

SUB DIVISION #5

M/700 7MM MAUSER CALIBER WITH HAND SAWEED STOCK

ESTIMATED EARNINGS AND RETURN ON INVESTMENT

(1979 COST, PRICING & VOLUMES)

	1979		PROJECT	RESULTS		1979
(DOLLARS IN THOUSANDS)	M/700 LINE					M/700 LINE
	BEFORE		BOOK	INCREMENTAL		AFTER
M/700 A.D.L.	34635		- 1250	- 1250		33385
CLASSIC	15905					15905
B.D.L.	96709					96709
PROPOSED 7MM MAUSER			+ 5000	+ 5000		5000
TOTAL	141249		+ 3750	+ 3750		144999
NET SALES	\$ 22321		\$ 562	\$ 562		\$ 22883
LESS:						
FACTORY COST	\$ 15398		\$ 407	\$ 307		\$ 15805
SELLING + ADMIN.	1696		43	17		1739
TECHNICAL EXPENSE	335		8	3		343
DISTRIBUTION EXPENSE	469		12	7		481
TOTAL COST	\$ 17898		\$ 470	\$ 334		\$ 18368
PRE TAX EARNINGS	\$ 4423		\$ 92	\$ 228		\$ 4515
PRE TAX EARNINGS ADJUSTED FOR ADMIN. EXPENSE	\$ 4233		\$ 88	\$ 218		\$ 4321
NET EARNINGS	\$ 2180		\$ 45	\$ 112		\$ 2225
NET EARNINGS ADJ. FOR P.T. OF INVEST. TAX CREDIT	\$ 2180		\$ 45	\$ 112		\$ 2225
INVESTMENT						
PROJECT EXPENDITURES			—	—		—
EXISTING FACILITIES USED DIRECTLY IN OPERATIONS	\$ 8797		—	—		\$ 8797
ALLOCATED GENERAL FACILITIES	335		\$ 8	\$ 3		343
WORKING CAPITAL	13634		349	323		13983
TOTAL	\$ 22766		\$ 357	\$ 326		\$ 23123
RETURN ON INVESTMENT	9.6%		12.6%	34.4%		9.6%
SUPPLEMENTAL CALCULATION			\$ 45	\$ 112		
NET EARNINGS AFTER AMORTIZING (OVER 10 YEARS) OPERATION CHGS.						
TOTAL CAPITAL INCLUDING OPER. CHARGES LESS ADMIN. EXPENSE + TAXES			\$ 362	\$ 331		
RETURN ON TOTAL CAPITAL INCL. OPERATION CHARGES			12.4%	33.8%		

S.M. MORRIS

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