

- 12 The changes to the estimate are based upon the experimental drawings received 10/12/98.
- 13 This product was estimated using our standard method. The finance group has not reviewed this estimate to date. Unless informed otherwise this estimate will not be forwarded to the finance group since it is only a Class I estimate.

Summary: The estimated piece price, based on the above assumptions, for the revised M/710 is \$125.16. The current 05 cost on a M/700 ADL synthetic is; \$32.90 material, \$23.01 labor & \$66.78 overhead for a piece price of \$122.76. This equates to an unfavorable manufacturing cost difference of \$2.40 to produce the M/710. The estimated capital requirement to produce the M/710 is \$1,868,450 with operations cost of \$127,600. All cost data may vary 10% higher or lower to the estimated numbers as there are several unknowns with the design.

If you have any questions regarding other aspects of this estimate, please contact Mike Santillo.