

PROPOSED MODEL 870, 20 GAUGE LIGHTWEIGHT SHOTGUN
PROJECT ECONOMICS - THIRD YEAR 1974

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

For the project calculation, only the loss of the Model 870, 20 gauge regular sales and the addition of Model 870, 20 gauge lightweight sales is shown.

The estimated sale in 1974 of Model 870, 20 gauge regular grade guns is 12,000.

CASH OR PROJECT RESULT

	<u>PRESENT LINE</u> <u>MODEL 870, 20 GA.</u> <u>REGULAR</u>	<u>PROPOSED LINE</u> <u>MODEL 870, 20 GA.</u> <u>LIGHTWEIGHT</u>	<u>CASH OR</u> <u>PROJECT</u> <u>RESULTS</u>
VOLUME	(14,000)	22,000	8,000
NET SELLING	(\$ 954,530)	\$1,698,970	\$744,440
FACTORY COST	(\$ 470,640)	\$ 815,140	\$344,500
OPERATIVE EARNINGS	(\$ 483,890)	\$ 883,830	\$399,940
LESS 5.6% & 48.0%	(\$ 244,850)	\$ 447,220	\$202,370
NET EARNINGS	(\$ 239,040)	\$ 436,610	\$197,570
PROJECT INVESTMENT			\$100,200
CONSTRUCTION			\$364,900
WORKING CAPITAL			\$465,100
TOTAL			42.5%
RETURN ON TOTAL EXPENDITURES			38.8%
PROJECT EXPENDITURES			
DEVELOPMENT	\$ 1,000		
CONSTRUCTION	\$ 100,200		
OPERATIONS	\$ 69,800		
TOTAL	\$ 171,000		

VGD:I

EXHIBIT 2

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