

September 18, 1957

TO: P. H. BURDETT (30)
FROM: N. F. LARSEN
SUBJECT: SALES, EARNINGS AND RETURN ON INVESTMENT
MODEL 760 CENTER FIRE RIFLE - 280 CALIBER

Attached are schedules showing the estimated increase in sales and operative earnings resulting from the introduction of the Model 760 in 280 caliber. The following is a summary of the increase in sales, earnings and return on investment:

	<u>Net Increase</u>	
	<u>First Year</u>	<u>Average Year</u>
Quantity	4,000	12,000
Sales	\$248,280	\$121,640
Operative earnings	81,155	40,595
Net earnings	37,330	18,670
<u>Investment</u>		
Expenditure required	\$ 3,200	\$ 3,200
Working capital	128,700	64,600
Total capital required	\$131,900	\$ 67,800
Less - Portion of expenditure chargeable to operations	<u>3,200</u>	<u>3,200</u>
Total investment	\$128,700	\$ 64,600
<u>Return on Investment</u>		
Total capital required	28.3%	27.5%
Total investment	29.0%	28.9%

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Attach.

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