

TARD

1988

NOV DEC

EXHIBIT BTRIGGER ASSEMBLY REPLACEMENT PROGRAMFINANCIAL IMPACT

A Reserve is being established in 1987 to accommodate the financial impact of this program on 1987 performance, and will encompass the following estimated expenses:

NOTIFICATION

Mailing (~~20M @ \$2~~) <sup>2.5M @ 2</sup>  
 Telephone (6 lines for ~~2 year~~ <sup>1 year</sup> @ \$20M/yr) <sup>2.5</sup>  
~~Telephone Switching~~ <sup>10 days 5 people</sup>  
 Telephone Operators (2,000 Hours/Line @ \$8)  
 Long-Distance Calls  
 Advertising Campaign

TOTAL NOTIFICATION

SM

2.5M  
2.5M

1M

2M

10M

SHIPPING

Freight (~~15M~~ <sup>200</sup> Guns 2 ways @ \$5)  
 Packing Material (~~10M @ \$1.25~~)

TOTAL SHIPPING

2

3

2.3M

REPAIRS IN THE FIELD

Replacement Parts (~~10~~ <sup>400</sup> @ \$9)  
 Warranty Repairs (~~12.5~~ @ \$22)  
~~Field Repairs (3.7 @ \$50)~~  
 Reconditioning (8.7 @ \$10)  
 Factory Repairs (~~3~~ @ \$30)  
~~Customer Units to Obtain Records (50 man weeks)~~

TOTAL REPAIR

45M

22M

1M

6M

33.5

INHOUSE COSTS

~~Sorting Connectors~~  
~~Reconditioning (18M @ \$9)~~  
 Engineering, Supervision  
 Management Consultant & Office Help  
 Programming/Systems Support  
 Rearrangement

TOTAL INHOUSE COSTS

2

9

1

2

14

TOTAL COSTSALTERNATIVES

At the present time, we see none.

59.8