

TABLE 3

NEW BOLT ACTION RIFLES - contd.

Future development program anticipates the design of match rifles based on the XR rifle actions to replace current Models 513T, 521T, with preliminary work to start as soon as the basic XR Series has been finished. Until this is accomplished, together with some disposition of other M/550 operations, there would be no write-off of present rim fire facilities.

It is the opinion of R & D Design that the proposed new rim fire and center fire actions may be used as a basis to provide a new and more profitable approach for future development of our higher grade bolt action rifles which might replace the Models 600, 700 and 40X. This would be to take advantage of more advanced processing methods for building the receivers and bolts.

The M/514 would continue to be offered as our lowest cost rim fire rifle. The design of the 514 is not adaptable for replacing the magazine Models 511, 512 and 513. The M/514 action is also not strong enough to handle 22 RR Magnum cartridges.

The new designs in combination with more efficient processing and equipment provides added quality and features at estimated labor and material costs which are slightly lower than for the old line if we disregard the contingency allowance which is in the present figures. Leek will go into this later.

Project to complete the development and provide facilities for proposed XR and XC line will involve expenditures in the range of \$2,850,000.

The results of the estimate show a 15% return on investment which is lower than we like to see but this is a price market and we do not have the latitude in adjusting selling prices that we have on the more expensive models. Despite the modest % return, we believe that Remington's market position and profit potential will be improved by adopting the proposed line.

Details of the study together with samples of the proposed rifles will be presented by W. E. Leek.

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