

MODEL 550 AND 514 RIM FIRE RIFLES

Marketing estimates that with the proposed discontinuance of the Model 550 autoloading rim fire rifle, 75% of the estimated 8,000 forecast will be picked up as follows:

Model 552	60%
Nylon 66	40%

Marketing estimates the following for proposed discontinuance of the Model 514.

Model 514 specialty items - 3000
Federal legislation will probably eliminate this since the users will have to have permits.

Forecast 18,000 - 3,000 = 15,000

Of the 15,000 forecast, 20% of the volume will be picked up as follows:

Model 580	50%
Model 581	30%
Model 582	20%

MODEL 550 AND 514 RIM FIRE RIFLES - PRODUCTION STATUS

For the Model 550, due to reduced schedules and on hand special material for the Receiver, Receiver Insert and Barrel, it is believed that for minimum obsolescence an additional 6000 rifles should be produced in addition to the 1970 forecast. This should reduce write-off by approximately \$25,000 to \$30,000.

Based on a check of blanks and raw material, the runout of the Model 514 rifle can be accomplished this year with minimum obsolescence.

VGd:I

EXHIBIT 3