SUB DIVISION #5

MODEL XP-100 7MM-08 CALIBER - WITHOUT SIGHTS

1ST YEAR ESTIMATED EARNINGS AND RETURN ON INVESTMENT

(1980 COST, VOLUME & PRICES)

...ARS IN THOUSANDS)	1980 MODEL XP-100 LINE BEFORE	PROJECT RESULTS BOOK	PROJECT RESULTS INCREMENTAL	1980 MODEL XP-100 LINE AFTER
PRESENT: 221 FIREBALL CALIBER	5845	-450	-450	5395
PROPOSED: 7MM-08 CALIBER		+1500	+1500	1500
TOTAL	5845	1050	1050	6895
NET SALES	$796	$189	$189	$985
LESS:				
FACTORY COST	$531	$90	$65	$621
SELLING + ADMIN.	60	14	6	74
TECHNICAL EXPENSE	12	3	1	15
DISTRIBUTION EXPENSE	17	4	2	21
TOTAL COST	$620	$111	$74	$731
PRE TAX EARNINGS	$176	$78	$115	$254
PRE TAX EARNINGS ADJUSTED FOR ADMIN. EXPENSE	$168	$75	$110	$243
NET EARNINGS	$87	$39	$57	$126
...T EARNINGS ADJ. FOR ...T. OF INVEST. TAX CREDIT	$87	$39	$57	$126
INVESTMENT				
PROJECT EXPENDITURES		$1	$1	$1
EXSISTING FACILITIES USED DIRECTLY IN OPERATIONS	$317			317
ALLOCATED GENERAL FACILITIES	12	3	1	15
WORKING CAPITAL	480	102	96	582
TOTAL	$809	$106	$98	$915
RETURN ON INVESTMENT	10.7%	36.8%	58.2%	13.8
SUPPLEMENTAL CALCULATION				
NET EARNINGS AFTER AMORTIZING (OVER 10 YEARS) OPERATION CHGS.		$34	$52	
TOTAL CAPITAL INCLUDING OPER. CHARGES LESS ADMIN. EXPENSE + TAXES		$158	$146	
RETURN ON TOTAL CAPITAL INCL. OPERATION CHARGES		21.5%	35.6%	

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