

Remington Arms Company, Inc.
Status of Capital Expenditures as of August 31, 2004.

Forecast System for \$45M, PBX Upgrade for \$43M, and Spartan Gun Works for \$40M. These overages are partially offset by reductions in E-commerce and IT anticipated expenditures.

Total company budgeted ROIC for 2004 projects is 10.9%. Through August, total company authorized ROIC for 2004 projects is 76.5%. Shown below is a list of projects with substantial authorized returns.

Project	Location	Annualized Savings/ Earnings	ROIC %	Basis for Savings/Earnings
M700 CDL	Ilion	\$1,672M	4573%	Sales
M700 SPS Stainless Steel	Ilion	\$2,961M	2149%	Sales
M700 Light Varmint Rifle Stock	Ilion	\$184M	721%	Lower material cost
SIMS (R3) Recoil Pad Conversion	Ilion	\$33M	25%	Higher gun price
Tooling for New Gun Boxes	Ilion	\$29M	51%	Lower material cost
Shotshell Buckshot Loader & Packer	Lonoke	\$1,074M	185%	Sales
5.56MM Linked Frang. Ammo Cap.	Lonoke	\$668M	125%	Sales

The following information has been adapted from narratives provided by management at the various manufacturing sites.

Ilion

For the month of August, capital expenditures were \$170M. Projects with major expenditures include the model 105C Ti project for \$76M, Water Tank Roof for \$58M, and the M870 Barrel Guide Ring for \$17M.

Mayfield

For August, capital expenditures totaled \$40M. Projects with major expenditures include the New Model 710 Receiver Tool for Extruded Receiver for \$16M, Magazine Box Alteration for \$10M and Plant Floor Covering for \$9M.

Ada/Findlay

For August, there were no expenditures.

Lonoke

For August, expenditures totaled \$165M. Projects with major expenditures include the 5.56mm Frangible Ammo Capability for \$33M, Upgrade Shotshell #422 Extruder Controls for \$22M, Shotshell Simplex Loader Electrical Upgrade for \$17, Centerfire Lead Kettle for \$16 and Shotshell Simplex Loader Transfer Units for \$16.

Ilion - PMPd

For August, there were no expenditures. Materials were returned to C.I. Hayes in January creating a year-to-date credit of \$2M.

Elizabethtown

For August, expenditures totaled 9K, of which 8M related to Thermal Analysis System Upgrade.