

ESTIMATED UNIT FACTORY COST AND OPERATIVE EARNINGS OF
PROPOSED MODEL 600, CALIBER 6.5MM REMINGTON

	<u>Current Line</u>		<u>Proposed</u>
	<u>Model 700 ADL</u>	<u>Model 600</u>	<u>Model 600 Magnum 6.5MM Caliber</u>
Estimated Annual Volume	(500)	(500)	5000
Retail Selling Price	\$129.95	\$ 99.95	\$144.95
Net Selling Price	\$ 70.02	\$ 53.87	\$ 78.10
<u>FULL COST DATA</u>			
Unit Factory Cost	\$ 44.20	\$ 38.87	\$ 51.04
Unit Selling, Administrative and Research Cost	\$ 9.80	\$ 7.54	\$ 10.93
Unit Cost of Goods	\$ 54.00	\$ 46.41	\$ 61.97
Unit Operative Earnings	\$ 16.02	\$ 7.46	\$ 16.13
% of Net Selling	22.9%	13.8%	20.7%

ESTIMATED ~~VOLUME~~ FACTORY COST AND OPERATIVE EARNINGS OF
PROPOSED MODEL 600, CALIBER 6.5MM REMINGTON - CASH BASIS

	<u>Total Cash Reduction in Regular Rifles by Reduced Volume</u>	<u>Total Cash thru Addition of 6.5MM Caliber</u>	<u>Cash Results</u>
Volume	(1000)	5000	4000
Net Sales	(\$61,940)	\$390,500	\$328,560
Factory Cost	(\$31,470)	\$195,050	\$163,580
Total Cost (includes Selling, Administrative & R & D)	(\$31,470)	\$195,050	\$163,580
Operative Earnings	(\$30,470)	\$195,450	\$164,980
Net Earnings	(\$14,770)	\$ 94,720	\$ 79,950
Investment			
Permanent Investment			0
Working Capital			<u>\$169,800</u>
Total Investment			\$169,800
Return on Investment			
Return on Capital			47.1%
Return on Total Costs (including Development and Operative Charges)			44.3%
Plant and R & D Expenditures ..	\$10,500		