

CALIBER .223 REMINGTON
INTRODUCTION IN MODEL 700 vs MODEL 760

SELLING PRICES AND OPERATIVE EARNINGS BASED ON FULL BOOK COSTS

<u>Present Plan</u>	<u>M/700-.223 Rem. Replaces .222 Rem. Mag.</u>	
Retail Selling Price		\$114.95
Net Selling Price		61.94
Annual Volume		1350
Cost of Goods	\$	58.11
Operative Earnings	\$	3.83
% of Net Selling		6.2%
<u>Proposed Alternatives</u>	<u>M/700-.222 Rem. Mag.</u>	<u>M/760A .223 Rem.</u>
Retail Selling Price	\$114.95	\$124.95
Net Selling Price	61.94	67.32
Annual Volume	1500	300
Cost of Goods	\$ 58.11	\$ 48.54
Operative Earnings	\$ 3.83	\$ 18.68
% of Net Selling	6.2%	27.7%

SALES, EARNINGS AND ESTIMATED PROJECT COSTS BASED ON CASH COST

	<u>M/700</u> <u>.223 Rem</u>	<u>M/700-.222 Rem. Mag.</u> <u>M/760A-.223 Rem.</u>	<u>Difference</u>
Estimated Annual Volume	1350	1800	450
Net Sales	\$84000	\$113000	\$29000
Cost of Sales	49000	63000	14000
Operative Earnings	\$35000	\$ 50000	\$15000
Net Earnings			\$ 6500
Investment			
Permanent Investment			0
Working Capital			\$11000
Total Capital Required			\$11000
% Return on Total Capital Required			59%
Operations Charges Development and Tooling			\$12000
Payout Period			
Operations Charges			10
Permanent Investment			0
Write-Off			
Permanent Investment			0
Tooling			0