

PROPOSED MODEL 870 "ALL AMERICAN" 12 GAUGE TRAP SHOTGUN  
ESTIMATED COSTS AND ECONOMICS

PROJECT RI-1030 COMPARED TO CURRENT CONDITIONS AND USING  
 PROTECTO CASE; THEN COMPARED ASSUMING NO ADDITIONAL BUSINESS

FULL FACTORY COST

VOLUME	MODEL 870 "ALL AMERICAN"		
	PROJECT RI-1030	WITH PROTECTO	WITH PROTECTO
	1800	1800	1800
RETAIL PRICE	\$550.00	\$550.00	\$550.00
NET SELLING	\$294.11	\$293.19	\$293.19
FACTORY COST	\$129.39	\$130.52	\$130.52
SELLING, ADMIN. & RESEARCH	\$ 38.82	\$ 35.18	\$ 35.18
TOTAL COST	\$168.21	\$165.70	\$165.70
OPERATIVE EARNINGS	\$125.90	\$127.49	\$127.49
% OF NET SELLING	42.8%	43.5%	43.5%

CASH RESULTS

VOLUME (ADDED BUSINESS)	1800	1800	None (1)
NET SELLING	\$529,400	\$527,740	\$397,610
FACTORY COST	\$216,150	\$221,250	\$159,620
OPERATIVE EARNINGS	\$313,250	\$306,490	\$237,990
LESS 5.0% & 48%	\$158,500	\$155,080	\$120,420
NET EARNINGS	\$154,750	\$151,410	\$117,570
<u>INVESTMENT</u>			
CONSTRUCTION THIS PROJECT	\$ 30,500	\$ 30,500	\$ 30,500
CONSTRUCTION R&D PROJECTS			
TI-116-2 & 117-2	\$134,000	\$134,000	\$134,000
WORKING CAPITAL	\$257,700	\$287,200	\$213,800
TOTAL	\$422,200	\$451,700	\$378,300
RETURN ON INVESTMENT	36.7%	33.5%	31.1%
RETURN ON TOTAL EXPENDITURES	23.7%	22.5%	19.3%

PROJECT EXPENDITURES

	R&D TI-116 & TI-117	P E & C	PROJECT TOTAL	REVISED TOTAL
DEVELOPMENT	\$148,800	\$ 6,600	\$155,400	\$155,400
CONSTRUCTION	\$134,000	\$ 30,500	\$164,500	\$164,500
OPERATIONS	\$ 96,200	\$ 77,900	\$174,100	\$159,100 (2)
	\$379,000	\$115,000	\$494,000	\$479,000

(1) Lose 1800 Field Grade Guns - 40% Vent Rib.

(2) \$15,000 North American Rockwell Tooling Deleted.

JHS:I  
 7/12/71

EXHIBIT 1