

REMINGTON ARMS COMPANY, INC.

ESTIMATED SALES, EARNINGS AND RETURN ON INVESTMENT
M/760 - 222 CALIBER

	First Year			Average Year		
	<u>A</u>	<u>ADL</u>	<u>Total</u>	<u>A</u>	<u>ADL</u>	<u>Total</u>
Quantity	3,750	1,250	5,000	2,625	875	3,500
Retail selling price	\$ 107.70	\$ 123.75		\$ 107.70	\$ 123.75	
Net selling price	58.25	66.93		58.25	66.93	
Sales	\$218,437	\$ 83,662	\$302,099	\$152,906	\$ 58,564	\$211,470
Operative earnings	38,157*	18,722*	56,879*	43,335	18,738	62,073
Operative earnings as % of sales	17.5%	22.4%	18.8%	28.3%	32.0%	29.4%
Net earnings			\$ 26,164			\$ 28,553
<u>Investment</u>						
Expenditure			\$ 20,300			\$ 20,300
Working capital			83,000			64,000
Total capital required			\$113,300			\$ 84,300
Less: Charges to operations			11,170			11,170
Total investment			\$102,130			\$ 73,130
<u>Return on Investment</u>						
Total capital required			23.1%			33.9%
Total investment			25.6%			39.0%
*Vendor tooling included in first year's cost	\$ 19,400	\$ 6,470	\$ 25,870			

NFL:dmg
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