SUB DIVISION #5

M/700 SILHOUETTE RIFLE - 1ST YEAR ESTIMATED EARNINGS AND RETURN ON INVESTMENT (1980 PRICES, COST & VOLUME)

(DOLLARS IN THOUSANDS)	1980 M/700 VARMINT LINE BEFORE	PROJECT RESULTS BOOK	PROJECT RESULTS INCREMENTAL	1980 M/700 VARMINT LINE AFTER
M/700 BDL "VARMINT SPECIAL"	10819	- 425	- 425	10394
M/700 VARMINT SILHOUETTE		+ 1700	+ 1700	1700
TOTAL	10819	1275	1275	12094
NET SALES	$ 2033	$ 240	$ 240	$ 2273
LESS:				
FACTORY COST	$ 1339	$ 157	$ 119	$ 1496
SELLING + ADMIN.	155	18	7	173
TECHNICAL EXPENSE	30	4	1	34
DISTRIBUTION EXPENSE	43	5	3	48
TOTAL COST	$ 1567	$ 184	$ 130	$ 1751
PRE TAX EARNINGS	$ 466	$ 56	$ 110	$ 522
PRE TAX EARNINGS ADJUSTED FOR ADMIN. EXPENSE	$ 446	$ 54	$ 105	$ 500
NET EARNINGS	$ 230	$ 28	$ 54	$ 258
NET EARNINGS ADJ. FOR AMORT. OF INVEST. TAX CREDIT	$ 230	$ 28	$ 54	$ 258
INVESTMENT				
PROJECT EXPENDITURES		$ 14	$ 14	$ 14
EXSISTING FACILITIES USED DIRECTLY IN OPERATIONS	$ 830			830
ALLOCATED GENERAL FACILITIES	31	4	1	35
WORKING CAPITAL	1224	144	134	1368
TOTAL	$ 2085	$ 162	$ 149	$ 2247
RETURN ON INVESTMENT	11.0 %	17.3 %	36.2 %	11.5 %
SUPPLEMENTAL CALCULATION				
NET EARNINGS AFTER AMORTIZING (OVER 10 YEARS) OPERATION CHGS.		$ 26	$ 52	
TOTAL CAPITAL INCLUDING OPER. CHARGES LESS ADMIN. EXPENSE + TAXES		$ 187	$ 175	
RETURN ON TOTAL CAPITAL INCL. OPERATION CHARGES		13.9 %	29.7 %	

S.M. Morris
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