

Bridgeport, Connecticut
April 12, 1966

TO: H. M. STOESSEL
FROM: N. F. LARSEN
SUBJECT: ECONOMICS - 5mm LINE

Attached are schedules showing economics on the 5mm rim fire line, both cartridges and rifles, for the first and third years on incremental and full book cost bases.

Schedule A shows current estimates of sales, earnings and return on investment (incremental basis). Project figures for rifles are included for information. It is noted that current estimates of rifle earnings and return are less than forecast in the project --

First Year - \$19,730 and 13.7% vs. \$26,125 and 19.0%
Third Year - \$25,521 and 18.2% vs. \$27,990 and 20.4%

Schedule B shows current estimates of selling prices and operative earnings (full book cost basis) and also project estimates for rifles. It is noted that current estimates for factory costs of rifles are higher than contemplated in the project, with resulting lower operative earnings as percent of selling price.

N. F. Larsen
N. F. Larsen

NFL:dmg
Attach.

WIL01239