SUB DIVISION #5

MODEL XP-100 7MM-08 CALIBER - WITHOUT SIGHTS
1ST YEAR ESTIMATED EARNINGS AND RETURN ON INVESTMENT
(1986 COST, VOLUME & REVISED PRICING)

(...ARS IN THOUSANDS)	1980 MODEL XP-100 LINE BEFORE		PROJECT RESULTS BOOK	INCREMENTAL		1980 MOD XP-100 LI AFTER
PRESENT: .221 FIREBALL	5845		− 450	− 450		5395
PROPOSED: 7MM-08			+ 1500	+ 1500		1500
TOTAL	5845		1050	1050		6895
...ET SALES	$ 796		$ 160	$ 160		$ 956
...LESS:						
...FACTORY COST	$ 531		90	65		621
...SELLING + ADMIN.	66		12	5		72
...ECHNICAL EXPENSE	12		3	1		15
...ISTRIBUTION EXPENSE	17		3	2		20
TOTAL COST	$ 620		$ 108	$ 73		$ 728
...RE TAX EARNINGS	$ 176		$ 52	$ 87		$ 228
...RE TAX EARNINGS ...JUSTED FOR ADMIN. EXPENSE	$ 168		$ 50	$ 83		$ 218
...ET EARNINGS	$ 87		$ 26	$ 43		$ 113
... EARNINGS ADJ. FOR ...T. OF INVEST. TAX CREDIT	$ 87		$ 26	$ 43		$ 113
...NVESTMENT						
...ROJECT EXPENDITURES			$ 1	$ 1		$ 1
...XISTING FACILITIES USED ...RECTLY IN OPERATIONS	$ 317					317
...OCATED GENERAL FACILITIES	12		2	1		14
WORKING CAPITAL	480		91	84		571
TOTAL	$ 809		$ 94	$ 86		$ 903
...TURN ON INVESTMENT	10.7 %		27.7 %	50.0 %		12.5
...PPLEMENTAL CALCULATION						
...ET EARNINGS AFTER AMORTIZING ...VER 10 YEARS) OPERATION CHGS.			$ 21	$ 39		
...OTAL CAPITAL INCLUDING OPER. ...HARGES LESS ADMIN. EXPENSE + TAXES			$ 146	$ 135		
...ETURN ON TOTAL CAPITAL ... OPERATION CHARGES			14.4 %	28.9 %		

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