

REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE

Remington
CUPGMPETERS
SPENcc: R.L. Hall
J.R. AyersEXHIBIT II

"CONFINE YOUR LETTER TO ONE SUBJECT ONLY" _____

June 9, 1978

TO: E. HOOTON, JR.

ATTN: H.K. BOYLE

#3-1978 FORECAST

Attached is the #3-1978 forecast with production and inventory quantities.

Rim fire production schedules, with the exception of M/541-S, will meet demand forecast. There will be a negative inventory on M/541-S in 1978 from July through October. Shipments in the first five months of 1978 were 21.3% greater than forecasted. The #3-78 third quarter demand is 12.2% higher than the #2-78 forecast.

Shotgun production forecast will meet the demand requirements.

Center fire rifle production forecast will not meet demand forecast on XP-100 and M/700. The XP-100 demand forecast was increased 37.3% for 1979 over forecast and a negative inventory will occur from June through December 1979. The M/700 will have a negative inventory in the third quarter 1979 of 2,871 guns. Demand in the first three quarters of 1979 exceeds 1978 fourth quarter inventory build-up and 1979 production schedule through September with operations working a six day week and seven days at choke points. Of the total M/700 available, cut checkered grade guns is limited to approximately 100,000 for the year based on an 80% BDL and 20% classic split. The balance will be to ADL specifications.

The M/742-760 schedules do not reflect production losses possible as a result of trial and pilot on M/7400/7600 in early 1979, nor do they reflect the unavoidable interference and losses that may be incurred with changeovers to M/7400/7600 in the fourth quarter of 1979.

JH Carter
J.H. Carter
Planning Superintendent

JHC:jf
Attach.

EXHIBIT III

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PRODUCTION/MKTG. MEET.
JUNE 2, 1978.

IV. M/3200 Competition Trap M.C. 1 3/8" Drop.

The former to produce these stocks is to be shipped from the vendor the week of 6/12. Production reported it would probably be September before any of these guns were in the warehouse. Stocks with the 1 3/8" drop will not be available for the guns going to the Grand American.

V. Interchangeable Barrel Schedule.

Planning is working on an interchangeable barrel schedule, but the barrels must be scheduled to coincide with the production of guns of the same type. Interchangeable barrel production will be sacrificed if the barrels are needed to meet gun production requirements. Production reported that 34" interchangeable barrels will be produced by August 1st and that barrels for the "barrel promotion" were ready with the exception of one specification.

VI. Rifle Sight and Vent Rib Capacity.

An analysis of rifle sight barrel capacity is needed, and this is being worked on by Industrial Engineering.

VII. Lightweight, Smallbore and Left Hand Capacity.

Production reported that they can meet the calendar year demand, but the demand cannot be met if it is compressed into a shorter period of time. The production schedule was reviewed, and all 1978 orders should be covered by the end of October.

CENTER FIRE RIFLES

I. M/700.

Production reported that the 1979 forecast for BDL and Classic cannot be met, because there is no increase in N.C. checkering capacity for 1979. A Model 700 capacity study will be provided and the forecast will be reviewed.

II. M/788 Orders Versus Forecast.

43,000 orders have been received versus the demand forecast of 53,915. W.L. Tomek will review the forecast.

III. Mohawk 600 Barreled Actions.

Marketing has a potential order for 500 .243 caliber and 500 .308 caliber. Production reported that these could be supplied in the 4th quarter, but this would have an adverse effect on Model 700 or XP-100 production.

EXHIBIT IV

PROD./MKTG. MEETING
JULY 24, 1978

C. Monte Carlo stock with 1 3/8 inch drop —

1. Guns with the new drop will be produced in late August or early September.
2. The 1979 line will include both 1 3/8 inch and 1 1/2 inch drop and the 1 3/8 inch will have the new thicker grip, but the 1 1/2 inch will not.

D. Stocks and Fore ends for fit outside of the factory —

Production has supplied cost data. Marketing is to issue a letter to the field on prices and "ground rules."

V. Lightweight, Small bore and Left Hand Capacity

- A. Production reported that orders for these items would be covered by the end of October with the exception of some left hand guns which will be produced in November.
- B. Production again stated that the demand for these items can be met on an annual basis, but not in a compressed period of time.

VI. Interchangeable Barrels

- A. Special barrel promotion — Plans for this program will be finalized by Marketing, by the end of August.
- B. Marketing stated that the new high rib on smallbore skeet guns may result in an increase demand for these barrels as interchangeable barrels.

Centerfire

- I. Model 700
 - A. Production supplied estimated year end inventories of 14,000 BDL and Classic and 8,800 ADL based on number three production forecast. Production also stated that approximately 7,000 orders would not be covered by the present production schedule. Marketing requested production to extend the production of guns for 1978 sales until the end of November.
 - B. Marketing requested a study of 1979 production and inventories based on 80 % BDL and Classic 20 % ADL and the number three forecast of 143,000. The same information was requested for a verbally revised forecast of 131,000. Marketing stated that this revision was in the new 5 year forecast.