

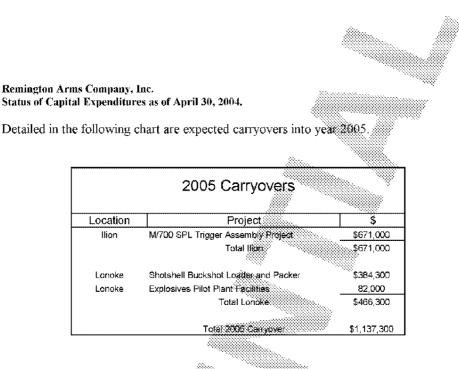
Memorandum

DATE:	May 17, 2004	
TO:	Distribution List	
FROM:	Jason Sizemore	
RE:	Status of Capital Expenditures as of April 30, 2004	es.

For the month ended April 30, 2004, year to date capital expenditures totaled \$818M compared to an annual budget of \$8,936M. Projects totaling \$1,968M have been authorized for spending in 2004. Shown below are projects authorized in the month of April.

	April 2004 Authorized Projects	
Location	Project	\$
llion	Addition of a No Bleed Step - BO Process	\$52,69
llion	Rotoclone for 48-3	28,019
llion	M/700 CDL	15,97
llion	Tooling for 7400/7600 Barrel Extensions	14,80
llion	Napco Load/Unolad Station	14,54
llion 🔬	Tooling for Dull algs in 18574	9,62
	Total Ilion	\$135,65
Mayfield	Magazine Box Alteration	\$40,20
	Total Mayfield	\$40,20
Lonoke	SSSMM Linked Frangible Ammo Capability	\$485.00
Loroke	Genterfire Manurin Loader Powder Detects	45,00
Lonoke	Centerfire 6.8MM Bullet Transfer Press	26,00
See Lonoke	Rimfire Soellmaker Electrical Upgrade	19,00
Lonoke	Overhaul Rimfire Cupping Press #1002	18,70
LORAKE	Stotshell Simplex AH&P Electrical Upgrade	18,00
Lonoke	Rimfire "C" Packer Electrical Upgrade	18.00
Lonoke	Replace Primer Bldg 712 Cubicle Roof & Wall	16,00
Lonoke	Shotshell Single Station Cam Electrical Upgrade	13.00
LOROKE	Centerfire #727 Anneal Oven Belt	12,00
Lonoke	Senterfire #728 Wash Drain Lines	11,70
Lonoke	Plant Flag Poles	7,00
sin tonake	Primer Bldg #709 Metal Awning	7,00
	Total Lonoke	\$696,40
Madison	SAP Netweaver Installation	\$18,50
	Total Madison	\$18.50
×	Total April Authorizations	\$890,76

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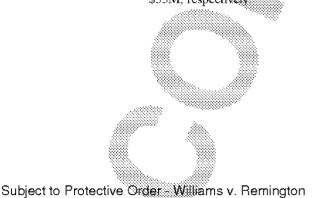
Shown below is a comparison of budgeted expenditures, anticipated expenditures, and year-to-date actual expenditures by location

***************************************	Dudaatad f		YTD	Remaining	
	Budgeted \$	Anticipated \$	Actual \$	Anticipated	
llion	\$4,400,000	\$4,348,224	\$239,467	\$4,108,757	
Mayfield	300,000	300,801	29,144	271,657	
Ada/Findlay		74,000	0	74,000	
Lonoke	2,500,000	2,985,291	4 11, 12 5	2,574,166	
PMpD 🔬	150,000	47,728	-2,272	150,000	
E-Town	126.000	22,119	12,100	110,019	
Corp.	486,000	\$85,636	128,323	457,312	
Total Company	\$8,036,000	\$8,563,799	\$817,888	\$7,745,911	

Ilion's anticipated expenditures of \$4,348M includes \$1,791M for the model 2100 project and \$617M for the M/700 SPL trigger assembly project.

Lonoke's anticipated expenditures exceeds budget by \$485M. The overage is due to the 5.56MM linked framible ammo capability project.

Corporate's anticipated expenditures exceeds budget by \$100M. The cold sky project and the John Galt forecast system project anticipate unbudgeted expenditures of \$50M and \$55M, respectively.





Remington Arms Company, Inc. Status of Capital Expenditures as of April 30, 2004.

Total company budgeted ROIC for 2004 projects is 10.9%. Through April, total company authorized ROIC for 2004 projects is 127.5%. Shown below is a list of projects with substantial authorized returns.

			1		e Staa
		Annualizee	8°		
		Savings/	.	1.00	8.
Project	Location	Eamings	ROIC %	Basis fo	or Savings/Earnings
M/700 Light Varmint Rifle Stock	llion	\$184W	721%	Lower r	naterial cost
SIMS (R3) Recoil Pad Conversion	flion	\$37M	25%	Higher	gun price
M/700 CDL	llion	\$1,672M	4573%	Sales	
5.56MM Linked Frang. Ammo Cap.	Lonoke	3 \$66 9M	125%	Sales	
			Soc.		
		201			

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

<u>llion</u>

For the month of April, capital expenditures were \$135M. The model 2100 project and the high pressure coolant system for Okumas project incurred expenditures of \$79M and \$38M, respectively.

Mayfield

For April expenditures were \$8M for the 504 project.

Ada/Findlay

For April, there were no expenditures.

Lonoke

For Lonoke, expenditures totaled \$153M. Projects with major expenditures include the plant access control system for \$50M, the centerfire manurhin loader powder detects for \$19M, the rebuild centerfire shell heading machine for \$15M, the overhaul centerfire bullet assembly machine for \$15M, and the centerfire bullet transfer press for \$10M.

Ilion - PMPd

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

Elizabethtown

For April there were no expenditures.

Corporate

For April expenditures were \$59M. The cold sky project and the SAP Netweaver installation project incurred expenditures of \$34M and \$16M, respectively.

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Remington Arms Company, Inc. Status of Capital Expenditures as of April 30, 2004.

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

1 1	D : : :	Capital	Operating	
Location Ilion Ilion Ilion Ilion Ilion Ilion Ilion Ilion Lonoke Lonoke Lonoke Lonoke PMPd	Project M/1100 16 Gage New Caliber Ultra Mag Rotary Machine Syn T-Plates Bore Ream Equipment Barrel Machining Project O/U Project M/1187 3 1/2 Inch Super Mag Replace Miyano Lathe Centerfire Rifle Pack Automation Contorfire 6 Cone Bullet Wash Equip. Centerfire Pistol Packing Automation Centerfire 9MM Manurhin Loader Centerfire 9MM Case Packing Equip. Cincinnati Molding Machine	Expenditures 138,805 25,840 32,670 175,200 192,800 5,669,171 578,600 561,428 732,738 732,738 732,730 145,000 3,100,000 160,000 160,000 165,800 167,647	Expension 40,883 111,940 117,873 24,850 0,500 1678,461 166,310 3,17,360 8,362 3,34,800 5,000 190,000 25,000 0 25,900	321.0% Complete being reviewed. 835.0% Complete being reviewed
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