

CAPACITY EXPANSION PROGRAMS

INTRODUCTION

Marketing has submitted a 5-Year Sales Forecast (dated 11/4/74) which projects an increase in firearms sales three times greater than previously anticipated. In order to attain these annual sales, facilities and production equipment will have to be added at an accelerated rate. The Ilion Plant's facilities and production equipment expansion request to meet the 1976 Sales Forecast (including some long delivery items for 1977) is being prepared for First Quarter 1975 submission to the Board of Directors. Future sales forecasts will be reviewed annually and appropriation requests submitted as necessary.

PRODUCTION EQUIPMENT

Requests for additional production equipment will be made in order to meet production goals on a 5-day 3-shift schedule with some 6-day operations required. Some reserve capacity will be available through 6 and 7-day operations. This will provide the flexibility required to meet unanticipated increases in demand and changes in product mix, and still maintain customer service. Major equipment required to meet the 1976 production forecast includes: (1) an 8th GFM plus supporting equipment and (2) black oxide coloring equipment. Beyond 1976, equipment needs will be reviewed annually.

EMPLOYMENT

See Exhibit 2.

SERVICE FACILITIES

Existing plant parking space is limited such that additional facilities will be required by 1976.

Additional steam generation capacity will be needed prior to 1979 to support increased production. A study will be undertaken to determine future plant power needs and expansion alternatives.

TEXT A