REMINGTON ARMS COMPANY, INC.
Ilion Works
-oOo-

SALES, EARNINGS & RETURN ON INVESTMENT
PROPOSED 20,000 OF M/725 (ALUMINUM)
VS. 20,000 OF PRESENT M/721-722

	BOOK BASIS			
	Present Line		Proposed Line	
	Amount	% of Sales	Amount	% of Sales
Quantity	20,000		20,000	
Sales	$ 967,080	100.0	$1,405,670	100.0
Mill Cost	675,090	69.8	946,720	67.4
Factory Profit	291,990	30.2	458,950	32.6
Selling & Administrative	96,710	10.0	140,570	10.0
Operative Earnings	195,280	20.2	318,380	22.6
Less: All Other Expense @ 8%	15,620		25,470	
Earnings Before Federal Taxes on Income	179,660		292,910	
Less: Federal Taxes on Income @ 50%	89,830		146,455	
Net Earnings	$ 89,830		$ 146,455	
Investment				
Fixed Investment	$ 778,600		$1,005,600	
Working Capital	428,060		588,200	
Total	$1,206,660		$1,593,800	
Return on Investment	7.4%		9.2%	
Turnover	80%		88%	

- - - - - - -

OPERATIVE EARNINGS

		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	M/725	20,000	$1,405,670	$318,380	22.6

12-27-56

REMINGTON ARMS COMPANY, INC.

PROPOSED 20,000 OF M/725 (ALUMINUM)
VS. 20,000 OF PRESENT M/721-722

INCREASE IN SALES, EARNINGS & RETURN ON INVESTMENT

	Out-of-Pocket Basis
Quantity	-
Sales	$438,590
Mill Cost	205,890
Factory Profit	232,700
Selling & Administrative	-
Operative Earnings	232,700
Less: All Other Expense @ 8%	18,620
Earnings Before Federal Taxes on Income	214,080
Less: Federal Taxes on Income @ 50%	107,040
Net Earnings	$107,040
Expenditure	$232,100
Working Capital	129,600
Total Capital	361,700
Less: Operations Charges	103,570
Total Investment	$258,130
Return on Investment	
Total Capital	29.6%
Total Investment after Completion	41.5%

12-27-56

REMINGTON ARMS COMPANY, INC.

COMPARISON OF SALES, EARNINGS AND RETURN ON INVESTMENT
SUMMARY

	BOOK BASIS				OUT-OF-POCKET BASIS		
	Present	Proposed Line			Increase		
	Line (M/721-722)	Aluminum (M/721-722 & M/725)	Steel (M/721-722 & M/725)	Aluminum (M/725)	Aluminum (M/721-722 & M/725)	Steel (M/721-722 & M/725)	Aluminum (M/725)
Quantity	20,000	35,000	35,000	20,000	15,000	15,000	-
Sales	$ 967,080	$2,040,400	$2,040,400	$1,405,670	$1,073,320	$1,073,320	$438,590
Operative earnings	$ 195,260	$ 410,530	$ 371,040	$ 318,380	$ 458,530	$ 429,230	$232,700
% of sales	20.2%	20.1%	18.2%	22.6%			
Net earnings	$ 89,630	$ 188,845	$ 170,680	$ 146,455	$ 210,930	$ 197,445	$107,040
Expenditure					$ 264,800	$ 334,600	$232,100
Working capital					361,200	393,100	129,600
Total capital					626,000	727,700	361,700
Less - Operations charges					133,000	158,050	103,570
Total investment	$1,206,660	$2,172,300	$2,252,140	$1,593,600	$ 493,000	$ 569,650	$258,130
Return on investment							
Total capital					33.7%	27.1%	29.6%
Total investment	7.4%	8.7%	7.6%	9.2%	42.8%	34.7%	41.5%
Turnover	80%	94%	91%	88%			
Operative earnings as % of sales							
Present - M/721	22.9%						
M/722	18.2						
Total	20.2%						
Proposed - M/721 - modified		17.7%	17.7%				
M/722 - "		15.7	15.7				
		16.5	16.5				
M/725		23.5	19.7	22.6			
Total		20.1%	18.1%	22.6%			

Note: Based on 1956 selling prices.
NFL:dmg 12/31/56