SUB-DIVISION #5

ESTIMATED EARNINGS AND RETURN ON INVESTMENT
M700 PRODUCT LINE REVISIONS FOR 1978 INTRODUCTION
1978 PRICES AND COSTS (ORIGINAL)

DOLLARS IN THOUSANDS	BEFORE 1978 M700 PRODUCT LINE	PROJECT BOOK RESULT	PROJECT INCREMENTAL RESULT	AFTER 1978 M700 PRODUCT LINE
M700 LINE - SALES				
ADL	39,225	(8,475)	(8,475)	30,750
BDL	91,525	(11,525)	(11,525)	80,000
CLASSIC	—	+20,000	+20,000	20,000
TOTAL	130,750	—0—	—0—	130,750
NET SALES	$18,908	$141	$141	$19,049
LESS:				
FACTORY COST	$12,647	$4	$4	$12,651
SELLING + ADMIN.	1,456	11	4	1,467
TECHNICAL EXPENSE	321	2	1	323
DISTRIBUTION EXPENSE	321	2	2	323
TOTAL COST	$14,745	$19	$11	$14,764
PRE TAX EARNINGS	$4163	$122	$130	$4285
PRE TAX EARNINGS ADJUSTED FOR ADMINISTRATION EXPENSE		$116	$124	$4279
NET EARNINGS	$2060	$57	$61	$2117
INVESTMENT				
PROJECT EXPENDITURES				
EXISTING FACILITIES USED DIRECTLY IN OPERATIONS	$7310	—	—	$7310
ALLOCATED GENERAL FACILITIES	284	$2	$1	286
WORKING CAPITAL	11,882	67	67	11,949
TOTAL	$19,476	$69	$68	$19,545
RETURN ON INVESTMENT	10.6%	82.6%	89.7%	10.8%
SUPPLEMENTAL CALCULATION				
NET EARNINGS AFTER AMORTIZING (OVER 10 YEARS) OPERATION CHARGES		$55	$59	
TOTAL CAPITAL INCLUDING OPER. CHARGES LESS ADMIN. EXPENSE + TAXES		$88	$87	
RETURN ON TOTAL CAPITAL INCL. OPERATION CHARGES		62.5%	67.8%	

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SUB DIVISION #3

M700 PRODUCT LINE REVISIONS FOR 1978 INTRODUCTION

ESTIMATED SALES AND UNIT PRE TAX EARNINGS - 1978 (ORIGINAL)

	LINE BEFORE PROJECT					
	M700 ADL	M700 ADL MAG	M700 BDL	M700 BDL MAG	M700 BDL VARM.	COMBINED AVERAGE
SALES QUANTITY	36205	3020	64890	16750	9885	130750
RETAIL SELLING PRICE	$243.75	$259.65	$275.55	$291.45	$291.45	$269.62
NET SELLING PRICE	$130.74	$139.26	$147.80	$156.32	$156.32	$144.61
PRE TAX EARNINGS	29.99	34.10	30.96	35.16	38.04	$31.84
% OF NET SELLING	22.9%	24.5%	21.0%	22.5%	24.3%	22.0%

	LINE AFTER PROJECT							
	M700 ADL	M700 ADL MAG	M700 BDL	M700 BDL MAG.	M700 BDL VARM.	M700 CLASSIC	M700 CLASSIC MAG.	COMBINED AVERAGE
SALES QUANTITY	28380	2370	56720	14640	8640	16480	3520	130750
RETAIL SELLING PRICE	$243.75	$259.65	$275.55	$291.45	$291.45	$275.55	$291.45	$271.62
NET SELLING PRICE	$130.74	$139.26	$147.80	$156.32	$156.32	$147.80	$156.32	$145.69
PRE TAX EARNINGS	$29.97	$34.10	$30.96	$35.16	$38.04	$36.36	$44.82	$32.80
% OF NET SELLING	22.9%	24.5%	21.0%	22.5%	24.3%	24.6%	28.7%	22.5%

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