

CENTER FIRE RIFLESMODELS 7400, 7600, FOUR AND SIX - Contd.

The Chairman reported that his recent presentation of the Model 7400 program to the Du Pont Board of Directors was very well received.

MODEL FOUR LIMITED EDITION  
(1981 Introduction)

Research presented a sample Model Four Limited Edition for the Committee's review.

Marketing reported that all model requirements for the Model Four Limited Edition have been finalized. They forecast a sales volume of 1,500 units for this gun.

Production reported that their engineers have been working closely with Research to determine the best method of attaching a Rosewood Tip to the Fore-end. Once this is finalized, an engineering estimate and economics will be completed. They indicated sources of Indian Rosewood, specified for this gun, are being investigated. Major suppliers are quoting up to \$50.00 per board foot and six to nine months delivery.

The Model Four Limited Edition Receiver will be etched by Aurum Etchings. The cost for an etched and plated Receiver for our current Model 1100 Limited Edition is \$85.00 per unit. The cost for etching and plating the Model Four Limited Edition will be \$170.00 per unit.

Production recalled that in April, 1980 our agreement with Aurum Etchings was modified to include an advance payment of \$50,000 for equipment required by Aurum in order to process our Receivers. Contained within that agreement was a provision to recapture the fifty-thousand dollar advance payment by deducting \$17.00 per unit from the Model Four cost. The net price for the Model Four would thus be reduced to \$153.00 per Receiver. However, all these conclusions were based on an order for approximately three thousand Model Four Receivers. Production pointed out that the decision to produce only 1,500 Model Four Limited Editions may impact on the recovery cost factor.

Production also noted that since the original agreement with Aurum was finalized, business relations have been cordial and normal in all respects. Communication has been good and deliveries timely. Both Remington and Aurum are adhering to the terms of the contract.