ESTIMATED ECONOMICS FOR PROPOSED M/700 CARBINE — SHEET NO 2 OF 2
(BASED ON CASH OR OUT-OF-POCKET FACTORY COST)

	PROPOSED FOR FIRST YEAR				PROPOSED FOR THIRD YEAR
VOLUME	5000	10,000	15,000	20,000	5000 10,000 15,000 20,000
RETAIL PRICE	$80.00	$80.00	$80.00	$80.00	$80.00
NET SELLING	43.04	43.04	43.04	43.04	43.04
FACTORY COST	★ 28.80	27.19	26.63	26.32	25.70
SELL. ADMIN. + TECH	5.16	5.16	5.16	5.16	5.16
TOTAL MILL COST	$33.96	$32.35	$31.79	$31.48	$30.86
OPERATIVE EARNINGS	9.08	10.69	11.25	11.56	12.18
% OF NET SELLING	21.1%	24.8%	26.1%	26.9%	28.3%
RETAIL PRICE	85.00	85.00	85.00	85.00	85.00
NET SELLING	45.74	45.74	45.74	45.74	45.74
FACTORY COST	★ 28.80	27.19	26.63	26.32	25.70
SELL. ADMIN. + TECH	5.49	5.49	5.49	5.49	5.49
TOTAL MILL COST	$34.29	$32.68	$32.12	$31.81	$31.19
OPERATIVE EARNINGS	11.45	13.06	13.62	13.93	14.55
% OF NET SELLING	25.0%	28.6%	29.8%	30.5%	31.8%
RETAIL PRICE	90.00	90.00	90.00	90.00	$90.00
NET SELLING	48.42	48.42	48.42	48.42	48.42
FACTORY COST	★ 28.80	27.19	26.63	26.32	25.70
SELL. ADMIN. + TECH	5.81	5.81	5.81	5.81	5.81
TOTAL MILL COST	$34.61	$33.00	$32.44	$32.13	$31.51
OPERATIVE EARNINGS	13.81	15.42	15.98	16.29	16.91
% OF NET SELLING	28.5%	31.8%	33.0%	33.6%	34.9%

★ INITIAL GUN COST TOTALING $5,400 ARE INCLUDED IN FIRST YEAR COSTS

R. KERR 9-28-64

ESTIMATED ECONOMICS FOR PROPOSED M/700 CARBINE

(GUN DESIGN AND APPEARANCE BASED ON LETTER OF L.D. COX 9-15-61)

(QUANTITES AND SELLING PRICES SELECTED AND USED FOR COMPARISON)

FULL BOOK BASIS

	PROPOSED FOR FIRST YEAR (BASED ON M/700 PROJECT YEAR)				PROPOSED FOR THIRD YEAR (BASED ON M/700 PROJECT YEAR)			
VOLUME	5000	10000	15000	20000	5000	10000	15000	20000
RETAIL PRICE	$80.00	$80.00	$80.00	$80.00	$80.00	$80.00	$80.00	$80.00
NET SELLING	43.04	43.04	43.04	43.04	43.04	43.04	43.04	43.04
FACTORY COST ★	38.62	36.88	36.22	35.81	33.84	33.70	33.60	33.50
SELL, ADMIN, TECH	5.16	5.16	5.16	5.16	5.16	5.16	5.16	5.16
TOTAL MILL COST	$43.78	$42.04	$41.38	$40.97	$39.00	$38.86	$38.76	$38.66
OPERATIVE EARNINGS	(.74)	1.00	1.66	2.07	4.04	4.18	4.28	4.38
% OF NET SELLING	(1.7%)	2.3%	3.9%	4.8%	9.4%	9.7%	9.9%	10.2%
RETAIL PRICE	$85.00	$85.00	$85.00	$85.00	$85.00	$85.00	$85.00	$85.00
NET SELLING	45.74	45.74	45.74	45.74	45.74	45.74	45.74	45.74
FACTORY COST ★	38.62	36.88	36.22	35.81	33.84	33.70	33.60	33.50
SELL, AMIN, TECH.	5.49	5.49	5.49	5.49	5.49	5.49	5.49	5.49
TOTAL MILL COST	$44.11	$42.37	$41.71	$41.30	$39.33	$39.19	$39.09	$38.99
OPERATIVE EARNINGS	1.63	3.37	4.03	4.44	6.41	6.55	6.65	6.75
% OF NET SELLING	3.6%	7.4%	8.8%	9.7%	14.0%	14.3%	14.6%	14.8%
RETAIL PRICE	$90.00	$90.00	$90.00	$90.00	$90.00	$90.00	$90.00	$90.00
NET SELLING	48.42	48.42	48.42	48.42	48.42	48.42	48.42	48.42
FACTORY COST ★	38.62	36.88	36.22	35.81	33.84	33.70	33.60	33.50
SELL. ADMIN. TECH.	5.81	5.81	5.81	5.81	5.81	5.81	5.81	5.81
TOTAL MILL COST	$44.43	$42.69	$42.03	$41.62	$39.65	$39.51	$39.41	$39.31
OPERATIVE EARNINGS	3.99	5.73	6.39	6.80	8.77	8.91	9.01	9.11
% OF NET SELLING	8.2%	11.8%	13.2%	14.0%	18.1%	18.4%	18.6%	18.8%

★ INITIAL GUN COST COVERING ENGINEERING AND TOOLING CHARGES TOTALING 15400 ARE INCLUDED IN FIRST YEAR FACTORY COSTS

R+D DEVELOPMENT COSTS ARE ESTIMATED AT $3500 ADDITIONAL AND ARE NOT PART OF THE ABOVE COSTS.

R. KERR 9-22-61