

580 Series - Combining models in this series average price is up 37%; average cost up 28%. (Operative margin (2.4% in 1974 vs. (9.2% in 1968)

Mohawk 10C Nylon promotional gun - doing well compared to most promotional items showing a factory profit of 27.8% and an operative margin on sales of 18.1%.

#### Center Fire Rifles

Selecting major center fire rifles for comparison in the two periods can be readily done, since there has been relatively little change in product line content.

Model 700 - average price up 26%; average cost up 4%. (Operative margin 21.2% in 1974 vs. 30.0% in 1968) Disproportionately high cost for the Model 700 can be attributed principally to delays in obtaining N/C checking machines for BDL grade guns. The plant calculates that it is operating at a cost penalty of approximately \$10 per gun or \$40M a month.

Model 742 - average price up 22%; average cost up 21%. (Operative margin 35.9% in 1974 vs. 34.5% in 1968)

Model 760 - average price up 22%; average cost up 21%. (Operative margin 24.8% in 1974 vs. 35.4% in 1968)

Model 788 - average price up 38%; average cost up only 8%, showing improvement in margin from a loss of 8.4% in 1968 to earnings of 12.4% of sales in 1974.

#### Barrels

In 1968, barrel sales were combined with parts and repairs and the detail is not available. Barrels are a highly profitable item and the operative margin to date at September 1974 was 48.5%, off somewhat from the margin of 52.1% at the same time last year. Compared with 1973, average price was down 12% and average cost up 3%. However, if the 9,854 give-away barrels at September 30, 1974 were included in sales value (zero for give-aways) and in cost, 1974 results would show a significantly lower margin on lower sales than in 1973. The average price at September 30 would be down 24%, the average cost up 5% and the margin off from 52.1% in 1973 to 37.6% in 1974. It should be noted that we have not had a price increase on barrels since January 1971.

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