SUB DIVISION #5

MODEL XP-100 7MM-08 CALIBER - WITHOUT SIGHTS

1ST YEAR ESTIMATED EARNINGS AND RETURN ON INVESTMENT

(1980 COST, VOLUME & PRICES)

(DOLLARS IN THOUSANDS)	1980 MODEL XP-100 LINE BEFORE		PROJECT RESULTS BOOK	INCREMENTAL		1980 MODEL 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		$ 189	$ 189		$ 985
LESS:						
FACTORY COST	$ 531		$ 90	$ 65		$ 621
SELLING + ADMIN.	60		14	6		74
TECHNICAL EXPENSE	12		3	1		15
DISTRIBUTION EXPENSE	17		4	2		21
TOTAL COST	$ 620		$ 111	$ 74		$ 731
PRE TAX EARNINGS	$ 176		$ 78	$ 115		$ 254
PRE TAX EARNINGS ADJUSTED FOR ADMIN. EXPENSE	$ 168		$ 75	$ 110		$ 243
NET EARNINGS	$ 87		$ 39	$ 57		$ 126
NET EARNINGS ADJ. FOR EFFECT OF INVEST. TAX CREDIT	$ 87		$ 39	$ 57		$ 126
INVESTMENT						
PROJECT EXPENDITURES			$ 1	$ 1		$ 1
EXSISTING FACILITIES USED DIRECTLY IN OPERATIONS	$ 317					317
ALLOCATED GENERAL FACILITIES	12		3	1		15
WORKING CAPITAL	480		102	96		582
TOTAL	$ 809		$ 106	$ 98		$ 915
RETURN ON INVESTMENT	10.7%		36.8%	58.2%		13.8
SUPPLEMENTAL CALCULATION NET EARNINGS AFTER AMORTIZING (OVER 10 YEARS) OPERATION CHGS.			$ 34	$ 52		
TOTAL CAPITAL INCLUDING OPER. CHARGES LESS ADMIN. EXPENSE + TAXES			$ 158	$ 146		
RETURN ON TOTAL CAPITAL INCL. OPERATION CHARGES			21.5%	35.6%		

S.M. Mozek
4-6-79