

REMINGTON ARMS COMPANY, INC.
Ilion Works
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SALES, EARNINGS & RETURN ON INVESTMENT
PROPOSED 20,000 OF M/725 (ALUMINUM)
VS. 20,000 OF PRESENT M/721-722

	BOOK BASIS			
	Present Line		Proposed Line	
	Amount	% of Sales	Amount	% of Sales
Quantity	20,000		20,000	
Sales	\$ 967,080	100.0	\$1,405,670	100.0
Mill Cost	675,090	69.8	946,720	67.4
Factory Profit	291,990	30.2	458,950	32.6
Selling & Administrative	96,710	10.0	140,370	10.0
Operative Earnings	195,280	20.2	318,380	22.6
Less: All Other Expense @ 8%	<u>15,620</u>		<u>25,470</u>	
Earnings Before Federal Taxes on Income	179,660		292,910	
Less: Federal Taxes on Income @ 50%	<u>89,830</u>		<u>146,455</u>	
Net Earnings	\$ 89,830		\$ 146,455	
Investment				
Fixed Investment	\$ 778,600		\$1,005,600	
Working Capital	<u>428,060</u>		<u>588,200</u>	
Total	\$1,206,660		\$1,593,800	
Return on Investment	7.4%		9.2%	
Turnover	80%		88%	

OPERATIVE EARNINGS

		Quantity	Net Selling Price	Operative Earnings	
				\$	%
PRESENT	M/721	8,400	\$ 417,910	\$ 95,600	22.9
	M/722	<u>11,600</u>	<u>549,170</u>	<u>99,680</u>	<u>18.2</u>
	Total	20,000	967,080	195,280	20.2
PROPOSED	M/725	20,000	\$1,405,670	\$318,380	22.6

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