

REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE



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700 ADL RESTYLE

As a result of Management input at the recent Operations Committee meeting regarding the proposed 1983 bolt action line strategy, a meeting was held on April 19 with R&D and Production to determine what changes could be made to the 700 ADL, recognizing the need to have a final sign-off by R&D and Production, plus a moderate warehouse inventory by the end of October 1982.

After reviewing the proposed features and recognizing the positioning of the 700 ADL as a restyled version versus a new identification, the following list of features were determined to be feasible to both R&D and Production while meeting the goal dates established: Features are cut-checked -- 18 lines per inch, sling swivel studs, medium gloss finish, scope mounts, formed no-bind follower, improved metal finish, and restyled Monte Carlo slim-down stock.

Based on this features list, we have eliminated from the original gun the floor plate, grip cap inserts, and rubber butt pad. Recognizing the proposed ADL version represents something less than the competitive offerings, we would plan to price the Restyled ADL \$15 - \$20 below our major competitors. In the interest of cost, we agreed to go to a formed no-bind follower versus machined, plus the cost savings associated with the elimination of the floor plate, grip cap insert and rubber butt pad. In aggregate, these changes and features eliminations represent a savings in cost of slightly over \$10 per gun. At suggested retail, this represents a reduction of approximately \$20 - \$25. The end result should produce economics in line with those previously presented. Revised economics will be provided by Production.

April 20, 1982

The proposed restyle will give us a bolt action line of a Restyled ADL, the BDL and Classic as currently positioned. In terms of long range strategy, we are currently developing with R&D the second generation BDL features which are intended to position the gun as the ultimate in the market place, and mechanically as well as visually, superior to competition. Assuming no major shift in competitive price activities, we would expect that by 1985, with the introduction of a second generation BDL, that we would bracket our competition by positioning bolt action rifles in the market place below and above competition with consumer-accepted features. This product position is contingent on our ability to produce two different actions with no manufacturing cost penalties. In the event we cannot achieve this goal, it is reasonable to expect the ADL would be dropped from the line in 1985.

Approval is requested to proceed with the necessary effort to produce a Restyled 700 ADL, including the features described above. In addition, it is agreed that trial and pilot, and R&D testing will be concluded to make a go- no-go decision no later than the end of October 1982, with major warehouse stocks in position by December 1982.



C. A. RILEY

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