

PROPOSED MODEL 870, 20 GAUGE LIGHTWEIGHT SHOTGUN  
ESTIMATED COSTS - THIRD YEAR 1974

PROPOSED LINE COSTS INCLUDE STANDARD MACHINING  
OF RECEIVERS AND PRESS FORM STOCK  
(FUNDS FOR STOCK TO BE AUTHORIZED PRIOR TO 1974)

## FULL FACTORY COST

	PRESENT LINE MODEL 870, 20 GA. REGULAR		PROPOSED LINE MODEL 870, 20 GA. LIGHTWEIGHT	
	Plain	Rib	Plain	Rib
RETAIL PRICE	\$119.95	\$144.95	\$129.95	\$154.95
NET SELLING	\$ 64.17	\$ 77.54	\$ 69.52	\$ 82.89
FACTORY COST	\$ 40.52	\$ 46.20	\$ 43.07	\$ 48.41
SELLING, ADM. & R&D	\$ 8.48	\$ 10.24	\$ 9.18	\$ 10.96
TOTAL COST	\$ 49.00	\$ 56.44	\$ 52.25	\$ 59.35
OPERATIVE EARNINGS	\$ 15.17	\$ 21.10	\$ 17.27	\$ 23.54
% OF NET SALES	23.6%	27.2%	24.8%	28.4%

	PROPOSED LINE MODEL 870, 20 GA. LIGHTWEIGHT - MAGNUM	
	Plain	Rib
RETAIL PRICE	\$144.95	\$169.95
NET SELLING	\$ 77.54	\$ 90.91
FACTORY COST	\$ 45.99	\$ 51.34
SELLING, ADM. & R&D	\$ 10.24	\$ 12.00
TOTAL COST	\$ 56.23	\$ 63.34
OPERATIVE EARNINGS	\$ 21.31	\$ 27.57
% OF NET SALES	27.5%	30.3%

VGD:I

EXHIBIT 1