

Remington Arms Company, Inc.
Status of Capital Expenditures as of October 31, 2004

Corporate anticipated expenditures exceeds budget by \$415M. Projects with major impact include the Parker Project for \$250M, Sox Security Software for \$95M, John Galt Forecast System for \$44M, PBX Upgrade for \$44M, and Spartan Gun Works for \$40M. These overages are partially offset by reductions in E-commerce and IT anticipated expenditures.

Total company budgeted ROIC for 2004 projects is 10.9%. Through October, total company authorized ROIC for 2004 projects is 62.1%. Shown below is a list of projects with substantial authorized returns.

Project	Location	Annualized Savings/ Earnings	ROIC %	Basis for Savings/Earnings
M/700 CDL	Ilion	\$1,672M	4573%	Sales
M700 SPS Stainless Steel	Ilion	\$2,961M	2149%	Sales
M/7615P Patrol Rifle .223 Rem	Ilion	\$307M	277%	Sales
M/700 Light Varmint Rifle Stock	Ilion	\$154M	721%	Lower material cost
Shotshell Buckshot Loader & Packer	Lonoke	\$1,074M	185%	Sales
5.56MM Linked Frang. Ammo Cap.	Lonoke	\$669M	125%	Sales
Centerfire Unprimed Shell Inspection	Lonoke	\$127M	27%	Labor Reduction

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

Ilion

For the month of October, capital expenditures were \$462M. Projects with major expenditures include the Model 105C-Ti project for \$229M, Bridge repairs for \$68M and the M/700 & 7 New Fire Control for \$51M.

Mayfield

For October, capital expenditures totaled \$34M. Projects with major expenditures include the New Model 710 Receiver Tool for Extruded Receiver for \$21M and the 504 project for \$6M.

Ada/Findlay

For October, capital expenditures totaled \$33M. The Ada Water Chiller project had expenditures totaling \$26M and the Findlay Trap Machine project had expenditures totaling \$7M.

Lonoke

For October, expenditures totaled \$1,037M. Projects with major expenditures include the Amortized Shotshell Wad Mold/Conversion project for \$667, the Centerfire Unprimed Shell Inspection project for \$200M, and the 5.56mm Frangible Ammo Capability for \$41M.