

XR SERIES BOLT ACTION LINE - contd.

Charts X and XI are on a "full book" basis

Table X Comparison of operative earnings of
the present Rim Fire line and the
proposed XR Rim Fire guns

Table XI Operative earnings of proposed Center
Fire and Shotgun line with "cash" basis
figures for shotguns

R & D reviewed the status of the program outlining some of the proposed changes to improve strength and functioning. Art work of the proposed gun (Rim Fire, Center Fire and Shotguns) showing appearance and features was reviewed. One objective is to use common machines as far as possible for the manufacture of the Rim Fire, Center Fire and shotgun components thereby holding capital investment to a minimum and increasing machine utilization. Based on the initial processing, R & D has a guide of costs for evaluating any proposed design changes with the objective to hold costs in line with the initial estimate.

The next step will be to firm up the design and prepare models for testing so that model drawings can be completed. The objective is to be able to submit to the Ilion plant drawings for final estimating and project preparation in October or November.

R & D development may include the procurement of a Torrington swage machine and in combination with Ilion Plant requirements, a GPM machine for Barrel blanks. The additional combination GPM machine (Shotgun and Center Fire) would provide the added production capacity, a machine available in case of a major breakdown of existing equipment, development time for R & D and experimental work requested by DuPont. These programs would be handled as individual requests for authorization.

Sales is considering alternate methods of marketing, particularly of the shotgun line where a relatively low selling price has been set in order to be competitive.

- . Distribution through wholesalers to dealers
- . Sell as a private brand to specialty outlets