

FINISHES - contd.

will provide equipment for the Models 1100 and 870 shotguns. The expected total expenditure is \$355,500 (\$269,400 capital). The estimated added product cost is being developed.

Committee Action

Samples of bright and colored components together with guns having the present and proposed finish are to be submitted along with the project.

PELLET RIFLES

The Director of Development stated that the final report on pellet rifles will be issued by the end of October. The report will recommend that Remington enter the pellet rifle field either through acquisition of an existing company or introduction of Remington designed rifles.

TELESCOPES AND MOUNTS

After a visit to Leupold and Stevens Optical Company, R & D developed the following high spot economics for Remington to market scopes.

Scope Project Estimates  
Retail \$59.50      Net \$29.75  
Lot Size 5000; 4X Units

<u>Unit</u>	<u>Leupold</u>	<u>Remington</u>	<u>Import</u>
Factory Cost	\$ 23.95	\$ 18.25	\$ 16.99
Selling - R & D	4.17	4.17	4.17
Total Cost	\$ 28.12	\$ 22.42	\$ 21.16
Op. Earnings	\$ 1.63	\$ 7.33	\$ 8.59
% Net Selling	5.5%	24.6%	28.8%