REMINGTON ARMS COMPANY, INC.
Ilion Works
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SALES, EARNINGS & RETURN ON INVESTMENT
PROPOSED M/725 (STEEL) & MODIFIED M/721-722
VS. PRESENT M/721-722

	BOOK BASIS			
	Present Line		Proposed Line	
	Amount	% of Sales	Amount	% of Sales
Quantity	20,000		35,000	
Sales	$ 967,080	100.0	$2,040,400	100.0
Mill Cost	675,090	69.8	1,465,320	71.8
Factory Profit	291,990	30.2	575,080	28.2
Selling & Administrative	96,710	10.0	204,040	10.0
Operative Earnings	195,280	20.2	371,040	18.2
Less: All Other Expense @ 8%	15,620		29,680	
Earnings Before Federal Taxes on Income	179,660		341,360	
Less: Federal Taxes on Income @ 50%	89,830		170,680	
Net Earnings	$ 89,830		$ 170,680	
Investment				
Fixed Investment	$ 778,600		$1,347,760	
Working Capital	428,060		904,380	
Total	$1,206,660		$2,252,140	
Return on Investment	7.4%		7.6%	
Turnover	80%		91%	

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OPERATIVE EARNINGS

		Quantity	Net Selling Price	Operative Earnings $	Operative Earnings %
PRESENT	M/721	8,400	$ 417,910	$ 95,600	22.9
	M/722	11,600	549,170	99,680	18.2
	Total	20,000	967,080	195,280	20.2
PROPOSED	Modified M/721	8,400	414,200	73,550	17.7
	Modified M/722	11,600	572,000	90,000	15.7
	Sub-Total	20,000	986,200	163,550	16.5
	M/725	15,000	1,054,200	207,490	19.7
	Total	35,000	$2,040,400	$371,040	18.1

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83

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