

PROPOSED MODEL 870 "ALL AMERICAN" 12 GAUGE TRAP SHOTGUN

ESTIMATED COSTS AND ECONOMICS(BASED ON ESTIMATE TO USE THE PROPOSED
NORTH AMERICAN ROCKWELL CARRYING CASE)FULL FACTORY COST

	<u>MODEL 870 "ALL AMERICAN"</u>	
	<u>PROJECT RI-1030</u>	<u>REVISED 6/3/71</u>
VOLUME	1800	1800
RETAIL PRICE	\$550.00	\$550.00
NET SELLING	\$294.11	\$293.19
FACTORY COST	\$129.39	\$134.17
SELLING, ADMIN. & RESEARCH	\$ 38.82	\$ 35.18
TOTAL COST	\$168.21	\$169.35
OPERATIVE EARNINGS	\$125.90	\$123.84
% OF NET SELLING	42.8%	42.2%

CASH RESULTS

	1800	1800
VOLUME (ADDED BUSINESS)		
NET SELLING	\$529,400	\$527,740
FACTORY COST	\$216,150	\$226,610
OPERATIVE EARNINGS	\$313,250	\$301,130
LESS 5.0% & 48%	\$158,500	\$152,370
NET EARNINGS	\$154,750	\$148,760
<u>INVESTMENT</u>		
CONSTRUCTION THIS PROJECT	\$ 30,500	\$ 30,500
CONSTRUCTION R&D PROJECTS		
TI-116-2 & 117-2	\$134,000	\$134,000
WORKING CAPITAL	\$257,700	\$291,100
TOTAL	\$426,500	\$455,600
RETURN ON INVESTMENT	36.7%	32.7%
RETURN ON TOTAL EXPENDITURES	23.7%	21.5%

PROJECT EXPENDITURES

	<u>R&D TI-116</u>		
	<u>& TI-117</u>	<u>P E & C</u>	<u>TOTAL</u>
DEVELOPMENT	\$148,800	\$ 6,600	\$155,400
CONSTRUCTION	\$134,000	\$ 30,500	\$164,500
OPERATIONS	\$ 96,200	\$ 77,900	\$174,100
	\$379,000	\$115,000	\$494,000

JHS:I
6/7/71