

CONFIDENTIAL

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REMINGTON ARMS COMPANY, INC.

MODEL 878 AUTOLOADER EVALUATION
ESTIMATED EARNINGS AND RETURN ON INVESTMENT

	Third Year - 1961		
	Present Shotgun Line	Proposed Shotgun Line with M/878 Autoloader	Result from this Project
Forecast quantity	110,000	145,000	35,000
Sales	\$8,692,300	\$8,352,700	\$1,660,400
Operative earnings	2,312,700	3,093,870	781,170
Net earnings	1,021,280	1,366,250	344,970
Project expenditures	-	77,600	77,600
Investment in Production & Service facilities	4,500,000	4,500,000	-
Working capital	2,606,840	3,223,270	616,430
Total capital required	7,106,840	7,800,870	694,030
Less: Investment to be retired and portion of this project to be charged to operations (including development) or depreciation	-	73,800	73,800
Total investment after completion of this project	\$7,106,840	\$7,727,070	\$ 620,230
<u>RETURN ON INVESTMENT</u>			
Total capital required (including development)	-	17.5%	49.7%
Total investment after completion of this project	14.4%	17.7%	55.6%