

HIGH SPOT ECONOMICS OF NYLON STOCK
ROLLING BLOCK RIFLE REPLACING M-514

RETAIL SELLING PRICE - \$20.95

VOLUME : M-514 - 28,000 : ROLLING BLOCK - 45,000

<u>PROJECT COSTS</u>	<u>MODEL 514</u>	<u>STRAIGHT STOCK AND FORE-END</u>	<u>MODERN STOCK AND FORE-END</u>	<u>LONG STOCK</u>
Permanent Investment	-	\$ 35M	\$ 35M	\$ 35M
Change in Working Capital	-	83M	86M	112M
Total Capital Required	-	\$ 118M	\$ 121M	\$ 152M
Operations Changes	-	\$ 77M	\$ 81M	\$ 97M
Research Charges	-	74M	74M	74M
Total Project Funds Required	-	\$ 186M	\$ 190M	\$ 206M
Write Off	-	\$ 150M	\$ 150M	\$ 150M
<u>UNIT PRODUCT DATA</u>				
Net Selling Price	\$ 11.71	\$ 11.71	\$ 11.71	\$ 11.71
Total Cost				
Full Book	12.97	13.30	11.44	12.68
Out of Pocket	8.40	7.05	7.15	8.05
Oper. Earnings				
Full Book	(1.26)	4.41	4.27	(.97)
Out of Pocket	3.31	4.66	4.56	3.66
<u>INCREASED NET ANNUAL EARNINGS</u>	-	\$ 52M	\$ 50M	\$ 31M
<u>% RETURN ON TOTAL CAPITAL REQUIRED</u>	-	44%	41%	21%
<u>PAYOUT PERIOD</u>	-	2 yrs.	2 yrs.	3.5 yrs.