

Julie ~~*[Signature]*~~
11/16/81

DISTRIBUTION OF
APPROVED PROPOSAL.

J. G. WILLIAMS
J. P. GLAS
E. HOOTON, JR.
E. F. BARRETT

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PHH:daf

REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE



The attached summarizes the current Departmental positions concerning the introduction of a non-cataloged offering of a Model 700 Classic in .257 Roberts caliber in 1982.

Please signify your approval or comments opposite your name. The approval will permit the announcement of this gun at the Outdoor Writers Seminar next week. These comments will be documented at the next meeting of the Operations Committee.

	<u>Date</u>	<u>Comments</u>
<u>J. G. Williams</u> J. G. Williams	<u>11/13/81</u>	
<u>Paul Hooton for J P Glas</u> J. P. Glas	<u>11/13/81</u>	Phone call approval.
<u>E. Hooton, Jr.</u> E. Hooton, Jr.	<u>11/13/81</u>	
<u>E. F. Barrett</u> E. F. Barrett	<u>11/13/81</u>	

Model 700 Classic .257 Roberts

Marketing

We desire to introduce the Model 700 Classic in .257 Roberts caliber. This non-cataloged offering is an excellent follow up to our highly successful 7mm Mauser promotion in 1981. It has been requested by consumers, dealers, distributors and outdoor writers alike.

The gun is in support of our forecast. As stated in our assumptions for the Five Year Forecast, we are planning to have limited runs of at least 3,000 center fire rifles in each of the next five years. For example, we anticipate requesting the Model 700 Classic .220 Swift be offered in 1983. Our strategy for these limited run guns is to:

- Provide incremental sales volume and pretax earnings.
- Support our business objective of increasing market share in the center fire rifle segment.
- Support the independent segment of distribution.
- Generate enthusiasm at new product introductions.

The model requirements of the gun include all standard features of the Model 700 Classic. The gun would be chambered for .257 Roberts, utilize a short action, and have a 24" barrel. The barrel would be the same as what we currently use in the 25/06 Rem. offering.

To maximize our promotional efforts we desire to announce this gun at the Outdoor Writers Seminar next week.

Our forecast for this product is 3,000 guns. This would yield approximately \$619M in net sales. Since we anticipate having orders prior to any production of the rifle, the risk of carryover inventory is minimized.

Research & Development

We have made five sample Model 700 Classic .257 Roberts rifles according to the Marketing model requirements.

The guns have been proofed but not yet targeted. Targeting will be completed within the next week. We expect no difficulties in the targeting nor functioning of the gun. It appears to be a low risk item.

Production

While formal economics have not yet been prepared, we expect favorable economics. We will have to obtain tooling for the .257 Roberts chamber, the barrel rollmark and head space gauges. Since we presently manufacture to Model 700 Classic and the barrel that will be utilized on this new gun, no major manufacturing problems are anticipated. Estimated operational charges are \$15,300 for the run of 3,000 guns, or \$5.10 per gun. While the gun has not been scheduled for production, we feel we could have guns produced to the warehouse starting in mid year.

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