ Our AAGR

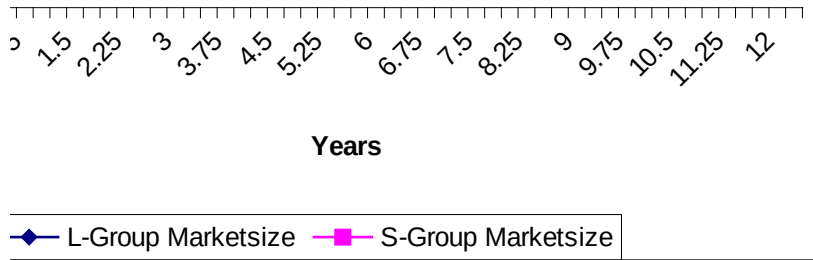


-Group Market

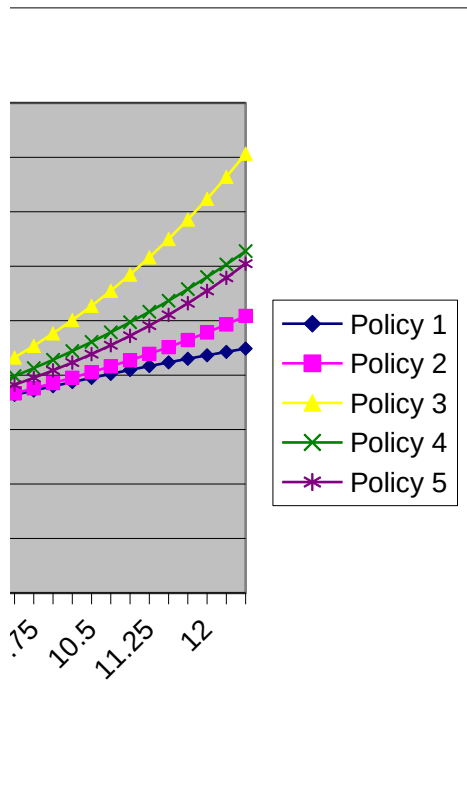


◆ L-Group Marketshare    ■ S-Group Marketshare





79.4512	80.60337	81.97989	83.5677	85.35468	87.32955	89.48177	91.80152	94.27956	96.90718
79.4512	80.60337	81.97989	83.5677	85.35468	87.32955	89.48177	91.80152	94.27956	96.90718
79.08015	80.04333	81.18882	82.50558	83.98514	85.6214	87.41049	89.35063	91.44199	93.68661
79.26567	80.32335	81.58436	83.03664	84.66991	86.47547	88.44613	90.57608	92.86077	95.29689
79.4512	80.60337	81.97989	83.5677	85.35468	87.32955	89.48177	91.80152	94.27956	96.90718



99.67614	102.5786	105.6072	108.7545	112.0137	115.378	118.8408	122.3953	126.0351	129.7535
99.67614	102.5786	105.6072	108.7545	112.0137	115.378	118.8408	122.3953	126.0351	129.7535
96.08828	98.6525	101.3864	104.2986	107.3995	110.7006	114.2153	117.9582	121.9456	126.195
97.88221	100.6156	103.4968	106.5266	109.7066	113.0393	116.528	120.1768	123.9903	127.9743
99.67614	102.5786	105.6072	108.7478	111.99	115.3263	118.7522	122.2658	125.8677	129.5611

133.544	137.3997	141.3136	145.2785	149.2871	153.3314	157.4034	161.4944	165.5954	169.6966
133.544	137.3997	141.3136	145.2785	149.2885	153.3409	157.436	161.5771	165.7702	170.0241
130.7256	135.5582	140.7149	146.2196	152.0979	158.3769	165.0856	172.255	179.9177	188.1085
132.1348	136.4789	141.0142	145.7491	150.6925	155.8541	161.2445	166.8747	172.7565	178.9026
133.3513	137.2457	141.254	145.3877	149.6602	154.0872	158.6858	163.4752	168.4764	173.7125

173.788	177.8584	181.8964	185.8894	189.8242	193.6863	197.4691	201.1669	204.7752	208.2904
174.3499	178.7613	183.2743	187.9073	192.6809	197.6182	202.7443	208.087	213.6761	219.544
196.8644	206.2245	216.2301	226.9253	238.3565	250.5728	263.618	277.5361	292.3724	308.1733
185.3262	192.0415	199.0633	206.4074	214.0903	222.1296	230.5435	239.3515	248.5738	258.2318
179.2081	184.9901	191.0871	197.5301	204.3518	211.5874	219.2742	227.4519	236.1628	245.4517

211.7096	215.0307	218.2524	221.3736	224.394
225.7256	232.2581	239.1816	246.5388	254.3754
324.9865	342.8614	361.8489	382.0019	403.3755
268.3481	278.9461	290.0506	301.6877	313.8848
255.3662	265.9567	277.2768	289.383	302.3357

L-Group Growth Rate	0%
Products per R&D % per year	1
Average R&D Time	2 Years
Average Product Age	5 Years
Increase in Affection to Favorite Segment	10%
Initial L-Group Marketsize	1,200 per year
Initial S-Group Marketsize	100 per year
Foresight	7 years

Quarters	0	0.25	0.5	0.75	1	1.25
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### L-Group Products

Affection for L-Group Market	50%	53%	55%	58%	60%	63%
R&D as a % of sales for L-Group Market		7%	8%	8%	8%	9%
Building L-Group Products		1.8375	1.925	2.0125	2.1	2.1875
Releasing L-Group Products		1.25	1.32	1.40	1.48	1.55
L-Group Products WIP	10	10.5875	11.18906	11.80293	12.42756	13.06162
Aging L-Group Products		1.25	1.25	1.253672	1.26092	1.271642
Released L-Group Products	25	25	25.07344	25.2184	25.43284	25.71465

### S-Group Products

Affection for S-Group Market		48%	45%	43%	40%	38%
R&D as a % of sales for S-Group Market		7%	6%	6%	6%	5%
Building S-Group Products		1.6625	1.575	1.4875	1.4	1.3125
Releasing S-Group Products		1.25	1.30	1.34	1.35	1.36
S-Group Products WIP	10	10.4125	10.68594	10.8377	10.88298	10.83511
Aging S-Group Products		1.25	1.25	1.252578	1.256736	1.261635
Released S-Group Products	25	25	25.05156	25.13473	25.2327	25.33144

### L-Group Market

L-Group Marketsize	300	300	300	300	300	300
L-Group Marketshare		25%	25%	25%	25%	26%

### S-Group Market

S-Group Marketsize	25	26.5	28.1	29.7	31.5	33.3
S-Group Market AAGR		24%	24%	24%	24%	23%
S-Group Marketshare		25%	25%	25%	25%	25%

### Affection Shift

Change to L-Group Affection		2.5%	2.5%	2.5%	2.5%	2.5%
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### Favorite Segment

Policy #1	A	A	A	A	A
Policy #5: Largest in 3 years	A	A	A	A	A
Which Policy to Use	5 A	A	A	A	A

**Output Variables**

L-Group Revenue		75	75	76	76	77
S-Group Revenue		7	7	7	8	8
Total Revenue	81.25	82	82	83	84	86
Total Marketsize	325	326.4844	328.052	329.7069	331.4532	333.2954
Total MarketAAGR		2%	2%	2%	2%	2%
Our AAGR		2%	3%	4%	5%	6%
Beat Market?		0	1	1	1	1
Incremental Revenue		0	1	2	3	4





78	79	81	82	84	86	88	90	93	95
9	10	10	11	11	12	12	13	14	14
87	89	91	93	95	98	101	103	106	110
335.2378	337.2849	339.4415	341.7121	344.1016	346.6148	349.2567	352.0319	354.9455	358.0022
2%	2%	3%	3%	3%	3%	3%	3%	3%	3%
7%	8%	9%	10%	10%	11%	11%	11%	11%	12%
1	1	1	1	1	1	1	1	1	1
6	8	10	12	14	17	19	22	25	28

	4	4.25	4.5	4.75	5	5.25	5.5	5.75	6	6.25
	90%	93%	95%	98%	100%	98%	95%	93%	90%	88%
	13%	13%	13%	14%	14%	14%	13%	13%	13%	12%
	3.15	3.2375	3.325	3.4125	3.5	3.4125	3.325	3.2375	3.15	3.0625
	2.47	2.55	2.64	2.72	2.81	2.90	2.96	3.01	3.03	3.05
	20.40626	21.09298	21.78136	22.47119	23.16229	23.6795	24.04456	24.27649	24.39193	24.40544
	1.587507	1.63139	1.67736	1.725323	1.77519	1.826876	1.880296	1.934278	1.987843	2.040179
	32.62781	33.5472	34.50646	35.50381	36.53752	37.60593	38.68557	39.75686	40.80358	41.81239
	10%	7%	5%	2%	0%	3%	5%	8%	10%	13%
	1%	1%	1%	0%	0%	0%	1%	1%	1%	2%
	0.35	0.2625	0.175	0.0875	0	0.0875	0.175	0.2625	0.35	0.4375
	0.90	0.83	0.76	0.69	0.61	0.54	0.48	0.44	0.42	0.41
	6.649203	6.080553	5.495483	4.896048	4.284042	3.836037	3.531532	3.352591	3.283517	3.310577
	1.230297	1.213777	1.194645	1.172916	1.148617	1.121787	1.092473	1.061824	1.030805	1.000219
	24.27553	23.8929	23.45833	22.97235	22.43574	21.84945	21.23649	20.6161	20.00437	19.41459
	300	300	300	300	300	300	300	300	300	300
	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%
	61.2	64.6	68.1	71.8	75.6	79.6	83.8	88.1	92.7	97.4
	22%	22%	22%	22%	21%	21%	21%	21%	21%	20%
	24%	24%	23%	23%	22%	22%	21%	21%	20%	19%
	2.5%	2.5%	2.5%	2.5%	2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%
A	A	A	A	A	A	A	A	A	A	A
A	A	A	A	A	B	B	B	B	B	B
A	A	A	A	A	B	B	B	B	B	B

98	101	104	107	110	113	116	119	122	125
15	15	16	16	17	17	18	18	19	19
113	116	119	123	127	130	134	137	141	144
361.2068	364.564	368.0782	371.7537	375.5947	379.6051	383.7883	388.1475	392.6855	397.4045
4%	4%	4%	4%	4%	4%	4%	5%	5%	5%
12%	12%	12%	12%	12%	11%	11%	11%	10%	10%
1	1	1	1	1	1	1	1	1	1
31	35	38	42	45	49	53	56	60	63



128	131	134	136	138	140	141	143	144	145
19	20	20	21	21	22	22	23	24	25
148	151	154	156	159	162	164	166	168	170
402.3063	407.3921	412.6625	418.1173	423.7557	429.576	435.5757	441.7516	448.0994	454.6139
5%	5%	5%	5%	5%	5%	6%	6%	6%	6%
9%	8%	8%	7%	7%	6%	6%	5%	5%	5%
1	1	1	1	1	1	1	0	0	0
66	69	72	75	78	80	83	85	87	89



145	146	146	146	146	145	145	144	143	142
26	28	29	31	33	34	37	39	42	44
172	174	175	177	178	180	181	183	184	186
461.2891	468.1179	475.0923	482.2034	489.4414	496.7955	504.2541	511.805	519.4352	527.1309
6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
4%	4%	4%	4%	3%	3%	3%	3%	3%	3%
0	0	0	0	0	0	0	0	0	0
91	92	94	96	97	99	100	102	103	105





140	139	137	135	133	130	128	126	123	120
47	51	54	58	62	66	70	75	80	85
188	189	191	193	194	196	198	201	203	205
534.878	542.662	550.4677	558.2802	566.0841	573.8643	581.6056	589.2932	596.9127	604.4501
6%	6%	6%	6%	6%	5%	5%	5%	5%	5%
3%	3%	4%	4%	4%	4%	4%	4%	5%	5%
0	0	0	0	0	0	0	0	0	0
106	108	110	111	113	115	117	119	122	124



117	114	111	108	105	101	98	94	91	87
91	96	102	108	114	121	128	134	141	148
208	210	213	216	219	222	225	229	232	235
611.892	619.2257	626.4392	633.5213	640.4618	647.2514	653.8817	660.3453	666.6358	672.7478
5%	5%	5%	5%	4%	4%	4%	4%	4%	4%
5%	5%	5%	5%	5%	6%	6%	6%	6%	6%
0	1	1	1	1	1	1	1	1	1
127	129	132	135	138	141	144	147	151	154



84	80	77	74	71	68	65	62	59	56
155	162	169	175	182	189	195	202	208	214
239	242	246	249	253	256	260	263	267	270
678.6769	684.4197	689.9736	695.337	700.5092	705.49	710.2804	714.8817	719.2959	723.5258
4%	3%	3%	3%	3%	3%	3%	3%	2%	2%
6%	6%	6%	6%	6%	6%	5%	5%	5%	5%
1	1	1	1	1	1	1	1	1	1
158	161	165	168	172	175	179	182	186	189

19	19.25	19.5	19.75	20
0%	0%	0%	0%	0%
0%	0%	0%	0%	0%
0	0	0	0	0
0.08	0.07	0.06	0.05	0.05
0.573022	0.501394	0.43872	0.38388	0.335895
0.94054	0.897606	0.856307	0.816625	0.778536
17.95212	17.12614	16.33251	15.57072	14.84017
100%	100%	100%	100%	100%
14%	14%	14%	14%	14%
3.5	3.5	3.5	3.5	3.5
3.42	3.43	3.44	3.45	3.45
27.42667	27.49833	27.56104	27.61591	27.66392
2.523917	2.568626	2.611611	2.652895	2.692507
51.37252	52.23223	53.05791	53.85014	54.60962
300	300	300	300	300
18%	17%	16%	16%	15%
427.6	431.4	435.1	438.7	442.0
4%	4%	3%	3%	3%
51%	52%	53%	54%	55%
-2.5%	-2.5%	-2.5%	-2.5%	-2.5%

A	A	A	A	A
B	B	B	B	B
B	B	B	B	B

54	51	49	47	45
220	225	231	236	241
274	277	280	283	286
727.5744	731.4453	735.1425	738.6703	742.0332
2%	2%	2%	2%	2%
5%	5%	5%	4%	4%
1	1	1	1	1
192	195	199	202	205

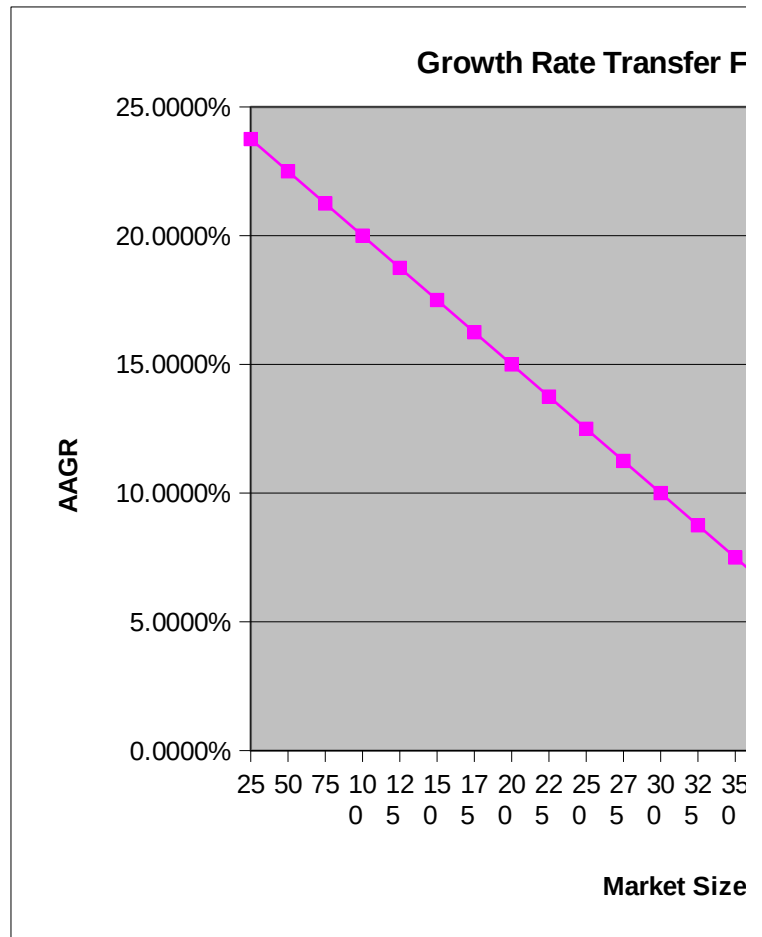


Rough Targets

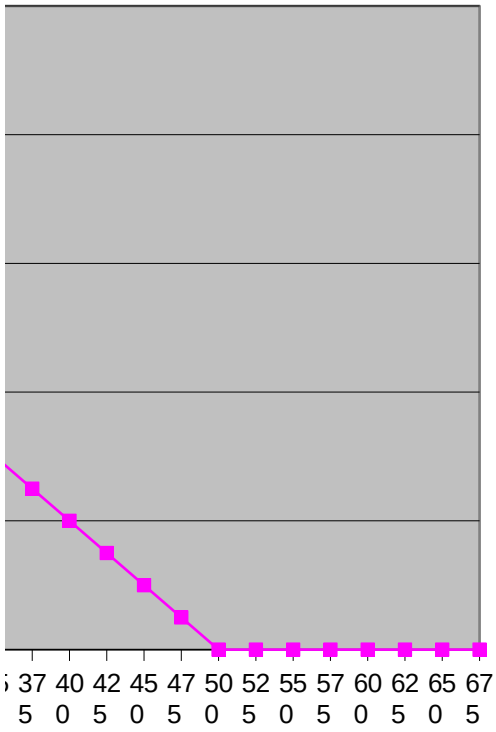
0-100	20%
100-200	10%
200-300	5%
300-500	2.50%
500+	0%

Equation  $AAGR = (-20\%/400) * Size + 25\%$

Size	AAGR
25	23.7500%
50	22.5000%
75	21.2500%
100	20.0000%
125	18.7500%
150	17.5000%
175	16.2500%
200	15.0000%
225	13.7500%
250	12.5000%
275	11.2500%
300	10.0000%
325	8.7500%
350	7.5000%
375	6.2500%
400	5.0000%
425	3.7500%
450	2.5000%
475	1.2500%
500	0.0000%
525	0.0000%
550	0.0000%
575	0.0000%
600	0.0000%
625	0.0000%
650	0.0000%
675	0.0000%

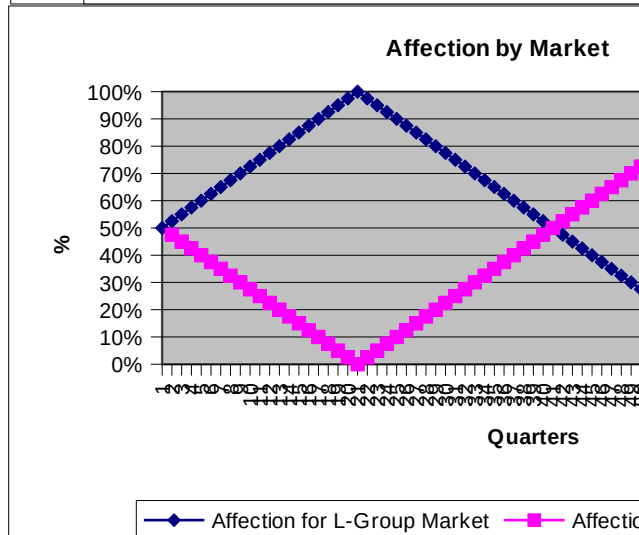
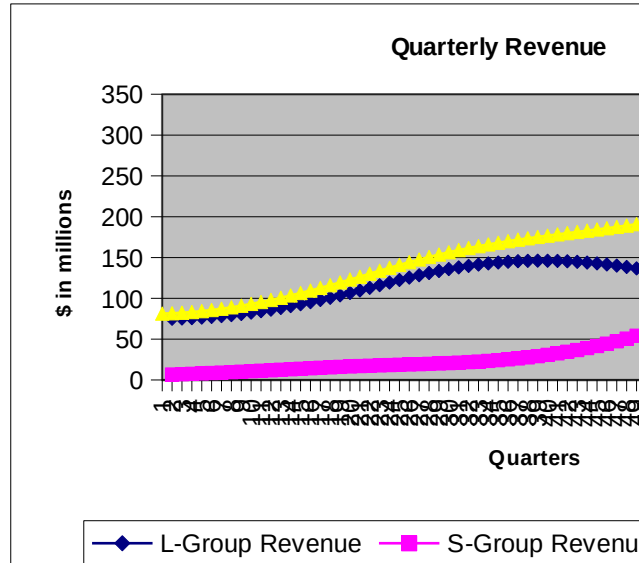


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Foresight 7 years  
 Affection Rate 10% per year  
 R&D Timeframe 2 years  
 Policy 5  
 AIR 7,676  
 Qtrs>Market V 88%

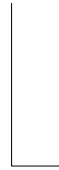


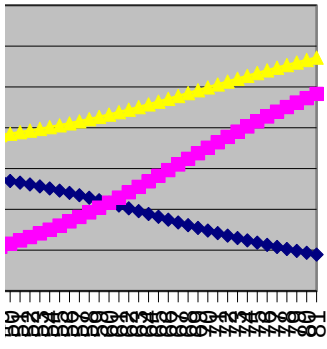
Time Horizon	Accumulated Incremental Revenue	Improvement %
1	6,043	-2%
3	6,136	0%
5	6,362	4%
7	6,565	7%
9	6,641	8%
11	6,469	5%
13	6,387	4%

Affection Rate Speed	Accumulated Incremental Revenue	Improvement %
5.0%	6,136	0%
7.5%	6,340	3%
10.0%	6,523	6%

12.5%	6,677	9%
15.0%	6,799	11%

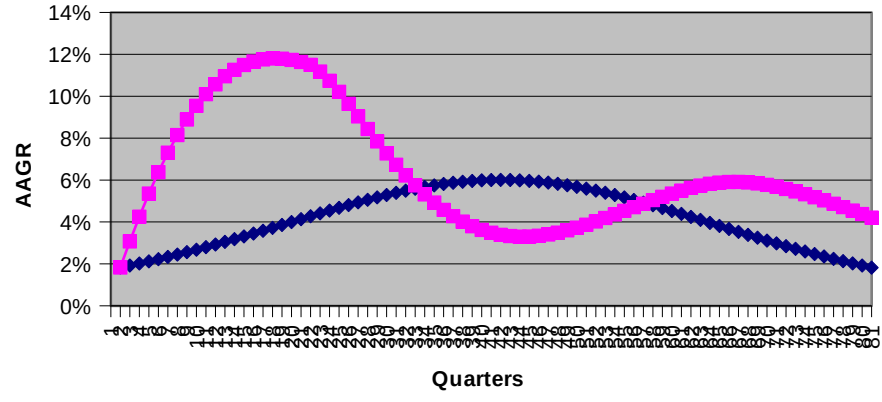
R&D Timeframe	Accumulated Incremental Revenue	Improvement %
5	4,861	-21%
4	5,482	-11%
3	6,136	0%
2	6,810	11%
1	7,503	22%



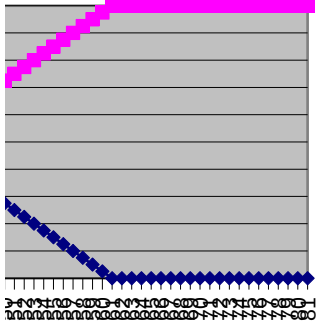


▲ Total Revenue

### Growth Rate Comparison

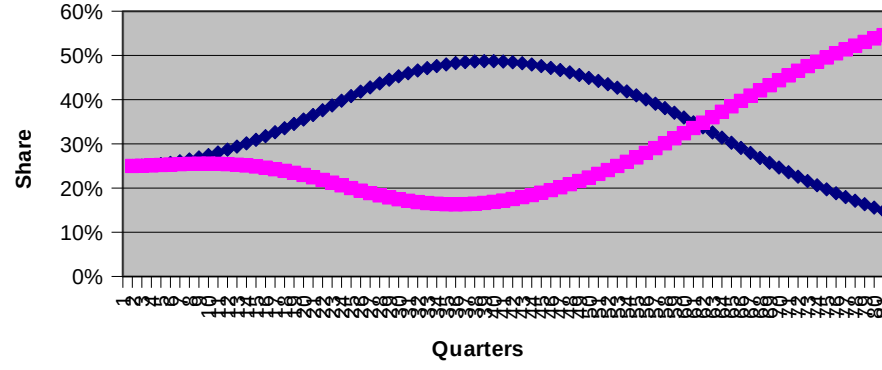


◆ Total Market AAGR    ■ Our AAGR



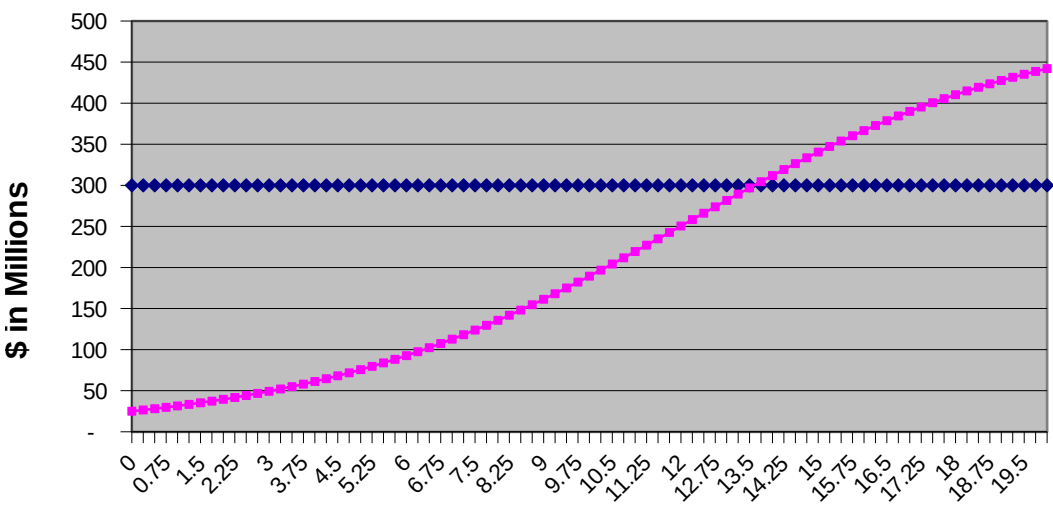
◆ for S-Group Market

### Market Share by Market



◆ L-Group Marketshare    ■ S-Group Marketshare

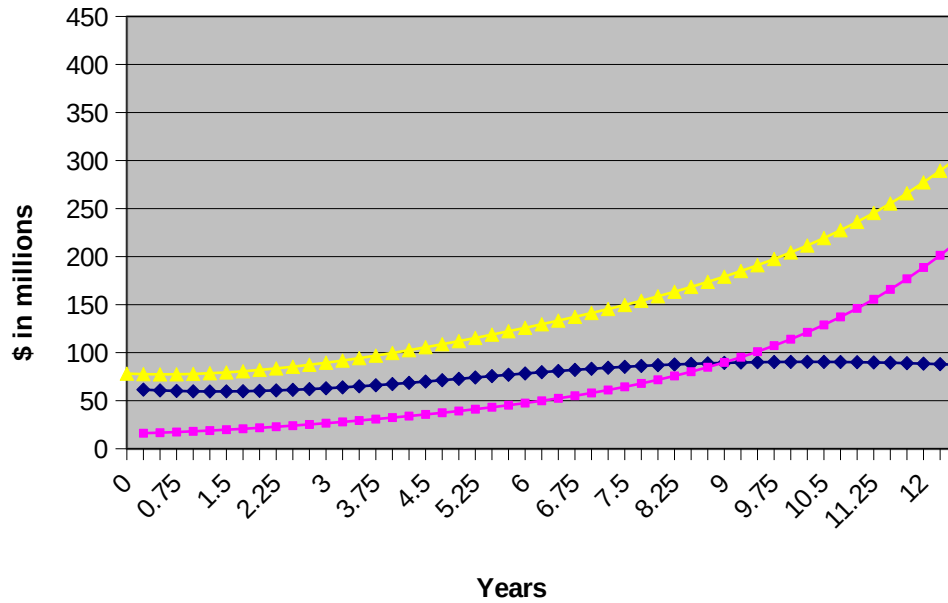
### Quarterly Market Sizes



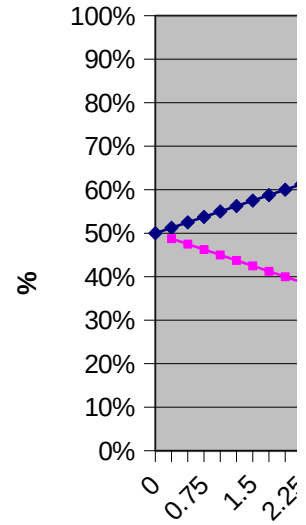
## Years

—◆— L-Group Marketsize —■— S-Group Marketsize

### Quarterly Revenue

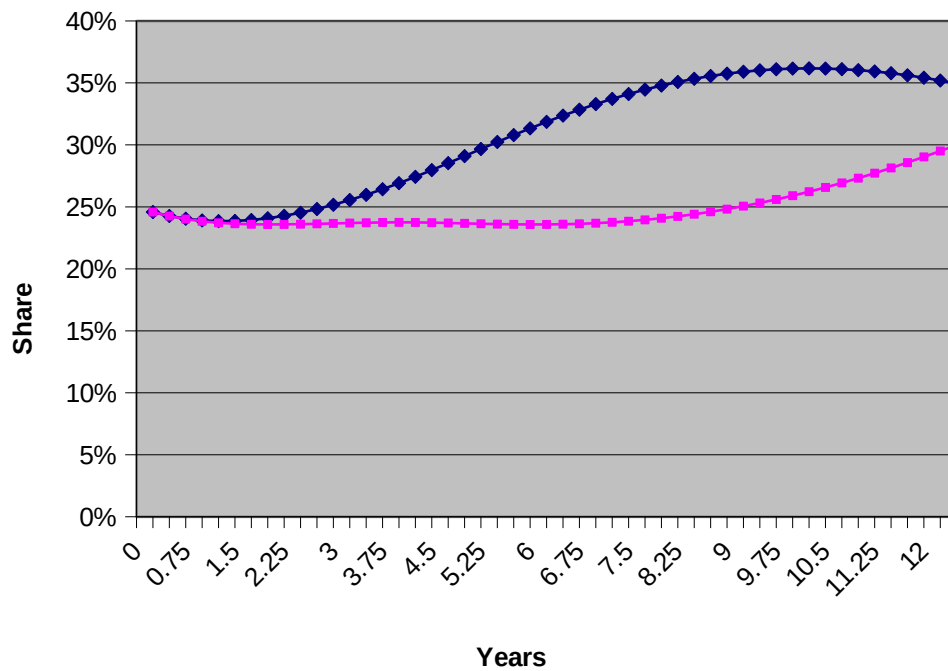


◆ L-Group Revenue    ■ S-Group Revenue    ▲ Total Revenue

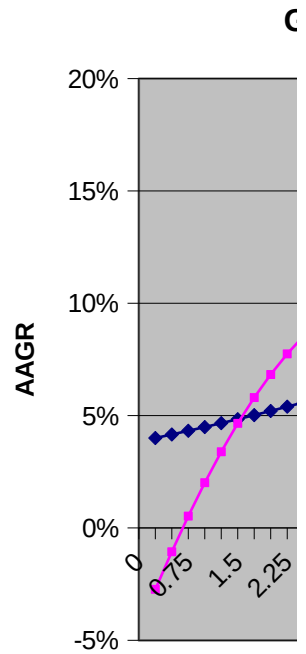


◆ Affection for L

### Market-share by Market



◆ L-Group Marketshare    ■ S-Group Marketshare

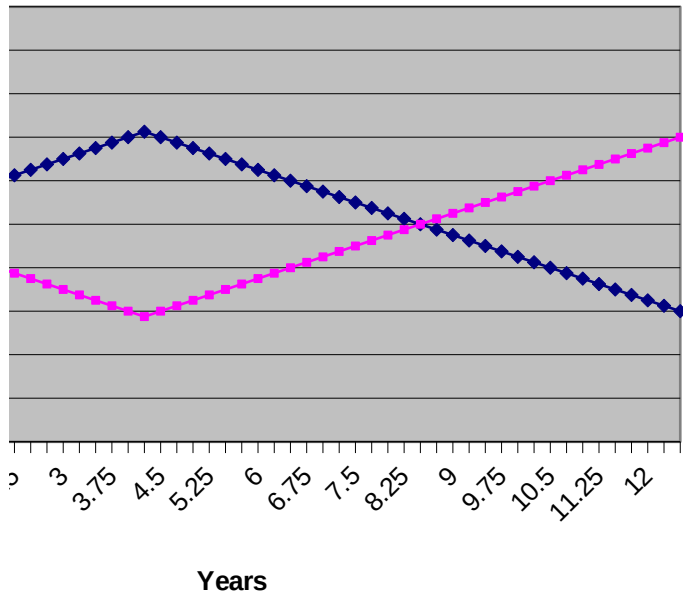


◆

Figure 7. Results from Policy 4 - Don't favor either segment. K€

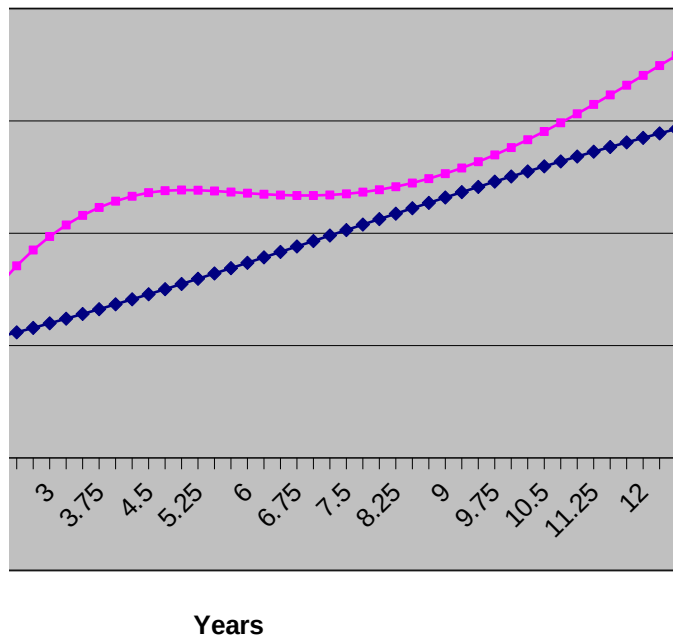


### Affection by Market



— Total Market — Affection for S-Group Market

### Growth Rate Comparison



— Total Market AAGR — Our AAGR

æp it 50/50.

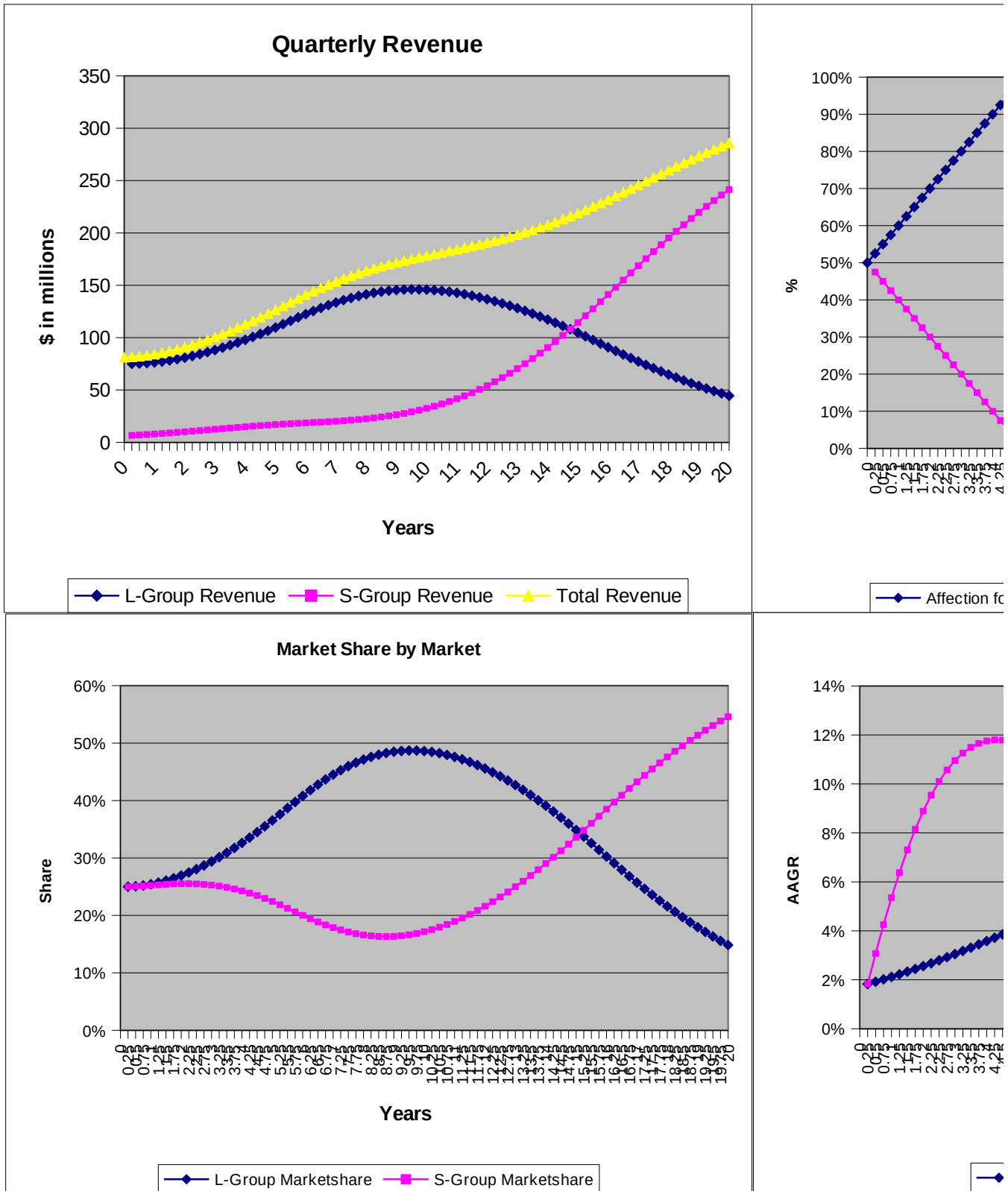
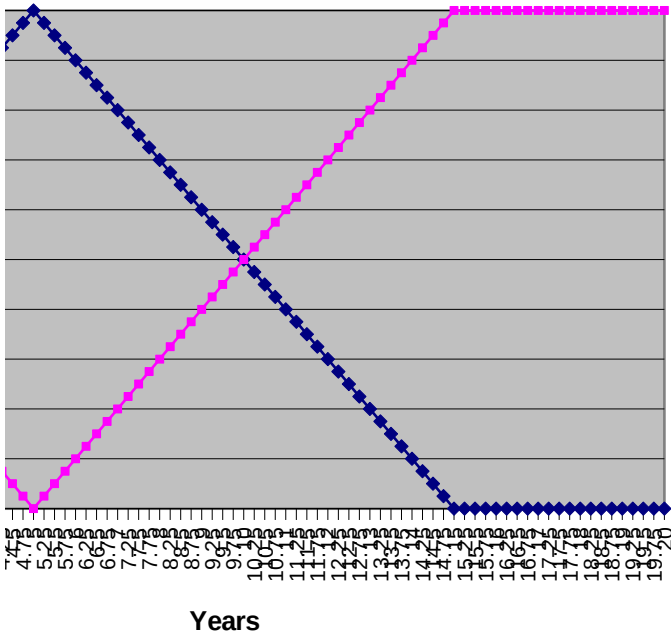


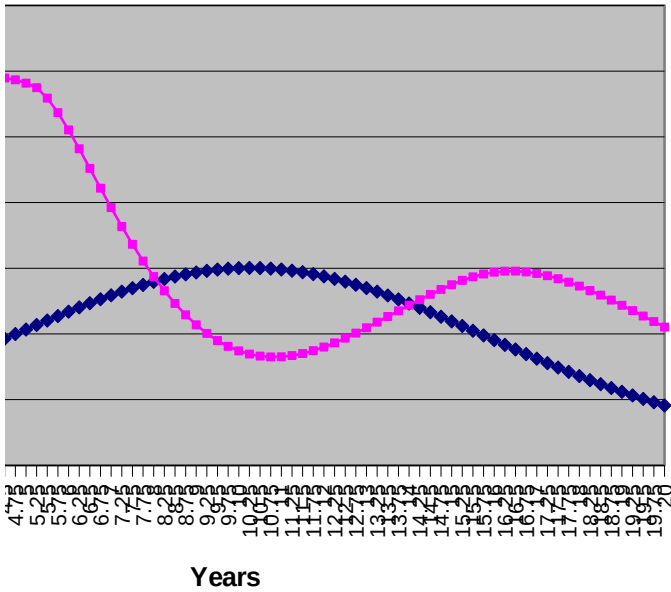
Figure 9. Results from investing using Future Market Size with a

### Affection by Market



or L-Group Market — Affection for S-Group Market

### Growth Rate Comparison



— Total Market AAGR — Our AAGR

a 9 year time horizon.