REMINGTON ARMS COMPANY, INC. - ILION WORKS

COMPARISON OF PRESENT AND PROPOSED BOLT ACTION CENTER FIRE RIFLE LINES
BOOK OPERATIVE EARNINGS

PRESENT

	Quantity	Retail Price	Net Selling Price	Operative Earnings $	Operative Earnings %
30-06					
M/721A	5,175	$91.20	$49.31	11.17	22.7
270					
M/721A	2,625	91.20	49.31	11.22	22.8
280					
M/721A	-	-	-	-	-
300 H&H Magnum					
M/721A	600	102.60	55.49	13.90	25.0
222					
M/722A	5,500	85.95	46.48	7.38	15.9
257					
M/722A	1,600	85.95	46.48	8.19	17.6
244					
M/722A	2,500	93.35	50.48	11.47	22.7
308					
M/722A	2,000	85.95	46.48	8.65	18.6

PROPOSED (Third Year)

	Quantity	Retail Price	Net Selling Price	Operative Earnings $	Operative Earnings %
30-06					
M/721A	5,500	$91.20	$49.31	8.68	17.6
M/725	3,475	129.95	70.28	17.12	24.4
270					
M/721A	2,900	91.20	49.31	8.74	17.7
M/725	1,800	129.95	70.28	17.12	24[illegible]
280					
M/721A	-	-	-	-	-
M/725	1,800	129.95	70.28	16.73	23.8
300 H&H Magnum					
M/721A	-	-	-	-	-
M/725	925	129.95	70.28	14.47	20.6
222					
M/722A	5,300	91.20	49.31	7.44	15.1
M/725	3,475	129.95	70.28	15.84	22.5
257					
M/722A	1,800	91.20	49.31	8.24	16.7
M/725	1,145	129.95	70.28	16.65	23.7
244					
M/722A	2,500	91.20	49.31	8.01	16.2
M/725	1,630	129.95	70.28	16.39	23.3
308					
M/722A	2,000	91.20	49.31	7.69	1[illegible]
M/725	750	129.95	70.28	17.09	24.3

TOTAL

		Quantity	Net Selling Price	Operative Earnings $	Operative Earnings %
PRESENT	M/721	8,400	$ 417,910	$ 95,600	22.9
	M/722	11,600	549,170	99,680	18.2
	Total	20,000	967,080	195,280	20.2
PROPOSED	Modified M/721	8,400	414,200	73,380	17.7
	Modified M/722	11,600	572,000	89,630	15.7
	Sub-Total	20,000	986,200	163,010	16.5
	M/725	15,000	1,054,200	247,520	23.5
	Total	35,000	$2,040,400	$410,530	20.1

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REMINGTON ARMS COMPANY, INC.
Ilion Works
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SALES EARNINGS & RETURN ON INVESTMENT
M/721-722 & M/725

	BOOK BASIS			
	Present Line		Proposed Line	
	Amount	% of Sales	Amount	% of Sales
Quantity	20,000		35,000	
Sales	$ 967,080	100.0	$2,040,400	100.0
Mill Cost	675,090	69.8	1,425,830	69.9
Factory Profit	291,990	30.2	614,570	30.1
Selling & Administrative	96,710	10.0	204,040	10.0
Operative Earnings	195,280	20.2	410,530	20.1
Less: All Other Expense @ 8%	15,620		32,840	
Earnings before Federal Taxes on Income	179,660		377,690	
Less: Federal Taxes on Income @ 50%	89,830		188,845	
Net Earnings	$ 89,830		$ 188,845	
Investment				
Fixed Investment	$ 778,600		$1,283,300	
Working Capital	428,060		889,000	
Total	$1,206,660		$2,172,300	
Return on Investment	7.4%		8.7%	
Turnover	80%		94%	

12-11-56

REMINGTON ARMS COMPANY, INC.

PROPOSED M/725 & MODIFIED M/721-722
VS. PRESENT M/721-722

INCREASE IN SALES, EARNINGS & RETURN ON INVESTMENT

	Out-of-Pocket Basis
Quantity	15,000
Sales	$1,073,320
Mill Cost	589,790
Factory Profit	483,530
Selling & Administrative	25,000
Operative Earnings	458,530
Less: All Other Expense @ 8%	36,680
Earnings Before Federal Taxes on Income	421,850
Less: Federal Taxes on Income @ 50%	210,920
Net Earnings	$ 210,930

Expenditure	$264,800
Working Capital	361,200
Total Capital	626,000
Less: Operations Charges	133,000
Total Investment	$493,000

Return on Investment

Total Capital	33.7%
Total Investment after Completion	42.8%

12-11-56

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