

Bridgeport, Connecticut  
March 7, 1956

TO: P. H. BURDETT (30)  
FROM: N. F. LARSEN  
SUBJECT: ESTIMATED SALES, OPERATIVE EARNINGS AND RETURN  
ON INVESTMENT - M/740 CENTER FIRE RIFLE - 308 CALIBER

Following is a tabulation showing estimated sales, earnings and  
return on investment on the M/740 center fire rifle in 308 caliber:

	<u>First Year</u>	<u>Average Year</u>
Quantity	7,500	5,000
Retail selling price	\$ 128.85	\$ 128.85
Net selling price	\$ 89.68	\$ 89.68
Net sales	\$522,600	\$348,400
Operative earnings	\$160,000	\$110,850
Operative earnings as % of sales	30.6%	31.8%
Net earnings	<u>\$ 74,400</u>	<u>\$ 51,545</u>
Investment		
Expenditure	\$ 13,230	\$ 13,230
Working capital	153,500	102,300
Total capital required	<u>\$166,730</u>	<u>\$115,530</u>
Less charges to Operations (including development)	9,430	9,430
Total investment	<u>\$157,300</u>	<u>\$106,100</u>
Return on Investment		
Total capital required	44.6%	44.8%
Total investment	47.3%	48.8%

Costs are based on Forecast No. 1 - 1956. Included in the first  
year's cost is vendor tooling in the amount of \$6,270.

*N. F. Larsen*  
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NFL:dmg

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