For reference in reviewing the following comparisons, during the period January 1, 1969 to September 30, 1974, the Consumer Price Index has risen at the rate of approximately 6% per year for a total increase of approximately 40%.

<u>Shotshells</u>

Long-range shotshells - one of the two largest line item sources of ammunition income, show an increase of 39% in average price per M from 1968 to September 30, 1974, compared with an increase of 73% in average cost (ex-LIFO) per M in the same period. (Operative margin 9.2% in 1974 vs. 27.9% in 1968)

Field loads - average price up 33%; average cost up 53%. (Operative margin 7.0% in 1974 vs. 20.7% in 1968)

Target loads - average price up 29%; average cost up 68%. (Operative margin (17.5)% in 1974 vs. 8.9% in 1968)

Mohawk long range and field loads - which we did not produce in 1968, showed a 9 months operative loss of $350M at September 30, 1974.

Total shotshells - average price up 34%; average cost up 65%. (Operative margin 3.2% in 1974 vs. 23.2% in 1968)

<u>Rim Fire</u>

Long rifle cartridges - average price up 26%; average cost up 45%. (Operative margin 17.2% in 1974 vs. 28.1% in 1968)

Shorts - average price up 31%; average cost up 43%. (Operative margin 16.2% in 1974 vs. 24.7% in 1968)

Longs - average price up 37%; average cost up 49%. (Operative margin 21.1% in 1974 vs. 29.0% in 1968)

Mohawk rim fire cartridges - again show a small profit at September 30 at the operative level but also reflect a lower margin than regular product. At September 30, Mohawk rim fire cartridges show operative earnings of 8.8% of sales whereas comparable regular product shows operative earnings of 17.2% of sales. The average price of Mohawk long rifle cartridges at September 30 was only 27% over average factory cost. Regular product average price was 42% over average factory cost. To yield a minimum of 20% operative earnings from sales, a mark-up of 45% on factory cost is needed.

Total rim fire - average price up 28%; average cost up 50%. (Operative margin 13.5% in 1974 vs. 27.2% in 1968)