

CONFIDENTIAL

cc: W. L. Clay
H. A. Brown (2)

Bridgeport, Connecticut
November 10, 1954

TO: M. R. WARDEN
R. H. COLEMAN
H. K. FAULKNER
DEWEY GODFREY
H. M. STOESEL
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FROM: H. A. BROWN

SUBJECT: MODEL 722 - CALIBER 308 WINCHESTER

Normal year volume is estimated at 2,000 guns which would be lost if this caliber is not introduced in the Model 722 line.

Earnings and return on investment are estimated as follows:

| Normal Annual Sales | 2,000 guns |
|------------------------|------------|
| Dollar Sales | \$ 90,460. |
| Operative Earnings | \$ 10,692. |
| " " as % of Sales | 11.8% |
| Net Earnings | \$ 4,972. |
| Appropriation Required | \$ 4,900. |
| Working Capital | \$ 38,040. |
| Total Capital Required | \$ 42,940. |
| Investment | \$ 38,040. |
| Return on Capital | 11.6% |
| Return on Investment | 13.1% |

In order to meet competition and avoid loss of earnings indicated above, the Operations Committee - Arms Division - recommends development and introduction of the Model 722 rifle in caliber 308 Winchester.

Your approval is requested.

hab/heh


H. A. Brown
Chairman Operations Committee