

Bridgeport, Connecticut
April 23, 1956

TO: P. H. BURDETT (30)

FROM: N. F. LARSEN

SUBJECT: ESTIMATED SALES, EARNINGS AND RETURN ON INVESTMENT
M/760 CENTER FIRE RIFLE - 308 CALIBER

Following is a schedule showing estimated sales, earnings and return on investment on the M/760 center fire rifle in 308 caliber:

	<u>First Year</u>	<u>Average Year</u>
Quantity	5,000	3,500
Retail selling price	\$ 107.70	\$ 107.70
Net selling price	\$ 58.25	\$ 58.25
Net sales	\$291,250	\$203,875
Operative earnings	\$ 80,874	\$ 58,890
Operative earnings as % of sales	27.8%	28.8%
Net earnings	<u>\$ 37,202</u>	<u>\$ 26,995</u>
<u>Investment</u>		
Expenditure	\$ 4,830	\$ 4,830
Working capital	87,500	61,200
Total capital required	<u>\$ 92,130</u>	<u>\$ 65,830</u>
Less: Charges to Operations	3,530	3,530
Total investment	<u>\$ 88,600</u>	<u>\$ 62,300</u>
<u>Return on Investment</u>		
Total capital required	40.4%	41.0%
Total investment	42.0%	43.3%

Costs are based on Forecast No. 2 - 1956. Included in the first year's cost is vendor tooling in the amount of \$2,970. It is estimated that production cost of this model in 308 caliber will be 9¢ higher than in the 30/06 caliber.

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