

REMINGTON ARMS COMPANY, INC.
Product Team Meeting Minutes

August 24th, 2004 8:00 am EST

Future Meetings

September 15th- Ilion
November 17th- Ilion
December 15th- Elizabethtown

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

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
- Shooting Open-Update
 - Top Lever Template
 - Grinding Lugs
 - Communicating with Arms Service-Any New Repairs?

Template gauge in place to adjust top lever.

No new issues since last meeting.

Grinding lugs does not seem to address shoot open issue

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.

Planning requested assistance relating to schedules through out 2005.

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

Options for line extensions: Camo, Extra Wood, B-Grade, Cased

M332 Sporting DL- D.Diaz

- Current Status
 - 3200 style barrel hanger-Designed barrel hanger set, .040" convergance. 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.
 - 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)

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.

Will shot blast receiver and then polish.

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.

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
Call Tom Nagle regarding returns on 1187 SM.
2005-08 870 SM Thumbhole 850 by year end, 50 by the end of September
2005-09 870 Exp Jr. NWTF-Royalties 750 by year end
925 Team NWTF guns in October

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.

Ilion Quality – Shotguns

Shotgun POI-Pernicciaro, 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.**

- **Choke Tube Constriction/Patterning Concerns**

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.**

- **Shotgun Bore Diameter-.727" +/- .002"** - Current LE Process? Catalog guns? All barrels being forged to .718 and finished to .727", no longer an issue. ACTION: Replace any barrels coming into Arms Service with a new barrel with the correct bore diameter.

- **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.

ILION BASED GENERAL TOPICS

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.

R3 Pad on Wood Stocks-B. Orf

- Review status with team based on recent visit.
- 1st T&P on 700 magnum received 8.22. will submit CAR 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.

Wood Stocks Dipped with Wood Pattern

- 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.

ILION BASED RIFLE PRODUCTS

2005 Ilion New Rifle Programs

Model 700 Synthetic Stock Redesign Status-J Mroz/Mead

- Status Update on vendor progress
- Status update on production plans **Balio**

Stocks by October. Have equivalent wood stock guns scheduled to switch into SPS guns as soon as stock is delivered.

September 23rd delivery scheduled for LA magnum stocks. Would cost \$15K-\$20K for OT and reduce by one week. Mead to evaluate what can be done to expedite.

Model 700 XCR –Coatings-G.Sietsema

- Marketing has approved color on trigger guard and components
- Need an update on testing (salt fog, abrasion, endurance)
- Need an update on DAT/T&P to establish material flow process with vendor.
- Sietsema to present testing data and comparison to competitive offerings.

First round of corrosion testing failed to yield better results than plain 416 stainless. Will fix by adding a base layer of chrome under coating. Next batch of samples due in this week. Will have test results by end of August.

Action: Glenn to advise Trull of test results by 9/2. Glenn will also go ahead and get competitive samples out to independent test lab to begin gathering data. Marketing must have all this info by end of Sept. for Writers Seminar.

Model 700 New Varmint Line – Mroz/Balio

- Status Update on production
- HS given release to go ahead on July 28th. 1500 left hand were supposed to be delivered and built in August. Was to be at 100 stocks per day, delivering 10-15. moved August and September schedule

Action: Trull to draft letter to be approved by planning and put HS on notice.

Action: E'town to investigate new bedded stock design.

- Trigger guards are structured incorrectly.

Model XR-100-Mroz

- Status Update on Gun – When are structures going to be complete?
- Status Update on Owners Manual – Has copy been sent to Dale Wills for review?
- Some changes have been made to owners manual. Has been sent out for revisions.

ACTION: Mroz to check and confirm. Will be costed and structured by week of 8.30.

- Boyd's could be an issue on stock delivery. Order should be placed ASAP.

Model 700 SPL Fire Control – Perniciaro/Diaz

- Update on findings on the 7491 with bad extractor and inability to adjust current firecontrol below 5lbs consistently. – Perniciaro

Trigger return spring was hanging up. Extractor was damaged.

- Update on testing/timing. – Perniciaro
- Update on surface finishes. – Perniciaro

All trigger/sear critical surfaces not to exceed 16.

- Discuss trigger pull spec for production – Trull/Perniciaro/Diaz

Trigger pull will be set at 3.5lbs in production.

- CAR approved 8.24.

MIM 1st articles due by 2/28/05. All 1st articles complete by 5/17/05. T&P 5/18/05-8/19/05. Production by 8/22/05. 10k units by 11/15/05.

Ilion Quality Issues – Rifles

Model 7400 Cracked Fore Ends -S. Perniciaro

- Perniciaro to advise on testing of new parts and what has changed in process to correct issues

Added relief cut to front of fore end. Achieved better bond and contact between sleeve and fore end.

- Trull and Perniciaro to visit Rivolier the week of August 30th. Need to know how many samples will be available.

Six sample fore ends will be hand carried over.

R&D TOPICS

E-Town Development Topics

Fluted Firing Pin - Diaz/Perniciaro

- Status
- Production Ramp up – Ilion
- R&D complete, turned over to Ilion

17 Hornady Mach 2 Project - Diaz

- Status on 504
- Ammunition was to arrive by end of July. Diaz to confirm.
- New Eley ammunition. At SAAMI nominal dimensions. Some issues with magazine boxes, will evaluate with new magazine box design. Will test 597 with standard bolt. BV's at 400 in/sec.
New mag box configuration appears to have resolved issues with feeding. Accuracy averaging 0.69" for 5 5-shot groups. Mayfield will have 200 guns built for T&P selection by 9/7/04.
Action: Lance to check on number of potential 22LR boxes that will need to be converted and work out plan with Trull to use them up.

NCAR – (New Centerfire Autoloading Rifle) – Diaz

- Diaz/Trull to brief team on concepts and competitive strategy.
- NPP to Jeff Stone to evaluate replacement for 7400. Will be building 1-2 prototype guns.

7400 SGS-New gas system.

Mayfield Topics

Model 597 22LR New Mag Box – Diaz/Lance

- Status/Roll in plan
- Available quantities for promotion?

All 1st article samples have been approved. Confirming now that production parts are being ordered. R&D needs 30-35 M597's and M504's for T&P testing. Mayfield to prioritize 597 and send by end of next week.

Action: Lance will advise of roll in.

Action: Mayfield to send Trull 12 new style boxes.

Model 710 Metal Receiver – Diaz/Lance

- DAT Update
- Mayfield should be ramping up and switching in October to make 2005 catalog
- Confirm costing

180 units out to be chambered per E-Town's direction. Due back 9/3/04. Vendor tooling due 9/3/04 as well. T&P lot will be complete by 9/30/04. Vendor targeting production roll in 11/01/04.

Action: Mayfield will segregate old vs. new style receiver. Marketing will move old style through Wal Mart.

Model 504-T LS HB – Diaz/Lance

- Confirm Stocks were received
- Confirm Testing schedule is on track
- Cost Estimate Needed
- Production plans

Mayfield building 20 guns ea of 22LR and 17HMR to send to E-Town for DAT. Trull needs a couple guns of each for Writer's Seminar.

Action: Trull will place SAP order on Mayfield for sample guns for Writers Seminar.

Action: Lance will advise on costing.

Action: Lance will advise Trull what guns will be available for Writers Seminar

Mayfield Production Plan for 2004 – Bunting/Lance/Trull

- Need to discuss potential plans to ramp up M710's by 5k units by year end
- Pushing for incremental volume. Steel has been ordered.

Model 504 Stock Improvements – Lance

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

Action: Mayfield to proceed with improvements per Marketings direction. S&K will only be used as a fall back supplier if needed.

Model 710 Short Action

- 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

Action: Lance to have Chambliss project payback on capital to submit as capital expense for 2005 budget

Action: Trull to issue NPP to Diaz

Model 597 17 HMR Accuracy in Production

- Problem appeared again causing accuracy to go from 1" to 2.5"
- Mayfield and E-Town believe problem occurs due to button speed in rifling process
- Mayfield running test to see if they can duplicate results by running at different button speeds

Action: Lance to advise on Monday if speeds had impact on accuracy.

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.

- 7615-Status Update

Scheduled to have DAT testing done by September 3rd. Product will be a complicated build to produce.