November 19, 1956

TO: P. H. BURDETT (30)

FROM: N. F. LARSEN

SUBJECT: SALES, EARNINGS AND RETURN ON INVESTMENT
M/740 CENTER FIRE RIFLE - 280 CALIBER

Attached are schedules showing the estimated increase in sales, earnings and return on investment resulting from the introduction of the M/740 in 280 caliber. Following is a summary thereof.

	First Year		Third Year	
	Quantity	Amount	Quantity	Amount
Plus Volume				
M/740--280 caliber	20,000	$1,393,600	10,000	$696,800
Minus Volume				
M/740--30/06	5,000	348,400	2,500	174,200
308 Winchester	5,000	348,400	2,500	174,200
M/760--30/06	1,200	69,900	600	34,950
270 Winchester	400	23,300	200	11,650
	11,600	790,000	5,800	395,000
Net Increase				
Sales	8,400	603,600	4,200	301,800
Operative earnings		173,010		92,030
Net earnings		$ 79,590		$ 42,340
Investment				
Total capital required		$ 207,600		$114,200
Total investment after completion		$ 189,500		$ 96,100
Return on investment				
Total capital required		38.3%		37.1%
Total investment after completion		42.0%		44.1%

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N. F. Larsen

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Attach. 2

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