

AUTOLOADING TRAP FOR TRAP
ESTIMATED COSTS AND ECONOMICS

VOLUME	<u>FULL FACTORY COSTS</u>		
	<u>FIRST YEAR</u>	<u>SECOND YEAR</u>	<u>THIRD YEAR</u>
	100	150	200
WHOLESALE PRICE	\$1350.00	\$1400.00	\$1450.00
NET SELLING	1313.82	1362.48	1411.14
FACTORY COST	1182.29	1171.66	1086.45
SELLING & ADMINISTRATION	123.50	128.07	132.65
RESEARCH	-	-	-
TOTAL COST	\$1305.79	\$1299.73	\$1219.10
OPERATIVE EARNINGS	\$ 8.03	\$ 62.75	\$ 192.04
% OF NET SELLING	0.6%	4.6%	13.6%

<u>CASH RESULTS</u>			
NET SELLING	\$131,380	\$204,370	\$282,230
FACTORY COST	123,250	179,710	221,480
OPERATIVE EARNINGS	\$ 8,130	\$ 24,660	\$ 60,750
LESS 5.0% & 48.0%	4,110	12,480	30,740
NET EARNINGS	\$ 4,020	\$ 12,180	\$ 30,010
<u>INVESTMENT</u>			
WORKING CAPITAL	\$ 93,000	\$139,400	\$177,200
RETURN ON INVESTMENT	4.3%	8.7%	16.9%
RETURN ON TOTAL EXPENDITURES	(.9%)	3.2%	10.0%
<u>PROJECT EXPENDITURES</u>			
DEVELOPMENT	\$120,000	\$120,000	\$120,000
OPERATIONS	12,000	12,000	12,000
TOTAL	\$132,000	\$132,000	\$132,000

Subsequent to the December Operations Committee, these economics were revised: (1) to include, in the Cash Results, the cost of additional Field Service personnel for this product and (2) to reduce working Capital as indicated by further review of the job to be done at Ilion.

JHS:I
1/11/72

EXHIBIT 2