

PRELIMINARY HIGH SPOT ESTIMATE OF THE PRODUCT COSTS  
FOR THE PROPOSED MODEL 744 AUTOLOADING CENTER FIRE RIFLE  
(VOLUME BASED ON THIRD YEAR--1973)

|                               | <u>BEFORE LINE</u> |                  | <u>AFTER LINE</u> |                  |
|-------------------------------|--------------------|------------------|-------------------|------------------|
|                               | <u>M/742 Req.</u>  | <u>M/742 BDL</u> | <u>M/744 Req.</u> | <u>M/742 BDL</u> |
| VOLUME (1973)                 | 40,000             | 10,000           | 51,200            | 12,800           |
| RETAIL PRICE                  | \$ 164.95          | \$ 184.95        | \$ 169.95         | \$ 189.95        |
| NET SELLING                   | \$ 88.13           | \$ 98.80         | \$ 90.82          | \$ 101.49        |
| FACTORY COST                  | \$ 51.64           | \$ 55.37         | \$ 52.97          | \$ 56.68         |
| SELLING, ADMIN.<br>& RESEARCH | \$ 9.61            | \$ 10.77         | \$ 9.90           | \$ 11.06         |
| TOTAL COST                    | \$ 61.25           | \$ 66.14         | \$ 62.87          | \$ 67.74         |
| OPERATIVE EARNINGS            | \$ 26.88           | \$ 32.65         | \$ 27.95          | \$ 33.75         |
| % OF NET SALES                | 30.5%              | 33.1%            | 30.8%             | 33.3%            |

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