

REMINGTON ARMS COMPANY, INC.
Product Team Meeting Minutes

September 15, 2004 8:00 am EST

Future Meetings

November 17th - Ilion
December 15th - Ilion

Future Important Dates

October 14th-16th Writers Seminar-Orangeburg, SC
November 6th-8th Sales Meeting-Greensboro, NC

Business Review

Jay Bunting to provide overview of current business environment
2005-New Products shipped in 1st quarter is critical to the business.
Competitive Environment-CFR is in pretty good shape, shotgun business challenged by OPP items on the low end.

ILION BASED SHOTGUN PRODUCTS

New Shotgun Product

Model 332-Skinner, Orf

OBJECTIVE: Establish a legitimate presence in the O/U market

Production Status:

- Guns per day All orders covered with excess inventory, 900 guns by year end at 10 per day, 800 per year at 8 per day, 5 per day is 600 guns at year end
- Gun not selling well at retail; competitive products that are proven versus the 332. Building critical mass with a breadth of offerings is going to be critical.
- Must reduce daily rate to avoid building excess inventory.
- Shooting Open-Update
 - Top Lever Template
 - Grinding Lugs
 - Communicating with Arms Service-Any New Repairs?

Orders on the books covered. Will build some inventory at 10 per day; close to 400 each at year end. 2005 daily rate currently would mean 6-7 guns per day. If cut back, getting back to 10 guns per day could take 6-7 months.

Action: Check Williams sell through. (Fink/McCanna)

Look at improving efficiencies and cost. (Orf)

Planning requested assistance relating to schedules through out 2005.

(Trull/Fink)

Plant can scale back to 8 guns per day without impacting people. Will implement in Q4.

M332 Sporting DL-D.Diaz

Need 10K rounds shot through 3 guns to assess durability of design. Need to look at frame treatment. R. Murphy to work with B. Orf on improving design. Must have design complete and finalized by June 1, 2005 for a 2006 Spring Gun introduction.

- Current Status
 - 3200 style barrel hanger-Designed barrel hanger set, .040" convergence. Plans to braze 3-5 barrel sets week of 7.21. Barrels will be crowned but not tubed and shot for POI.
 - Side Panels-Update

5 prototype barrels with .040" versus .120" convergance built. Will ship to R. Murphy week of 8.23. Not overbored or choked, will shoot for POI/POA. Need to go to a light contour barrel, 28" 30" 32" 34" barrels, tapered rib, stepped rib, straight comb. Current design has bottom barrel 1" higher than top barrel. Need taper of approximately .014" like 3200. Barrels would be straight allowing tube sets to work.

Barrels went together well, less labor

DAT complete first week of December. T&P-barrels should not be an issue. Biggest issue is raised side panels.

Action: Make sure all future drawings/communications are funneled through Orf. (Diaz/Murphy)

Action: Decision point on side panels versus flat panel by next PTM. Checkering patterns are also an option that need addressed. (Fink) Decision to stay with flat side panels.

332 20 gauge-Add back to agenda for November meeting.

M1100 Sporting DL-B. Orf

- Current Status-Make 1100 bbl with 105 ID and choke tubes. .735" with lengthened forcing cones. Goal is to have 10 barrels by September 1st. Boyds should make adjustable comb stock

Target sights

Glass beaded/shot blasted receiver

ACTION: Jeweling bolt-need to investigate bolt cosmetics. Fluting was proposed as an option. B. Orf to look into what is feasible.

Investigating ways to improve surface finish: action bars, slide, action tube, receiver with nickel Teflon finish. Polish hammer, locking block, action spring tube follower, link and hammer plunger with coating. Will have shooting prototypes by the end of September.

Action: Fink contact Kolar to have 5 adjustable comb stocks made from 1100 Sporting stocks.

Bolt-have not come up with option for jewelling or fluting. Body cote may be an option for the bolt.

Assuming cosmetics finalized by mid September, production could start end of first quarter.

Need-new cosmetics; different receiver look, new for end and checkering pattern

ACTION: Fink to supply artistic rendering for benchmark.

NEED competitive review; bring guns to next meeting.

Work with Hogue on grips-Fink to get rendering to Orf to develop.

Fink to purchase competitive guns.

1187 SM

Need definition on lower end of ammunition.

Action: Fink to check Owners Manual on recommendation/catalog copy/customer and consumer service/website

ACTION: B Orf to check D. Findlay research concerning low end recommendation.

2005 Spring Shotguns-Skinner, Mroz, Orf

- Current Status

2005-06 SP-10 Mossy Oak Obsession October production-400 by year end

2005-07 11-87 SM NWTF-Royalties 1500 by year end Inventory at year end a concern, to date orders are less than 500 guns

2005-08 870 SM Thumbhole 850 by year end, 50 by the end of September

1st 8 stocks from Boyds have rough spots. Some issues with Boyds and their ability to supply

2005-09 870 Exp Jr. NWTF-Royalties 750 by year end

925 Team NWTF guns in October
870 Friends of the NRA 28 gauge 500 starting next week.

1187 Sportsman Synthetic Line -

Update \$37K total in stranded parts, \$11K is recoil pads that can be used.

ACTION: Skinner-12 gauge production schedule- 12 gauges are structured with schedules starting in October for 12/26&28 and 12/21 FR CL.

ACTION: B. Orf - 20 gauge fore end status. 9 weeks & \$15K to modify 1100 20 gauge tool. Sample for ends first week of November. Scheduled to start in December.

Ilion Quality – Shotguns

Shotgun POI-Perniciaro, Orf

OBJECTIVE: Conformance to SAAMI spec

ACTION: Ilion Engineering to provide status of this project. Priority of shotguns in which to incorporate these changes first:

1. All 1100 Target, 1100 Classic Field and Synthetic
2. 11-87 Premier and SP/SPS
3. 870 Wingmaster and SPS
4. 870 Express
5. SP-10

Jack Kast has picked up. Trying smaller bead to evaluate POI. Lab time is being consumed for MCS at this point of time. Late July early August at this point for an answer. **By next PTM we should have results.**

Standard rib and sight SAAMI- -3 1/8"

Standard rib and low sight SAAMI- +1/2"

Assuming low bead works, change all beads ASAP.

- **Choke Tube Constriction/Patterning Concerns Drawings changed-Need ID Mark**
ACTION: B Orf to update drawings. Need to add some sort of ID mark on choke tubes. Tim Butler has some questions concerning transmitted spec versus current drawings. Fink to work with Butler.
- **1187 extractor is being used in 1100 Target guns. This means old 1100 barrels will not fit new 1100's.**
ACTION: Perniciaro to investigate when change took place, report at next meeting, and provide plan to revert to an 1100 extractor. Update by Friday.
Update Report-1986 DGR by Terry Douglas to change all 11-87 and 1100 (12&16ga) barrels to wide cut.
1100 Classic Field 16 gauge '02-wide cut and extractor
1100 Syn (2005 Deletion) has narrow extractor but wide barrel cut.

Moving forward-all 1100/1187 12&16 ga to have wide extractor and wide barrel cut.

ILION BASED GENERAL TOPICS

Fore End Stickers for Wal* Mart - Mroz

- Current Status
- Implementation Dates
- BOM Updated and Structured?
- RAMACS by Model
7400-9794, 9796
870-5102, 5587
700-7512, 7474, 7478, 7480, 7514, 7476, 7516, 7482

ISS Conversion-S. Perniciaro

- Current status of lock and implementation dates
Scheduled to start phasing in October, 2004.
Regal will work on 332 next.
Haskin handling shotgun timeline, Zito handling rifle.
Action: Haskin/Zito to e-mail timeline to Trull/Fink.
Bolt Action-Balio's group driving adding fluted firing pin and lock. New guns structured with non-ISS. BOMs being structured and will determine stranded parts and what is needed. Decision point once stranded inventory is valued. Common fire control following same path. Boxes for new lock will be in this week. Cost of Regal lock approximately \$3.50. Need response from Foster/Schoppman on direction of lock; will go with inexpensive lock unless directed otherwise. B. Orf to e-mail Foster. Fink to find out what Mossberg is currently putting with their gun.

R3 Pad on Wood Stocks-B. Orf

- Current status and implementation dates.
- 1st T&P on 700 magnum received 8.22. will submit CAP for white line spacer. Continuing to work on short stocks. Ed Owens is handling. will be at S&K at least one week per month.
- Currently working on 1100 Upland Special Mountain Rifle.
- Will have 50 Wingmaster stocks within the next week.

Wood Stocks Dipped with Wood Pattern – B. Orf

- Develop contacts to test market an 1187-Need to see some samples, may do a SHOT Show special.
ACTION: B. Orf to get contact information from S. Perniciaro and have some stocks dipped for samples.
Update for next meeting.

Botega Equipment – B. Orf

- Discuss Path Forward
- Marketing needs sample set of all rolls on hand to evaluate if any on hand are usable
- Action: Joe P. have steel plates rolled to show examples of what we have available.

NRA Licensed Guns

1187 Sportsman
870 Wingmaster
700 SPS
700 CDL

Need to know what we have now and what is needed to build new rolls in the future.

Have NRA guns to preview to customers and launch at NRA.

Action: Fink/Trull to forward artwork and complete NPP's.

ILION BASED RIFLE PRODUCTS

2005 Ilion New Rifle Programs

Model 700 Synthetic Stock Redesign Status-Mead

True long action in left hand long action is needed

Long action magnum, long action standard, short action standard

- Status Update on vendor progress
- Status update on production plans **Balio**
- **960 in November and 1300 in December. Plan to bump to 4300 by end of December. May pull HS guns out and replace with SPS. Trull/Roberts/Balio to conference and chart plan. Recoil pad fit with current pad is poor. Trull needs to see sample with current pad.**

Custom Foam

New Light Varmint stock-can spray elastomer in mold. Very durable. Can color. Could be good option for adjustable comb.

Action: Trull to schedule meeting in E'Town to discuss path forward for HS replacement.

Model 700 XCR –Coatings-G.Sietsema

- Marketing has approved color on trigger guard and components
- Need an update on testing (salt fog, abrasion, endurance) that was to be complete on 9/2/04.
- Need an update on DAT/T&P to establish material flow process with vendor.
- Need an update on competitive samples to independent test lab that we agreed to go ahead and get started per the last meeting.
- Writers Seminar is in 4 weeks!
- May have some adhesion issues due to the addition of nickel. Nickel adds to corrosion resistance. Glen will supply competitive product after salt spray test for Writers Seminar. Will have independent test house run test once finalized. Risk is that we may not have process until year end. Must have no later than March 1st to close out quarter. Have not shot any guns yet for accuracy, will start shooting with one gun this week. If process is patentable, we should pursue ASAP. Need to come up with trade name.

Model 700 New Varmint Line – Mroz/Balio

- Status Update on production

Have 815 left barrel assemblies waiting on stocks. Smaller number of right hand waiting on stocks. Receiving 45-50 LH stocks per day. Issues with stock chipping out at rear of receiver

Model XR-100-Mroz

- Status Update on Gun – DAT, T&P, etc.
- Status Update on Owners Manual – Has copy been signed off on by Dale Wills?
- Confirm that stocks have been ordered with Boyd's – Wadas/Balio

Running receivers through. Will be building Writers guns next week. Stocks on order with Boyd's. They are checking on material availability. J Balio wants to have complete inventory of parts before committing to schedule. 1500 stocks on order. Owners Manual updated and out for print.

Model 700 SPL Fire Control – Perniciaro/Diaz

- Update on testing/timing – Perniciaro

R&D complete. Project in place, tooling on order, everything moving forward.

T&P status summer of 2005, will be in production in September 2005.

6.8mm Rem SPC Bolt Head/Extractor Development – Perniciaro/Diaz

- Status of M700P LTR
- Timing/Cost of Development
- Model Selection/Strategy – Keep it Lean

G. Foster is committed to product. Greg is supposed to submit NPP for LTR and 7615. LE has budget of \$305 for 2005 for development. Extractor must be standardized in production and Custom Shop. Trull will follow up with NPP for SHOT Show special.

Ilion Quality Issues – Rifles

Model 7400 Cracked Fore Ends -S. Perniciaro/Balio

- Ilion to advise of status of replacement fore ends for Rivolier.
- Trull/Perniciaro to update team on recent visit.

200 replacement stocks will be in delivered to Ilion by next week. Part number needs to be generated for new for end.

Model 700 Varmint Accuracy Standards -S. Perniciaro

- We need to establish a protocol to insure that our varmint rifles meet a level of accuracy that is congruent with the consumers perception that a varmint rifle should be capable of delivering MOA accuracy out of the box.
- We already charge more for these guns, but we can likely get an additional premium if we can guarantee a level of performance.
- We need to firm up our future business of high revenue, high margin products and give the consumer "insurance" in the form of a guarantee that they are justified in paying the premium for a varmint rifle vs. a price point rifle.

New stock design, new fire control at 3.5 lb range, accuracy guarantee with target in the box. 100% or Varmint guns are currently shot.

7400 SGS-New gas system – S. Perniciaro

- Perniciaro to update on status.
- Team to decide if we should push forward.

Borchers has 100 35 Whelans that need to have barrel assemblies converted. Have guns returned and customer credited. Will pursue new system and complete testing.

R&D TOPICS

E-Town Development Topics

New Varmint Stock Design - Diaz/Mead/Mroz

- Brief discussion on laying out preliminary design criteria
- Establish time for Trull, Mead, Mroz to travel to E-Town to meet with CAD group.

Mead, Mroz, Trull, Cook to meet in E-Town on 10/25-10/26 to outline product and strategy for new stock.

17 Hornady Mach 2 Project - Diaz

- Status on 504

Testing near completion. Only issues were still last round fail to eject, some issues with fail to extract that are contributed to rings in chambers and hard to load 6 rounds in mag box.

- Status on 597

Results not very encouraging. Need a bolt with approximately 20% greater mass than the current 22LR bolt. Diaz working with tungsten supplier now to see if there is an off-the-shelf alloy that could be used to accomplish this. Report at next PTM.

NCAR – (New Centerfire Autoloading Rifle) – Diaz

- Status on Design
- Is there budget capital for development that has been approved?

Stone working on first phase design. Target having working prototype of concept prior to year end.

Mayfield Topics

Model 597 22LR New Mag Box – Diaz/Lance

- Status/Roll in plan

Product has been released. Will phase in by end of October.

Model 710 Metal Receiver – Diaz/Lance

- DAT Update

- Timing for Implementation

Product has been released to T&P. Anticipating late November, early December phase in.

Model 504-T LS HB – Diaz/Lance

- Confirm Testing schedule is on track
- Cost Estimate Still Needed
- Production plans
- Status of Writer's Seminar Orders

Cost estimate at \$275 for HB vs. \$304 for standard M504. DAT guns have been shipped and are in test now.

Model 504 Stock Improvements – Lance

- ¼ Sawn lumber implementation
- Wrap around fore end checkering
- Supplier plans (Boyd's vs. S&K)
- Implementation?

November 1 phase in.

Model 710 Short Action - Diaz

- Trull discussed plans for 2006 (fall 2005 roll out) of 710 Short Action
- Includes .243 Win, 7mm-08 or .308
- True Short Action Length
- New Stock will allow for youth version
- Marketing can commit to 10k units
- Status on capital

\$330k capital has been budgeted for 2005 for this project.

Model 597 17 HMR Accuracy in Production - Lance

- Outcome of recent testing on button speeds

Issue appears to be related to the button speeds in conjunction with a problem with crowning operation. Latest samples seemed to shoot well. Continuing to monitor production closely, but proceeding with build.

Model 597 (6550) Cost Reduction

- Trull has challenged plant and R&D to take \$10 cost out of the current 6550.

Lance will have Engineering staff explore. Some initial thoughts that were boarded in this meeting were alternative sighting options and the option to apply Vince's changes to the current magazine box to a synthetic magazine box for the 6550 only. Diaz is having Vince investigate this option and to see if drawings can be located for the old sight design.

Military/Law Enforcement

870 MCS-Status Update

- Israeli 120 day order with 10" bbl and threaded muzzle break choke tube, would not work. Need direction from Schoppman and Foster.
- Airforce order pending for 1150 guns. Transmittal next week from R&D.

7615-Status Update – Perniciaro/Diaz

Scheduled to have DAT testing done by September 3rd.

Issue with double feed on full magazine box. Changes made to magazine stripper.

Fails to extract during endurance. Design changed, need to re-do DAT testing and more endurance testing.

Perniciaro to e-mail LE impact of resources to Cahan and Bunting.