

REMINGTON ARMS COMPANY, INC.

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SALES, EARNINGS & RETURN ON INVESTMENT PROPOSED M/725 (STILL) & MODIFIED M/721-722 VS. PRESENT M/721-722

	BOOK BASIS			
	Present Line		Proposed Line	
	Amount	% of Sales	Amount	% of Sales
Quantity	20,000		35,000	
Sales	\$ 967,080	100.0	\$2,040,400	100.0
Mill Cost	675,090	69.8	1,465,320	71.8
Factory Profit	291,990	30.2	575,080	28.2
Selling & Administrative	96,710	10.0	204,040	10.0
Operative Earnings	195,280	20.2	371,040	18.2
Less: All Other Expense @ 8%	15,620		29,680	
Earnings Before Federal Taxes on Income	179,660		341,360	
Less: Federal Taxes on Income @ 50%	89,830		170,680	
Net Earnings	\$ 89,830		\$ 170,680	
Investment				
Fixed Investment	\$ 778,600		\$1,347,760	
Working Capital	428,060		904,280	
Total	\$1,206,660		\$2,252,040	
Return on Investment	7.45		7.6%	
Turnover	80%		91%	

OPERATIVE EARNINGS

		Quantity	Net Selling Price	Operative Earnings	
				\$	%
<u>PRESENT</u>	M/721	8,400	\$ 417,910	\$ 95,600	22.9
	M/722	11,600	549,170	99,680	18.2
	Total	20,000	967,080	195,280	20.2
<u>PROPOSED</u>	Modified M/721	8,400	414,200	73,550	17.7
	Modified M/722	11,600	572,300	90,000	15.7
	Sub-Total	20,000	986,500	163,550	15.5
	M/725	12,000	1,054,200	207,490	19.7
	Total	32,000	\$2,040,400	\$371,040	18.1

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REMINGTON ARMS COMPANY, INC.

PERIOD 11/735 (1971) & 10/1971-1972
 13. PERIOD 11/735-1972

STATEMENT OF FINANCIAL POSITION

	<u>Out-of-Pocket Basis</u>
Quantity	15,000
Sales	\$1,373,320
Mill Cost	619,090
Factory Profit	154,230
Selling & Administrative	25,000
Operative Earnings	129,230
Less: All Other Expenses @ 8%	<u>34,340</u>
Earnings Before Federal Taxes on Income	354,890
Less: Federal Taxes on Income @ 50%	<u>197,445</u>
Net Earnings	<u>\$ 197,445</u>
Expenditure	\$334,600
Working Capital	<u>223,100</u>
Total Capital	727,700
Less: Operations Charges	<u>158,050</u>
Total Investment	\$569,650
<u>Return on Investment</u>	
Total Capital	27.2%
Total Investment after Completion	34.7%

12-26-56