

Bridgeport, Connecticut
April 25, 1958

TO: P. H. BURDETT (30)
FROM: N. F. LARSEN
SUBJECT: SALES AND OPERATIVE EARNINGS - MODEL 524T

Following is a tabulation showing sales and operative earnings for the M/524T based on selling price and volumes furnished by the Sales Department:

	First Year			Normal Year		
	Each	Amount	%	Each	Amount	%
Quantity		3,500			3,000	
Retail price	\$ 49.95*			\$ 49.95		
Net selling price	28.81	\$100,835	100.0%	28.81	\$ 86,430	100.0%
Factory cost	26.93	94,255	93.5	26.93	80,790	93.5
Research	.72	2,520	2.5	.72	2,181	2.5
Total mill cost	<u>27.65</u>	<u>96,775</u>	<u>96.0</u>	<u>27.65</u>	<u>82,971</u>	<u>96.0</u>
Factory profit	1.16	4,060	4.0	1.16	3,479	4.0
Selling & admin.	2.88	10,084	10.0	2.88	8,643	10.0
Operative earnings	\$ (1.72)	\$ (6,024)	(6.0)%	\$ (1.72)	\$ (5,164)	(6.0)%

For purposes of comparison, sales and operative earnings on the M/521T and M/513T are shown below:

	M/521T			M/513T		
	Each	Amount	%	Each	Amount	%
Quantity		800			900	
Retail price	\$ 40.85*			\$ 72.30**		
Net selling price	23.56	\$ 18,848	100.0%	39.10	\$ 35,190	100.0%
Factory cost	23.75	19,000	100.8	34.35	30,915	87.9
Research	.58	471	2.5	.98	880	2.5
Total mill cost	<u>24.34</u>	<u>19,471</u>	<u>103.3</u>	<u>35.33</u>	<u>31,795</u>	<u>90.4</u>
Factory profit	(.78)	(623)	(3.3)	3.77	3,395	9.6
Selling & admin.	2.36	1,885	10.0	3.91	3,519	10.0
Operative earnings	\$ (3.14)	\$ (2,508)	(13.3)%	\$ (.14)	\$ (124)	(0.4)%

*Subject to trade discounts of 20%-17 1/2%.

** " " " " " 25%-17 1/2%.

N. F. Larsen
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NFL:dmg

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