

**INTRODUCTION M/4OX-B TO REPLACE M/4OX IN 1964
SELLING PRICES AND OPERATIVE EARNINGS BASED ON FULL BOOK COSTS**

<u>Present Line</u>	<u>4OX-S2</u>	<u>4OXS-1</u>	<u>4OXH-2</u>	<u>4OXH-1</u>
Retail Selling Price	\$139.75	\$170.35	\$139.75	\$170.35
Net Selling Price	\$ 87.90	\$107.00	\$ 87.90	\$107.00
Annual Volume	80	110	200	110
Cost of Goods	\$ 87.40	\$111.16	\$ 87.14	\$110.87
Operative Earnings	\$.50	(\$ 4.16)	\$.76	(\$ 3.87)
% of Net Selling	.6%	(3.9%)	.9%	(3.6%)
<u>Proposed Line</u>	<u>4OX-B52</u>	<u>4OX-B5-1</u>	<u>4OX-BH-2</u>	<u>4OX-BH-1</u>
Retail Selling Price*	\$155.00	\$185.60	\$155.00	\$185.60
Net Selling Price	\$ 97.50	\$116.56	\$ 97.50	\$116.56
Annual Volume	80	110	200	110
Cost of Goods	\$ 92.71	\$116.47	\$ 92.45	\$116.18
Operative Earnings	\$ 4.79	\$.09	\$ 5.05	\$.38
% of Net Selling	4.9%	.01%	5.2%	.03%

SALES AND EARNINGS BASED ON CASH COST

	<u>4OX</u> <u>500</u>	<u>4OX-B</u> <u>500</u>	<u>Difference</u>
Annual Volume 1964			
Net Sales	\$ 48200	\$ 52900	\$ 4700
Cost of Sales	\$ 31000	\$ 32500	\$ 1500
Operative Earnings	\$ 17200	\$ 20400	\$ 3200
Net Earnings			\$ 1400
Investment			
Working Capital			\$ 1200
Total Capital Required			\$ 1200
% Return on Total Capital Required			117%
Operations Charges			
Obsolete Parts and Conversion Costs			\$ 1300
Payout Period			
Operations Charges			5 Mo.

* Secretary's estimate on S-1, H-2 and H-1 Grades.