

REMINGTON ARMS COMPANY, INC.

PROPOSED M/725 & MODIFIED M/721-722
VS. PRESENT M/721-722

INCREASE IN SALES, EARNINGS & RETURN ON INVESTMENT

	<u>Out-of-Pocket Basis</u>
Quantity	15,000
Sales	\$1,073,320
Mill Cost	589,790
Factory Profit	483,530
Selling & Administrative	25,000
Operative Earnings	458,530
Loss: All Other Expense @ 8%	<u>36,680</u>
Earnings Before Federal Taxes on Income	421,850
Less: Federal Taxes on Income @ 50%	<u>210,925</u>
Net Earnings	<u>\$ 210,925</u>
Expenditure	\$264,800
Working Capital	<u>361,200</u>
Total Capital	626,000
Less: Operations Charges	<u>133,000</u>
Total Investment	\$493,000
<u>Return on Investment</u>	
Total Capital	33.7%
Total Investment after Completion	42.8%

12-11-56