



Memorandum

DATE: NOVEMBER 17, 2005
TO: Distribution List
FROM: David Chafin
RE: Status of Capital Expenditures as of October 31, 2005.

For the month ended October 31, 2005, year to date capital expenditures totaled \$7,039M compared to an annual budget of \$10,144M. Projects totaling \$8,028M have been authorized for spending in 2005. Shown below are projects authorized in October.

October 2005 Authorized Projects		
Location	Project	\$
Ilion	M/870 SM SP XBL 12 ga 23" W/Tru Glo. RS	\$ 15,414
Ilion	M/870 SP XBL 20 Ga. 18 1/2" FR CL w/Scope	4,400
	Total Ilion	\$ 19,814
Mayfield	Correct Hold Open Tool	\$ 7,450
Mayfield	D8 CMM Upgrade	6,450
Mayfield	New Air Conditioner Compressor	4,601
Mayfield	Facility Air Conditioner	4,601
	Total Mayfield	\$ 23,102
Lonoke	Modify Combination 12 Ga Wad Mold	\$ 140,000
Lonoke	Electrical Substation Transformer	23,700
Lonoke	Shot Tower Walker Stacker	14,000
	Total Lonoke	\$ 177,700
	Total October Authorizations	\$ 220,616

Detailed in the following chart are projects with expected carryovers into the following year:

2006 Carryovers		
Location	Project	\$
Mayfield	New 710 Fire Control	\$68,308
	Total Mayfield	\$68,308
Lonoke	New Shot Manufacturing Facility	\$338,000
Lonoke	Electrical Substation Transformer	\$23,700
Lonoke	Shotshell Cap Progressive Forming Operations	10,000
	Total Lonoke	\$371,700
	Total 2006 Carryover	\$440,008

Remington Arms Company, Inc.
Status of Capital Expenditures as of October 31, 2005

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	\$3,586,300	\$3,811,338	2,916,328	\$895,012
Mayfield	600,000	\$665,162	\$472,282	192,880
Ada/Findlay	103,000	\$0	\$0	0
Lonoke	4,782,900	\$4,947,851	2,487,418	2,460,433
PMPd	236,000	\$175,364	\$129,465	45,899
E-Town	196,000	\$9,500	\$9,500	0
Corp.	640,000	\$1,910,763	\$1,023,769	886,994
Total Company	\$10,144,200	\$11,519,977	\$7,038,759	\$4,481,218

Ilion's anticipated expenditures of \$3,811M include \$899M for the M/700 & 7 New Fire Control project, \$646M for the 105CTI project, \$490M for the Lighting Refurbishment capital lease, \$248M for Roof Replacement, \$121M for the Triordinate Retrofit project, \$103M for the Water Tank Roof and \$100M for Phase I of the New Boiler System. The Lighting Refurbishment project is a capital lease, with payments extending over a five-year period.

Mayfield's anticipated expenditures of \$665M include \$294M for the 710 Barrel Capacity Expansion project, \$121M for the 710 Short Action Introduction and \$48M for Move Auburn Investment Casting Tools project.

Lonoke's anticipated expenditures of \$4,948M include the Lonoke Wastewater Treatment Process for \$800M, the Shotshell Cap Progressive Forming Operation for \$542M, Shotshell Buckshot Loader and Packer for \$410M and West Centerfire Building Roof Replacement for \$374M.

PMPd's anticipated expenditures of \$175M include the New Large Oven for \$76M and the Air Conditioner for PMPd Press Room for \$39M.

Corporate anticipated expenditures of \$1,911M include EMC Renegotiation #6 capital lease for \$626M, additional SAP Licenses for \$379M, Parker project for \$245M and the Wal-Mart RFID project totaling \$204M. EMC Renegotiation #6 is a capital lease with payments extending over a three-year period.

Total company budgeted ROIC for 2005 is 17.3%. Through October, total company authorized ROIC for 2005 projects is 51%. Below are listed projects with substantial authorized returns.

Project	Location	Annualized Savings/ Earnings	ROIC %	Basis for Savings/Earnings
M/700 XCR	Ilion	2,505,860	2531.0%	Sales
Expanded 710 Production Capacity	Mayfield	1,206,772	366.6%	Sales
M/700 Tactical 6.8MM 27305-36443 NP32/35	Ilion	451,258	3232.0%	Sales
M/700 SPS Stainless Steel (NRP #2005-15)	Ilion	412,419	1849.0%	Sales
M/700 6.8 MM SPC NRP3205-01 5677	Ilion	151,576	220.0%	Sales

Remington Arms Company, Inc.
Status of Capital Expenditures as of October 31, 2005

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

Ilion

For the month of October, capital expenditures were \$108M. Projects with major expenditures include Water Tank Roof for \$34M, Model 105 CTT 12/26" & 12/28" RC VR Premier Project for \$22M and the 270 WSM (Win short Magnum) project for \$14M.

Mayfield

For October, capital expenditures totaled \$37M. Projects with major expenditures include Security Upgrade for \$15M, Carbon Bolt Pallet Fixture for \$8M and Expand 710 Production Capacity for \$8M.

Ada/Findlay

For October, there were no capital expenditures for Target plants.

Lonoke

For October, expenditures totaled \$680M. Projects with major expenditures include the Lonoke Wastewater Treatment Process for \$324M and Shotshell Buckshot Loader and Packer for \$218M.

Ilion – PMPd

For October, there were no capital expenditures for PMPd.

Elizabethtown

For October, there were no capital expenditures for Elizabethtown.

Corporate

For October, expenditures totaled \$49M. Projects with major expenditures include the Wal-Mart RFID project for \$15M, Mayfield Network Upgrade for \$13M and Internet Server Upgrades for \$13M.

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

Includes projects approved in the month of October

Description	Site	(1) Budget \$	(1) Approved CAR \$	Terms/ Payment Stream
Modify Combination 12 Ga Wad Mold	Lonoke	\$0	\$140,000	1/3 down 1/3 @ 50% completion 1/3 completion - Net 60
Electrical Substation Transformer	Lonoke	\$0	\$32,100	Net 45
		\$0	\$172,100	

(1) Includes total project dollars

Remington Arms Company, Inc.
Status of Capital Expenditures as of October 31, 2005

Shown in the below table are projects with post audits currently due and their status.

Remington Arms Company, Inc.
Post Audit Schedule

Location	Year Approved	Project	Capital Expenditures	Operating Expenses	ROI %	Status
Ilion	2003	Barrel Gold Forging Machine #6	983,760	48,749	23.0%	Being Reviewed at Plant - Comp Dec '05
Ilion	2003	Robotic Flat Receiver Polish	284,228	5,344	38.0%	Being Reviewed at Plant - Comp Dec '05
Ilion	2003	M7 Synthetic Stock Mold Replacement	141,020	958	70.0%	Being Reviewed at Plant - Comp Dec '05
Ilion	2002	M1100 18 Gauge	128,805	40,893	331.0%	Completed, awaiting report at Corporate
Ilion	2001	New 16 Gauge	25,340	111,283	856.0%	Completed, being reviewed by Plant
Ilion	1999	Barrel Machining Project	5,860,171	1,876,451	34.0%	Being Reviewed at Plant
Ilion	1999	Q/U Project	578,600	166,310	190.0%	Being Reviewed at Plant - Comp Nov '05
Ilion	1999	M1167 3 1/2 Inch Super Mag	861,428	240,309	240.0%	Being Reviewed at Plant - Comp Nov '05
Ilion	2000	Replace Miyano Lathe	732,734	18,302	31.0%	Being Reviewed at Plant - Comp Nov '05
Lonsdale	2002	Shotshell Premier Sabot Slug Equip.	58,300	77,800	244.0%	Pending, to be completed 2nd Qtr '06
Lonsdale	2002	Explosives Pilot Line Facilities	225,000	0	6.4%	Due August 2005, to be completed 2nd Qtr '06
Lonsdale	2001	Centerfire Rifle Pack Automation	2,223,208	204,000	27.0%	Pending, to be completed 2nd Qtr '06
Lonsdale	2001	Centerfire 6 Cone Bullet Wash Equip.	142,000	3,050	56.0%	Being updated, to be completed 2nd Qtr '06
Lonsdale	2000	Centerfire Pistol Packing Automation	3,100,000	150,000	38.0%	Pending, to be completed 2nd Qtr '06
Lonsdale	1999	Centerfire 9MM Manurhin Loader	180,000	20,000	55.0%	Being updated, to be completed 2nd Qtr '06
Lonsdale	1999	Shotshell Plastic Body Extrusion	1,775,000	\$0,000	30.0%	Equipment not currently in use; PA delayed
Lonsdale	2001	Centerfire 9MM Case Packing Equip.	165,800	0	12.0%	Pending, to be completed 2nd Qtr '06
Madison	2003	Lucasware Voice Select System	125,488	0	86.0%	Pending, to be completed 4th Qtr '05
Mayfield	2003	504 Product Line Expansion	887,378	343,314	34.0%	Being Reviewed at Plant
PMPd	2000	Cincinnati Molding Machine	187,640	25,498	227.8%	Pending, to be completed 4th Qtr '05

The following table lists completed post audits for 2005

Remington Arms Company, Inc.
Post Audits Completed 2005

Location	Year Approved	Project	Total Project Commitment \$			Return on Invested Capital %			Comments
			Original Project	Actual Project	Over (Under)	Original Project	Actual Project	Over (Under)	
Ilion	2001	New Caliber Ultra Mag	\$150,643	\$170,327	\$20,684	982%	845%	-118%	Project performance primarily due to higher than forecasted operations expenditures.
Ilion	2000	Rotary Machine Syn T-Plates	200,050	187,986	(12,064)	46%	48%	1%	Project achieved savings authorized.