

	Proposal 1	Proposal 2
New product line	Mid-level Mountain Bike	Entry-level Hybrid Bike
Estimated first year revenues	\$600,000	\$800,000
Estimated annual revenue growth	6%	4%
Estimated Contribution margin %	40%	45%
Marginal Tax Rate (for tax benefit calculation)	40%	40%
Estimated annual fixed costs	\$120,000	\$100,000
Investment in Facility (expected salvage in year 6 of \$400,000)	\$1,500,000	\$1,275,000
One-time advertising (year 0)	\$140,000	\$150,000
Component inventory (value returned in full in year 6)	\$150,000	\$125,000