

REMINGTON ARMS COMPANY, INC.

PROPOSED M/725 (STEEL) & MODIFIED M/721-722
VS. PRESENT M/721-722

INCREASE IN SALES, EARNINGS & RETURN ON INVESTMENT

	<u>Out-of-Pocket Basis</u>
Quantity	15,000
Sales	\$1,073,320
Mill Cost	619,090
Factory Profit	454,230
Selling & Administrative	25,000
Operative Earnings	429,230
Less: All Other Expense @ 8%	<u>34,340</u>
Earnings Before Federal Taxes on Income	394,890
Less: Federal Taxes on Income @ 50%	<u>197,445</u>
Net Earnings	<u>\$ 197,445</u>
Expenditure	\$334,600
Working Capital	<u>393,100</u>
Total Capital	727,700
Less: Operations Charges	<u>158,050</u>
Total Investment	\$569,650
<u>Return on Investment</u>	
Total Capital	27.1%
Total Investment after Completion	34.7%

12-26-56

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