

EXHIBIT IIMODEL 700 PROPOSED IMPROVEMENTSESTIMATED FULL FACTORY COST AND OPERATIVE EARNINGS  
OF CURRENT DESIGN WITH IMPROVED METAL FINISH

	<u>ADL</u>	<u>BDL</u>
Retail Price	\$134.95	\$154.95
Net Selling	72.78	83.58
Factory Cost	\$ 44.25	\$ 51.20
Selling & Admin.	5.17	5.93
Research	2.26	2.59
Total Cost	\$ 51.68	\$ 59.72
Operative Earnings	\$ 21.10	\$ 23.86
% of Net Selling	29.0%	28.5%

ESTIMATED FACTORY COST OF PROPOSED IMPROVEMENTS

	<u>Estimated Cost per Rifle</u>		<u>Estimated Expenditures</u>	<u>Time to Effect After Receipt of Model Drawing</u>
Bolt Handle	0	Oper.	\$ 1,500	Released for prod.
Safety	0	Oper.	\$ 4,100	4 mos. + 2 mos.
Bolt Plug	\$ .16	Oper.	\$ 2,900	parts runout
Rear Sight	\$ .06	Oper.	\$13,000	4 mos. + 2 mos.
Stock	\$ .12	Oper.	\$16,700	parts runout
Damascene Finish		(Cap.	\$30,000	4-5 mos.
to Bolt Assem.	\$ .09	(Oper.	\$18,000	6-8 mos.
Total	\$ .43		\$86,200	

EXHIBIT II