

REMINGTON ARMS COMPANY, INC.
 Union Works
 -000-

SALES, EARNINGS & RETURN ON INVESTMENT
BASED ON 20,000 OF SALES (PRESENT)
VS. 20,000 OF SALES (PROPOSED)

	PER UNIT BASIS			
	Present Line		Proposed Line	
	Amount	% of Sales	Amount	% of Sales
Quantity	20,000		20,000	
Sales	\$ 987,030	100.0	\$1,405,670	100.0
Unit Cost	875,090	89.6	946,720	87.4
Factory Profit	291,990	29.2	458,950	32.6
Selling & Administrative	96,710	10.0	140,570	10.0
Operative Earnings	195,280	20.2	318,380	22.6
Less: All Other Expense @ 8%	15,620		25,470	
Earnings Before Federal Taxes on Income	179,660		292,910	
Less: Federal Taxes on Income @ 50%	89,830		146,455	
Net Earnings	\$ 89,830		\$ 146,455	
Investment				
Fixed Investment	\$ 778,600		\$1,005,600	
Working Capital	428,060		538,300	
Total	\$1,206,660		\$1,543,900	
Return on Investment	7.4%		9.2%	
Turnover	80%		82%	

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	449,170	99,680	18.2
	Total	20,000	967,080	195,280	20.2
<u>PROPOSED</u>	M/725	20,000	\$1,405,670	\$318,380	22.6

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REMINGTON ARMS COMPANY, INC.

PROPOSED 20,000 OF M/725 (ALUMINUM)
VS. 20,000 OF PRESENT M/721-722

INCREASE IN SALES, EARNINGS & RETURN ON INVESTMENT

	<u>Out-of-Pocket Basis</u>
Quantity	-
Sales	\$438,590
Mill Cost	205,890
Factory Profit	232,700
Selling & Administrative	-
Operative Earnings	232,700
Less: All Other Expense @ 8%	<u>18,520</u>
Earnings Before Federal Taxes on Income	214,080
Less: Federal Taxes on Income @ 5%	<u>107,040</u>
Net Earnings	<u><u>\$107,040</u></u>
Expenditure	\$232,100
Working Capital	<u>129,600</u>
Total Capital	361,700
Less: Operations Charges	<u>103,570</u>
Total Investment	<u><u>\$258,130</u></u>
<u>Return on Investment</u>	
Total Capital	29.6%
Total Investment after Completion	41.5%

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REMINGTON ARMS COMPANY, INC.

COMPARISON OF SALES, EARNINGS AND RETURN ON INVESTMENT
SUMMARY

	BOOK BASIS			OUT-OF-POCKET BASIS		
	Present Line (M/721-722)	Aluminum (M/721-722 & M/725)	Steel (M/725)	Aluminum (M/721-722 & M/725)	Steel (M/725)	Aluminum (M/725)
Quantity	20,000	35,000	35,000	15,000	15,000	-
Sales	\$ 967,080	\$2,040,400	\$2,040,400	\$1,073,320	\$1,073,320	\$438,590
Operative earnings % of sales	\$ 195,260 20.2%	\$ 410,530 20.1%	\$ 371,040 18.2%	\$ 458,530 22.6%	\$ 429,230 22.6%	\$232,700
Net earnings	\$ 89,830	\$ 188,845	\$ 170,680	\$ 210,930	\$ 197,445	\$107,040
Expenditure Working capital				\$ 264,800	\$ 334,600	\$232,100
Total capital				361,200	383,100	129,000
Less - Operations charges				626,000	727,700	361,700
Total investment	\$1,208,660	\$2,172,300	\$2,252,140	\$1,593,500	\$1,593,500	\$103,570
Return on investment				\$ 493,000	\$ 569,650	\$238,130
Total capital				33.7%	27.1%	29.6%
Total investment				42.6%	34.7%	41.5%
Turnover	7.4% 80%	8.7% 94%	7.6% 91%	9.2% 88%		
Operative earnings as % of sales						
Present - M/721	22.9%	16.7%	16.7%			
Proposed - M/722 - modified	18.2%	16.5%	16.6%			
Total	20.2%	23.5%	18.7%			
M/725		22.6%	22.6%			
Total		23.5%	22.6%			

Note: Based on 1956 selling prices.
NFL:dmg 12/31/56