

PROPOSED MODEL 870, 20 GAUGE LIGHTWEIGHT SHOTGUN
ESTIMATED COSTS AND PROJECT ECONOMICS
(PROJECT THIRD YEAR 1974)

PROPOSED LINE COSTS INCLUDE STANDARD MACHINING
OF RECEIVERS AND PRESS FORM STOCK
(FUNDS FOR STOCK TO BE AUTHORIZED PRIOR TO 1974)

FULL FACTORY COST

	PRESENT LINE		PROPOSED LINE	
	MODEL 870, 20 GA.		MODEL 870, 20 GA.	
	REGULAR		LIGHTWEIGHT	
	Plain	Rib	Plain	Rib
VOLUME	(12,600)	(5,400)	12,500	12,500
RETAIL PRICE	\$119.95	\$144.95	\$129.95	\$154.95
NET SELLING	\$ 64.17	\$ 77.54	\$ 69.52	\$ 82.89
FACTORY COST	\$ 40.04	\$ 45.73	\$ 42.57	\$ 47.92
SELLING, ADM. & R&D	\$ 6.99	\$ 8.45	\$ 7.58	\$ 9.03
TOTAL COST	\$ 47.03	\$ 54.18	\$ 50.15	\$ 56.95
OPERATIVE EARNINGS	\$ 17.14	\$ 23.36	\$ 19.37	\$ 25.94
% OF NET SALES	26.7%	30.1%	27.9%	31.3%

CASH OR PROJECT COSTS

	PRESENT LINE	PROPOSED LINE	CASH OR
	MODEL 870, 20 GA.	MODEL 870, 20 GA.	PROJECT
	REGULAR	LIGHTWEIGHT	RESULTS
VOLUME	(18,000)	25,000	7,000
NET SELLING	\$1,227,260	\$1,905,130	\$677,870
FACTORY COST	\$ 615,170	\$ 932,530	\$317,360
OPERATIVE EARNINGS	\$ 612,090	\$ 972,600	\$360,510
LESS 5.6% & 48.0%	\$ 311,630	\$ 495,170	\$183,540
NET EARNINGS	\$ 300,460	\$ 477,430	\$176,970
PROJECT INVESTMENT			\$ 90,200
CONSTRUCTION			\$330,100
WORKING CAPITAL			\$420,300
TOTAL			42.1%
RETURN ON TOTAL EXPENDITURES			38.1%
PROJECT EXPENDITURES			
DEVELOPMENT	\$ 1,000		
CONSTRUCTION	\$ 90,200		
OPERATIONS	\$ 69,800		
TOTAL	\$161,000		

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