

04-17-79
With changes

SUB DIVISION #5

M/700 TMM MAUSER CALIBER WITH PRESS FORMED STOCK

ESTIMATED EARNINGS AND RETURN ON INVESTMENT

(1979 COST, PRICING & VOLUMES)

(DOLLARS IN THOUSANDS)	1979	PROJECT RESULTS		1979
	M/700 LINE	Book	INCREMENTAL	M/700 LINE
	BEFORE			AFTER
M/700 ADL	34635	- 1250	- 1250	33385
" CLASSIC	15905			15905
" BDL	90709			90709
PROPOSED: TMM MAUSER		+ 5000	+ 5000	5000
TOTAL	141249	+ 3750	+ 3750	144999
NET SALES	\$ 22321	\$ 544	\$ 544	\$ 22865
LESS:				
FACTORY COST	\$ 15398	\$ 394	\$ 301	\$ 15792
SELLING + ADMIN.	696	41	16	1737
TECHNICAL EXPENSE	335	8	3	343
DISTRIBUTION EXPENSE	469	11	7	480
TOTAL COST	\$ 17898	\$ 454	\$ 327	\$ 18352
PRE TAX EARNINGS	\$ 4423	\$ 90	\$ 217	\$ 4513
PRE TAX EARNINGS ADJUSTED FOR ADMIN. EXPENSE	\$ 4233	\$ 86	\$ 208	\$ 4319
NET EARNINGS	\$ 2180	\$ 44	\$ 107	\$ 2224
NET EARNINGS ADJ. FOR EST. OF INVEST. TAX CREDIT	\$ 2180	\$ 44	\$ 107	\$ 2224
INVESTMENT				
PROJECT EXPENDITURES	\$ —	—	—	\$ —
EXISTING FACILITIES USED DIRECTLY IN OPERATIONS	8797	—	—	8797
LOCATED GENERAL FACILITIES	335	\$ 8	\$ 3	343
WORKING CAPITAL	13634	\$ 341	\$ 317	13975
TOTAL	\$ 22766	\$ 349	\$ 320	\$ 23115
RETURN ON INVESTMENT	9.6%	12.6%	33.4%	9.6%
SUPPLEMENTAL CALCULATION				
NET EARNINGS AFTER AMORTIZING (OVER 10 YEARS) OPERATION CHGS.		\$ 43	\$ 107	
TOTAL CAPITAL INCLUDING OPER. CHARGES LESS ADMIN. EXPENSE + TAXES		\$ 354	\$ 324	
RETURN ON TOTAL CAPITAL INCL. OPERATION CHARGES		12.1%	33.0%	

S.M. MORRIS

4-3-79