

MODEL 540X & 540X-JR RIM FIRE "POSITION"
TARGET RIFLES

ESTIMATED COSTS AND ECONOMICS

	<u>FULL FACTORY COST</u>	
	<u>PRESENT</u>	<u>PROPOSED</u>
VOLUME	1000	2000
RETAIL PRICE W/O SIGHTS	\$104.95	\$125.00
NET SELLING	\$ 61.26	\$ 72.96
FACTORY COST	\$ 51.95	\$ 55.16
SELLING, ADMIN. & RESEARCH	\$ 7.17	\$ 8.54
TOTAL COST	\$ 59.12	\$ 63.70
OPERATIVE EARNINGS	\$ 2.14	\$ 9.26
% OF NET SELLING	3.5%	12.7%

	<u>CASH RESULTS</u>
VOLUME (ADDED BUSINESS)	1000
NET SELLING	\$84,660
FACTORY COST	\$48,860
OPERATIVE EARNINGS	\$35,800
LESS 5.0% & 48%	\$18,120
NET EARNINGS	\$17,680

INVESTMENT

WORKING CAPITAL	\$46,000
RETURN ON INVESTMENT	38.4%
RETURN ON TOTAL EXPENDITURES	
(AMORTIZE R & D AND OPERATION	
CHARGES OVER 5 YEARS)	21.0%

PROJECT EXPENDITURES

OPERATIONS	\$38,500
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JHSweeney:I
3/21/73

EXHIBIT 5