

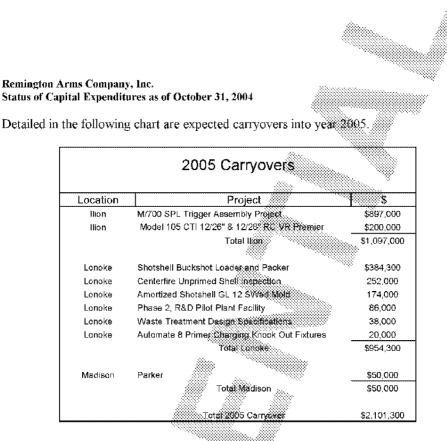
Memorandum

DATE:	NOVEMBER 22, 2004		
TO:	Distribution List		v.
FROM:	David Chafin	Allaha	
RE:	Status of Capital Expenditures as of	October 31, 20	104.

For the month ended October 31, 2004, year to date capital expenditures totaled \$5,630 compared to an annual budget of \$8,036M. Projects totaling \$9,373M have been authorized for spending in 2004. Shown below are projects authorized in October.

Location	Project		\$
llion	Rep Custom Checkering Tooling - S&K		34
llion	Sulliar Exhaust for Bldg 53	\$	22
	Total Ilion	\$	56
Targets	Findlay Trap Machine		
	i Targets		
Lonoke	Amonized Shotshell Wad Mold/Conversion		66
Lonoke	Amortized Shotshell GL 12 S Wad Mold		29
Lonake	Waste Treatment Design Specifications		7
Lonoke	Overhaul Shotshell 486 Triplex AH&P		7
Lonoke	Centerfire Lead Extruder Closed Loop Cooling		2
Lonoke	Overhaul and Modify Water Well #1		1
Lonoke	Shotshell Load Network Server		1
200 sonoke	Core-Cort Oltra Bonded Rifle Extension		1
Lonoke	Modify Scrap Shot Separator Vaccum System	\$	
	Total Lonake	\$	1,17
Madison	Vehicle for Reles	\$	1
	Total Madison	5	1
		•	,
	Total October Authorizations	\$	1,25

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Shown below is a comparison of budgeted expenditures, anticipated expenditures, and year-to-date actual expenditures by location.

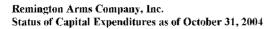
	Budgeted \$	Anticipated \$	YTD YTD Actual \$	Remaining Anticipated
Ilion	\$4,400,000	\$5,081,248	2,155,076	\$2,926,172
Mayfield	300,000	\$300,000	\$156,217	143,784
Ada/Findlay	74,000	\$40,173	\$36,771	3,402
Lonoke	2,500,000	\$3,892,753	2,476,887	1,415,866
PMPd 🔬	150,000	\$109,892	\$46,820	63,072
E-Town	126,000	\$139,051	\$42,018	97,033
Corp.	486,000	\$900,688	\$715,962	184,725
Total Company	\$8,036,000	\$10,463,805	\$5,629,751	\$4,834,054

Ilion's anticipated expenditures of \$5,081M exceed budget by \$681M. Projects with significant expenditures include \$1,571M for the model 105CTi project and \$849M for the M/700 & 7 New Fire Control project. Remaining expenditures in 2004 for the model 105CTi project and the M/700 & 7 trigger assembly project are \$678M and \$701M respectively.

Lonoke's anticipated expenditures exceeds budget by \$1,393M. Projects significantly impacting this number include the Amortized Shotshell Wad Mold Conversion project for \$667M, the 5 \$6mm linked frangible ammo capability project for \$485M and the Amortized Shotshell GL 12 S Wad Mold project for \$116M.



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Corporate anticipated expenditures exceeds budget by \$415M Projects with major impact include the Parker Project for \$250M, Sox Security Software for \$95M, John Galt Forecast System for \$44M, PBX Upgrade for \$44M, 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 October, total company authorized ROIC for 2004 projects is 62.1%. Shown below is a list of projects with substantial authorized returns.

		Annualizad	Steel.	
		Savings/		
Project	Location		ROIC %	Basis for Savings/Earnings
M/700 CDL	llion	\$1,672M	4573%	Sales
M700 SPS Stainless Steel	llion	\$2,961M	2149%	Sales
M/7615P Patrol Rifle .223 Rem	llion	\$307M	277%	Sales
M/700 Light Varmint Rifle Stock	Bión	\$184M	≋ 721% -	Lower material cost
Shotshell Buckshot Loader & Packer	Lonoke		®1 85%	Sales
5.56MM Linked Frang. Ammo Cap.	🔍 🖉 🖉	\$669M	125%	Sales
Centerfire Unprimed Shell Inspection	🖉 🖞 🖄	\$\$127M	27%	Labor Reduction
	- 2000 - 2000			

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

<u>Ilion</u>

For the month of October, capital expenditures were \$462M. Projects with major expenditures include the Model 105CTi project for \$229M, Bridge repairs for \$68M and the M/700 & 7 New Fire Control for \$51M.

Mayfield

For October, capital expenditures totaled \$34M. Projects with major expenditures include the New Model 710 Receiver Tool for Extruded Receiver for \$21M and the 504 project for \$6M.

Ada/Findlay

For October, capital expenditures totaled \$33M. The Ada Water Chiller project had expenditures totaling \$26M and the Findlay Trap Machine project had expenditures totaling \$7M.

Lonoke

For October, expenditures totaled \$1,037M. Projects with major expenditures include the Amortized Shotshell Wad Mold/Conversion project for \$667, the Centerfire Unprimed Shell Inspection project for \$200M, and the 5.56mm Frangible Ammo Capability for \$41M.

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

<u>llion – PMPd</u>

For October, expenditures totaled \$28M for the Hayes #4 Furnace Hot Zone Rebuild project.

Elizabethtown

For October, expenditures totaled \$5K for the Digital Voicemail System project.

Corporate

For October, capital expenditures totaled \$54M. Projects with major expenditures include Server Replacements project for \$19M, the Vehicle for Reles project for \$18M and the Sox Security project for \$17M.

Listed below is a payment stream summary for projects approved in October that have expenditures greater than \$25M and do not require CFO authorization.

			~~~			(1)		
	De	scription	Site		(1) lget \$	Approve CAR S	:d	Terms/ Payment Stream
	om Checke	ring Tooling - S&K	llight	23	80. j	\$34,380	Net 30	
Senterfin	e Lead Extru	Ider Closed Loop Cooling	Lonoke		\$200	\$27,500	Net 30	
				610	\$200 si	\$61,880		
		a a a a a a a a a a a a a a a a a a a						
(1) Inclu	les total pr	oject dollars						
			• 383835555555	. NGG				
Showr	n in the l	pelow table are pro	lects wit	a po	st audi	ts curr	ently due a	nd their status.
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		allana.	Reminate	ns Agen	? ∮Company, I	Inc		
			Pop	t Acidit	Schedule			
		áta						
Location	Year Approved	Project	CAN Experi	gital Oftures	Operating Expenses	ROIC %	;	Status
lion lion		Barrel Cold Forging Mathine #6: Robotic Flat Receiver Polish		3,700 34,228	48,740 5,741		)us November 2004 Due November 2004	
lian	2003	Gun Drillosson	000000000000000000000000000000000000000	2,184	34,466		ue November 2004 Due November 2004	
lion	2002	M/1100 32 23 auge		39,805	40,683		completed; avvaiting	
ion ion		New 19 Galibe New Saliber Ultra Map		25,840 32,670	111,940 117,873		Submitted being revi Submitted being revi	
lion		Rotary Machine Syn TePlates		75,200	24,850		lubmitted being revi	
ion	1999	Baccel Machining Project		9,171	1,678,451	34.0% F	ending, to be comp	leted 4th Qtr
lon lon		OR Project M/137 3 122 Indi Super Mag		78,600 31,428	166,310 317,360		Due November 2004 Submitted being revi-	
lion		Replace Mysho Lathe		32,73 <b>4</b>	18,362		ue November 2004	
onolie	2001 🚕	Centerfire Riffe Pack Automation.	2.2	13.200	204,000	27.0% F	ending, to be comp	leted 4th Qtr
onoke	2001	Cone Bolat Maan Bo	0lp. 1	15,000	5,000		omplete; awaiting a	
onoke onoke		Centerfore Pistol Packing Automat Centerfore SWM Manurhin Loader		00,000 30,000	190,000 25,000		Pending, to be comp Complete; awaiting s	
onoke		Centertre Book Case Racking Ed		35,800	20,000		ending, to be comp	
MPd		Cincinnati Molding Machine		37,647	25,498	227.8% F	ending, to be comp	leted 4th Gtr
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