

SUB DIVISION #5

MODEL XP-100 7MM-08 CALIBER - WITH SIGHTS

1ST YEAR ESTIMATED EARNINGS AND RETURN ON INVESTMENT (1980 COST, VOLUME & PRICES)

(DOLLARS IN THOUSANDS)	1980 MODEL	PROJECT RESULTS		1980 MODEL
	XP-100 LINE BEFORE	BOOK	INCREMENTAL	XP-100 LINE AFTER
Present: .221 Fireball Caliber	5845	- 450	- 450	5395
Proposed: 7MM-08 Caliber		+ 1500	+ 1500	1500
TOTAL	5845	1050	1050	6895
NET SALES	\$ 796	\$ 219	\$ 219	\$ 1015
LESS:				
FACTORY COST	\$ 531	\$ 162	\$ 126	\$ 693
SELLING + ADMIN.	60	17	7	77
TECHNICAL EXPENSE	12	3	1	15
DISTRIBUTION EXPENSE	17	4	3	21
TOTAL COST	\$ 620	\$ 186	\$ 137	\$ 806
PRE TAX EARNINGS	\$ 176	\$ 33	\$ 82	\$ 209
PRE TAX EARNINGS ADJUSTED FOR ADMIN. EXPENSE	\$ 168	\$ 32	\$ 78	\$ 200
NET EARNINGS	\$ 87	\$ 16	\$ 40	\$ 163
NET EARNINGS ADJ. FOR EMPHAT. OF INVEST. TAX CREDIT	\$ 87	\$ 16	\$ 40	\$ 163
INVESTMENT		\$ 1	\$ 1	\$ 1
PROJECT EXPENDITURES				
EXISTING FACILITIES USED	\$ 317			317
DIRECTLY IN OPERATIONS				
ALLOCATED GENERAL FACILITIES	12	3	1	15
WORKING CAPITAL	480	148	139	628
TOTAL	\$ 809	152	141	\$ 961
RETURN ON INVESTMENT	10.7%	10.5%	28.4%	10.7%
SUPPLEMENTAL CALCULATION				
NET EARNINGS AFTER AMORTIZING (OVER 10 YEARS) OPERATION CHGS.		\$ 12	\$ 36	
TOTAL CAPITAL INCLUDING CRED. CHARGES LESS ADMIN. EXPENSE + TAXES		\$ 201	\$ 190	
RETURN ON TOTAL CAPITAL		60%	18.9%	
OPERATION CHARGES				

S.M. MOORE