Decision tree calculation

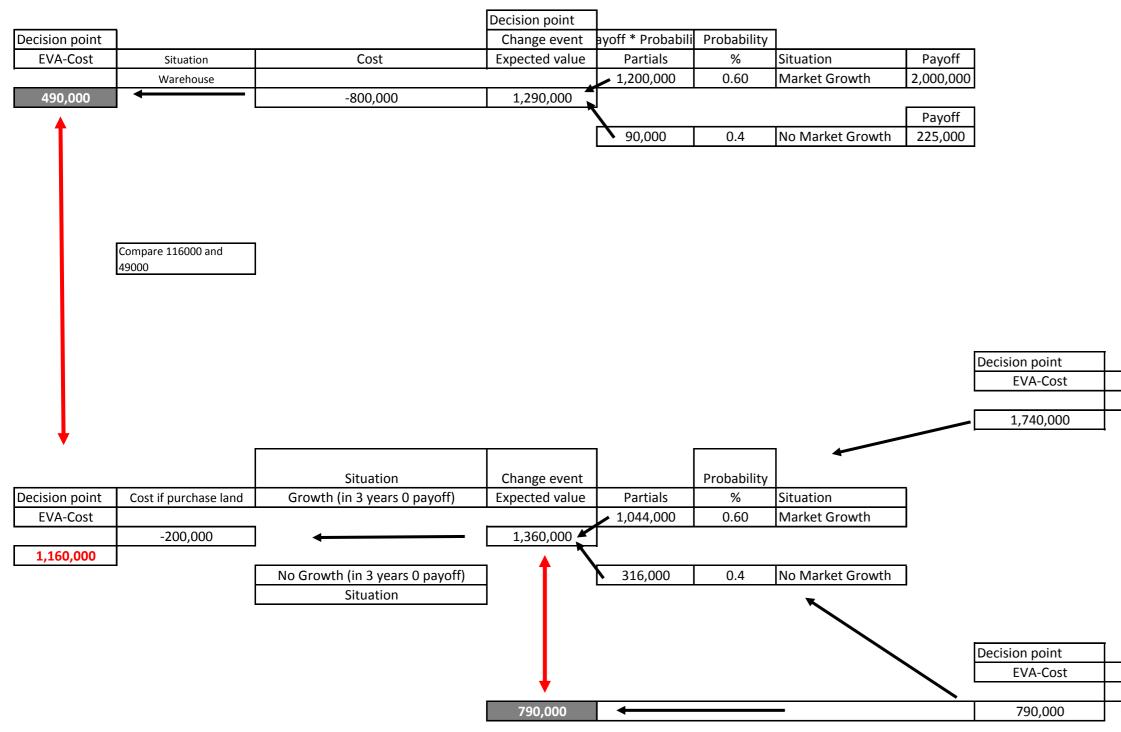
Outcome	Probability	EVA	Expand	
200,000.00	0.70			
80,000.00	0.30	164,000.00		
300,000.00	0.70			
50,000.00	0.30	225,000.00		

Decision tree calculation

Outcomes	Probability	EVA	Expand	
3,000,000.00	0.80			
700,000.00	0.20	2,540,000.00		
2,540,000.00		1,740,000.00	-800,000.00	
1,740,000.00	0.60			
790,000.00	0.40	1,360,000.00		
1,360,000.00		1,160,000.00	-200,000.00	Purchase land
1,290,000.00		490,000.00	-800,000.00	Expand

First example

2,300,000.00	0.30			
1,000,000.00	0.70	1,390,000.00		
1,390,000.00		790,000.00	-600,000.00	
1,740,000.00	0.60			
790,000.00	0.40	1,360,000.00		
2,000,000.00	0.60	1,200,000.00		Upper branch
225,000.00	0.40	90,000.00		
		1,290,000.00		



		Change event	Payoff * Probability	Probability		
Situation	Cost	Expected value	Partials	%	Situation	Payoff
Warehouse			2,400,000	0.80	Market Growth	3,000,000
	-800,000	2,540,000				
						Payoff
			140,000	0.2	No Market Growth	700,000
		+			[Payoff
		450,000				450,000
		Sell lend				
		Situation				

		Change event	Payoff * Probability	Probability		
Situation	Cost	Expected value	Partials	%	Situation	Payoff
Sell land			690,000	0.30	Market Growth	2,300,000
←────	-600,000	1,390,000				
						Payoff
		T	700,000	0.7	No Market Growth	1,000,000
		•				Payoff
		210,000				210,000
		Sell lend				
		Situation				