

M/700 LINE BEFORE - 1982

TRG  
10/27/82

|                                     | M/700 ADL | M/700 BDL | M/700    | LINE BEFORE (M\$) | WEIGHTED |
|-------------------------------------|-----------|-----------|----------|-------------------|----------|
|                                     |           |           | Classic  | BOOK              | AVE      |
| QUANTITY                            | 46.636    | 88.398    | 4.176    | 139.210           | 139.210  |
| RETAIL SELLING PRICE                | \$358.14  | \$439.72  | \$402.55 | 57,254            | \$411.28 |
| NET SELLING PRICE                   | \$192.05  | 235.80    | 215.87   | 30,702            | \$220.53 |
| STANDARD MATERIAL                   | \$31.46   | \$39.49   | \$32.99  | 5,096             | 5,096    |
| MATERIAL VARIANCE                   | 3.83      | 4.88      | 4.08     | 627               | 627      |
| STANDARD LABOR                      | 22.35     | 25.17     | 23.55    | 3,366             | 3,366    |
| LABOR VARIANCE                      | 13.27     | 15.12     | 13.21    | 2,011             | 2,011    |
| DIRECT EXPENSE                      | 22.44     | 25.60     | 25.24    |                   |          |
| GAS & POWER                         | 2.24      | 2.52      | 2.36     |                   |          |
| INDUSTRIAL RELATIONS                | 17.06     | 19.30     | 17.61    |                   |          |
| GRATIS REPAIRS                      | .85       | .91       | .85      |                   |          |
| TOTAL DIRECT CHGS.                  | \$42.59   | \$48.33   | \$46.06  | 6,451             | 6,451    |
| SUPERVISION                         | 2.16      | 2.42      | 2.30     |                   |          |
| INDUSTRIAL RELATIONS                | 1.03      | 1.15      | 1.09     |                   |          |
| FACTORY CLERKS                      | .27       | .30       | .29      |                   |          |
| INDUSTRIAL ENGINEERING              | .30       | .33       | .32      |                   |          |
| DEPRECIATION                        | 3.16      | 3.58      | 3.35     |                   |          |
| PE & C DIRECT                       | .20       | .22       | .21      |                   |          |
| FLOOR SPACE                         | 2.34      | 2.62      | 2.48     |                   |          |
| PROJECT COST                        | .90       | 1.01      | .95      |                   |          |
| OTHER DIRECT                        | .28       | .31       | .29      |                   |          |
| TOTAL MFG O/H                       | \$10.64   | \$11.94   | \$11.28  | 1,599             | -        |
| SUB-TOTAL                           | \$124.14  | \$144.93  | \$131.17 | 19,150            |          |
| PLANT OVERHEAD                      | 21.87     | 25.35     | 23.60    | 3,359             | -        |
| UNADJUSTED FACTORY COST             | \$146.01  | 170.28    | \$154.77 | 22,509            | 17,551   |
| FACTORY COST (ADJ. FOR COST RED.)   | \$142.73  | \$166.45  | \$151.29 | 22,002            | 17,156   |
| SELLING & ADMINISTRATIVE            | 14.60     | 17.92     | 16.41    | 2,334             | 921      |
| TECHNICAL                           | 2.69      | 3.30      | 3.02     | 430               | 154      |
| DISTRIBUTION                        | 3.65      | 4.48      | 4.10     | 583               | 363      |
| COST BEFORE ADMIN. EXP              | 163.67    | 192.15    | 174.82   |                   | 18,592   |
| TOTAL COST                          | \$164.89  | \$194.03  | \$176.59 | 25,579            | 19,119   |
| EARNING BEFORE ADMIN. EXP           | 28.38     | 43.65     | 41.05    |                   | 12,103   |
| LESS: ADMIN EXP                     | 1.22      | 1.88      | 1.77     | 230               | 520      |
| PRETAX EARNINGS                     | \$27.16   | \$41.77   | \$39.28  | 5,123             | 11,583   |
| LESS: TAX                           |           |           |          |                   |          |
| plus: AMORTIZED ITC                 |           |           |          |                   |          |
| NET EARNINGS                        |           |           |          |                   |          |
| PRETAX MARGIN<br>(% OF NET SELLING) | 14.1%     | 17.7%     | 18.2%    |                   | 16.7%    |

## ALTERNATIVE I

M/700 LINE AFTER WITH BOLT LATCH 1982

WITHOUT PRICE ADJUSTMENT

TR  
10/24/80

|                                     | M/700 ADL | M/700 BDL | M/700    | LINE AFTER | ER (M\$)    | WEIGHTED |
|-------------------------------------|-----------|-----------|----------|------------|-------------|----------|
| QUANTITY                            | 46.636    | 88.398    | 4.176    | Book       | Incremental | Ave.     |
| RETAIL SELLING PRICE                | \$358.14  | \$439.72  | \$402.55 | 139,210    | 139,210     | 139,210  |
| NET SELLING PRICE                   | \$192.05  | \$235.80  | \$215.87 | 57,254     | 30,702      | \$411.28 |
| STANDARD MATERIAL                   | \$31.89   | \$33.92   | \$33.42  | 5,156      | 5,156       |          |
| MATERIAL VARIANCE                   | 3.88      | 4.93      | 4.13     | 634        | 634         |          |
| STANDARD LABOR                      | 23.00     | 25.82     | 24.20    | 3,456      | 3,456       |          |
| LABOR VARIANCE                      | 13.52     | 15.37     | 13.40    | 2,046      | 2,046       |          |
| DIRECT EXPENSE                      | 27.74     | 28.90     | 25.54    |            |             |          |
| GAS & POWER                         | 2.20      | 2.58      | 2.42     |            |             |          |
| INDUSTRIAL RELATIONS                | 17.49     | 19.73     | 18.04    |            |             |          |
| GRATIS REPAIRS                      | .87       | .93       | .87      |            |             |          |
| TOTAL DIRECT CHGS.                  | 43.40     | 49.14     | 46.87    | 6,564      | 6,564       |          |
| SUPERVISION                         | 2.22      | 2.48      | 2.36     |            |             |          |
| INDUSTRIAL RELATIONS                | 1.06      | 1.18      | 1.12     |            |             |          |
| FACTORY CLERKS                      | .28       | .31       | .30      |            |             |          |
| INDUSTRIAL ENGINEERING              | .31       | .34       | .33      |            |             |          |
| DEPRECIATION                        | 3.29      | 3.71      | 3.48     |            | 18          |          |
| PE & C DIRECT                       | .21       | .23       | .22      |            |             |          |
| FLOOR SPACE                         | 2.41      | 2.69      | 2.55     |            |             |          |
| PROTECT COST                        | .93       | 1.04      | .99      |            |             |          |
| OTHER DIRECT                        | .29       | .32       | .30      |            |             |          |
| TOTAL MFG O/H                       | 11.00     | 12.30     | 11.64    | 1,649      | 18          |          |
| SUB-TOTAL                           | 126.69    | 147.48    | 133.72   | 19,505     | 17,874      |          |
| PLANT OVERHEAD                      | 22.32     | 25.80     | 24.05    | 3,422      | -           |          |
| UNADJUSTED FACTORY COST             | 149.01    | 173.28    | 157.77   | 22,927     | 17,874      |          |
| FACTORY COST (ADJ. FOR COST RED)    | 145.73    | 169.45    | 154.29   | 22,420     | 17,479      | 161.05   |
| SELLING & ADMINISTRATIVE            | 14.60     | 17.92     | 16.41    | 2,334      | 921         | 16.76    |
| TECHNICAL                           | 2.69      | 3.30      | 3.02     | 436        | 154         | 3.09     |
| DISTRIBUTION                        | 3.65      | 4.48      | 4.10     | 583        | 368         | 4.19     |
| COST BEFORE ADMIN. EXP              | 166.67    | 195.15    | 177.82   |            | 18,922      |          |
| TOTAL COST                          | \$167.76  | \$196.90  | \$179.46 | 25,979     | 19,439      | \$186.62 |
| EARNING BEFORE ADMIN. EXP           | 25.38     | 40.65     | 38.05    |            | 11,780      |          |
| less: ADMIN. EXP                    | 1.09      | 1.75      | 1.64     | 212        | 507         | 1.53     |
| PRETAX EARNINGS                     | \$24.29   | \$38.90   | \$36.41  | 4,723      | 11,273      | \$33.93  |
| less: TAX                           |           |           |          |            |             |          |
| plus: AMORTIZED ITC                 |           |           |          |            |             |          |
| NET EARNINGS                        |           |           |          |            |             |          |
| PRETAX MARGIN<br>(% OF NET SELLING) | 12.6%     | 16.5%     | 16.9%    |            |             | 15.4%    |

ALTERNATIVE II

M/700 LINE AFTER WITH BOLT LATCH - 1982

PRICES ADJUSTED TO MAINTAIN % MARGIN

TRU  
10/20/80

|                                     | M/700 ADL | M/700 BDL | M/700    | LINE AFTER | ER (M \$)   | WEIGHTED |
|-------------------------------------|-----------|-----------|----------|------------|-------------|----------|
|                                     |           |           | CLASSIC  | BOOK       | INCREMENTAL | AVE      |
| QUANTITY                            | 46,436    | 88,398    | 4,176    | 139,210    | 139,210     | 139,210  |
| RETAIL SELLING PRICE                | \$365.95  | \$447.53  | \$410.36 | 59,341     |             | \$419.09 |
| NET SELLING PRICE                   | \$196.24  | 239.99    | 220.06   | 31,285     | 31,285      | \$224.74 |
| STANDARD MATERIAL                   |           |           |          |            |             |          |
| MATERIAL VARIANCE                   |           |           |          |            |             |          |
| STANDARD LABOR                      |           |           |          |            |             |          |
| LABOR VARIANCE                      |           |           |          |            |             |          |
| DIRECT EXPENSE                      |           |           |          |            |             |          |
| GAS & POWER                         |           |           |          |            |             |          |
| INDUSTRIAL RELATIONS                |           |           |          |            |             |          |
| GRATIS REPAIRS                      |           |           |          |            |             |          |
| TOTAL DIRECT CHGS.                  |           |           |          |            |             |          |
| SUPERVISION                         |           |           |          |            |             |          |
| INDUSTRIAL RELATIONS                |           |           |          |            |             |          |
| FACTORY CHIEFS                      |           |           |          |            |             |          |
| INDUSTRIAL ENGINEERING              |           |           |          |            |             |          |
| DEPRECIATION                        |           |           |          |            |             |          |
| PE & C DIRECT                       |           |           |          |            |             |          |
| FLOOR SPACE                         |           |           |          |            |             |          |
| PROJECT COST                        |           |           |          |            |             |          |
| OTHER DIRECT                        |           |           |          |            |             |          |
| TOTAL MFG O/H                       |           |           |          |            |             |          |
| SUB-TOTAL                           |           |           |          |            |             |          |
| PLANT OVERHEAD                      |           |           |          |            |             |          |
| UNADJUSTED FACTORY COST             |           |           |          |            |             |          |
| FACTORY COST (ADJ. FOR COST RED)    | \$145.73  | \$169.45  | \$154.29 | 22,420     | 17,479      | \$161.05 |
| SELLING & ADMINISTRATIVE            | 14.91     | 18.24     | 16.72    | 2,378      | 939         | 17.08    |
| TECHNICAL                           | 2.74      | 3.36      | 3.08     | 438        | 156         | 3.14     |
| DISTRIBUTION                        | 3.73      | 4.56      | 4.18     | 594        | 375         | 4.27     |
| COST BEFORE ADMIN. EXP              | 167.11    | 195.61    | 178.27   |            | 18,949      |          |
| TOTAL COST                          | \$168.36  | \$197.52  | \$180.07 | 26,064     | 19,479      | \$187.23 |
| EARNING BEFORE ADMIN. EXP           | 29.13     | 44.38     | 41.79    |            | 12,336      |          |
| less: ADMIN EXP                     | 1.25      | 1.91      | 1.80     | 234        | 530         | 1.69     |
| PRETAX EARNINGS                     | \$27.88   | \$42.47   | \$39.99  | 5,221      | 11,806      | 37.51    |
| less: TAX                           |           |           |          |            |             |          |
| plus: AMORTIZED ITC                 |           |           |          |            |             |          |
| NET EARNINGS                        |           |           |          |            |             |          |
| PRETAX MARGIN<br>(% OF NET SELLING) | 14.2 %    | 17.7 %    | 18.2 %   |            |             | 16.7 %   |

ALTERNATIVE III

M/700 LINE A-TER WITH BOLT LATCH

WITHOUT PRICE ADJUSTMENT

SLING & SWIVELS DELETED FROM BDL GRADE

T20  
10/25/80

|                                     | M/700 ADL | M/700 BDL | M/700    | LINE AFTER (M8's) |             | WEIGHTED |
|-------------------------------------|-----------|-----------|----------|-------------------|-------------|----------|
|                                     |           |           | CLASSIC  | BOOK              | INCREMENTAL | AVE      |
| QUANTITY                            | 46,636    | 88,398    | 4,176    | 139,210           | 139,210     | 139,210  |
| RETAIL SELLING PRICE                | \$358.14  | \$439.72  | \$402.55 | 57,254            |             | \$411.28 |
| NET SELLING PRICE                   | \$192.05  | \$235.80  | \$215.87 | 30,702            | 30,702      | \$220.55 |
| STANDARD MATERIAL                   | \$31.89   | \$33.65   | \$33.42  | 4,601             | 4,601       |          |
| MATERIAL VARIANCE                   | 3.88      | 4.16      | 4.13     | 566               | 566         |          |
| STANDARD LABOR                      | 23.00     | 25.81     | 24.20    | 3,456             | 3,456       |          |
| LABOR VARIANCE                      | 13.52     | 15.37     | 13.46    | 2,046             | 2,046       |          |
| DIRECT EXPENSE                      | 22.74     | 25.89     | 25.54    |                   |             |          |
| GAS & POWER                         | 2.30      | 2.58      | 2.42     |                   |             |          |
| INDUSTRIAL RELATIONS                | 17.49     | 19.72     | 18.04    |                   |             |          |
| GRATIS REPAIRS                      | .87       | .93       | .87      |                   |             |          |
| TOTAL DIRECT CHGS.                  | 43.40     | 49.12     | 46.87    | 6,562             | 6,562       |          |
| SUPERVISION                         | 2.22      | 2.48      | 2.36     |                   |             |          |
| INDUSTRIAL RELATIONS                | 1.06      | 1.18      | 1.12     |                   |             |          |
| FACTORY CLERKS                      | .28       | .31       | .30      |                   |             |          |
| INDUSTRIAL ENGINEERING              | .31       | .34       | .33      |                   |             |          |
| DEPRECIATION                        | 3.29      | 3.71      | 3.48     |                   | 18          |          |
| PE & C DIRECT                       | .21       | .23       | .22      |                   |             |          |
| FLOOR SPACE                         | 2.41      | 2.69      | 2.55     |                   |             |          |
| PROJECT COST                        | .93       | 1.04      | .98      |                   |             |          |
| OTHER DIRECT                        | .29       | .32       | .30      |                   |             |          |
| TOTAL MFG O/H                       | 11.00     | 12.30     | 11.64    | 1,649             | 18          |          |
| SUB-TOTAL                           | 126.69    | 140.41    | 133.72   | 18,880            | 17,249      |          |
| PLANT OVERHEAD                      | 22.32     | 24.56     | 24.05    | 3,312             | -           |          |
| UNADJUSTED FACTORY COST             | 149.01    | 164.97    | 157.77   | 22,192            | 17,249      |          |
| FACTORY COST (ADJ. FOR COST RED)    | 145.73    | 161.33    | 154.29   | 21,702            | 16,868      | 155.89   |
| SELLING & ADMINISTRATIVE            | 14.60     | 17.92     | 16.41    | 2,334             | 921         | 16.76    |
| TECHNICAL                           | 2.69      | 3.30      | 3.02     | 430               | 154         | 3.09     |
| DISTRIBUTION                        | 3.65      | 4.48      | 4.10     | 583               | 368         | 4.19     |
| COST BEFORE ADMIN. EXP              | 166.67    | 187.03    | 177.82   |                   | 18,311      |          |
| TOTAL COST                          | \$167.76  | \$189.13  | \$179.46 | 25,292            | 18,844      | \$181.68 |
| EARNING BEFORE ADMIN. EXP           | 25.38     | 48.77     | 38.05    |                   | 12,391      |          |
| Less: ADMIN. EXP                    | 1.09      | 2.10      | 1.64     | 243               | 533         | 1.75     |
| PRETAX EARNINGS                     | \$24.29   | \$46.67   | \$36.41  | 5,410             | 11,858      | \$38.87  |
| Less: TAX                           |           |           |          |                   |             |          |
| plus: AMORTIZED ITC                 |           |           |          |                   |             |          |
| NET EARNINGS                        |           |           |          |                   |             |          |
| PRETAX MARGIN<br>(% OF NET SELLING) | 12.6%     | 19.8%     | 16.9%    |                   |             | 17.6%    |