

XP-100 Budget - Novem-Dec. 1988
+ Jan-Dec 1989

EXHIBIT B

TRIGGER ASSEMBLY REPLACEMENT PROGRAM

FINANCIAL 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)
Telephone (6 lines for 1 year @ \$20M)
Telephone Switching
Telephone Operators (2,000 Hours/Line @ \$8)
Long-Distance Calls
Advertising Campaign
TOTAL NOTIFICATION

For 2nd 88 \$M	For 12mo 1989 X6
3.8	22.2
1.6	9.9
1.3	7.8
2.5	15
41.6	250
T → 50.8	304.9

SHIPPING

Freight (15M Guns 2 ways @ \$5) 4 1/2 guns
Packing Material (10M @ \$1.25) " "
TOTAL SHIPPING

6.6	40
.8	5
T → 7.4	45

REPAIRS IN THE FIELD

Replacement Parts (10 @ \$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

125	115
18.5	180
T → 18.7	181.5

INHOUSE COSTS

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

7.05	42.3
1.25	2
.5	3
T → 8.8	48.3

TOTAL COSTS

ALTERNATIVES

At the present time, we see none.

68	85.7	579.7
+ overhead	24	144
+ Reimburs	.2	3.6