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December 7, 1981

G.D. Campbell

Bolt Action Carbine

Estimated economic results have been developed for the proposed Bolt Action Carbine in both the first (1983) and third (1985) years of operation. These results are based on prices and volumes supplied by Marketing, and the "Present Operation" for each year was taken from the appropriate Accounting forecast.

Estimated first year results show net earnings of \$410M and a 7.0% net return on investment (full allocation basis) based on a Bolt Action Carbine volume of 28,500 units. First year incremental results are \$1,270 net earnings and a 23.9% net return on investment.

Estimated third year full allocation results based on a volume of 34,700 units are \$740M net earnings and a 10.5% net return on investment. Third year incremental results are \$1,770M net earnings and a 27.0% net return on investment.

J.C. Hutton, Superintendent Industrial Engineering Section

TRAndrews/kc Attached

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