

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

Ilion has capital expenditures of \$737M in the 2005 budget carryover section for the M700 and 7 Fire Control System project. Estimated capital carryover for this project in December is \$897M, \$160M more than budgeted. Other projects with significant capital carryovers include the 105 CT1 project for \$200M, Replacement of Lk Micro CMM w/ Brown & Sharp for \$62M, Sims (R3) Recoil Conversion project for \$40M, and Tooling for New Gun Boxes for \$31M. The budget shortfall for Ilion projects creates unanticipated capital expenditures for 2005 of \$568M.

Mayfield has an unbudgeted estimated capital carryover of \$13M for 2005.

Lonoke has \$896M in the 2005 capital budget carryover section for four projects. One project, the Amortized Shotshell SWad Mold, was budgeted to have a carryover of \$174 but was capitalized in December 2004. Projects with significant unbudgeted capital carryover amounts include the 5.56 Linked Frangible Ammo Capability project for \$118M, the Waste Treatment Design Specifications project for \$40M, and the Replace Shotshell Lead Shot Kettle project for \$31M. The budget shortfall for Lonoke projects creates unanticipated capital expenditures for 2005 of \$145M.

Elizabethtown has an unbudgeted estimated carryover of \$9M for 2005.

Corporate has capital expenditures of \$50M in the 2005 budget carryover section for the Parker Project. Projects with significant unbudgeted capital carryover amounts include the Parking Lot Repaving project for \$42M, Spartan Racking at OHL for \$26M, and the Office Exterior Column Replacement project for \$18M. The budget shortfall for Corporate projects creates unanticipated capital expenditures for 2005 of \$102M.

These unanticipated expenditures will need to be accommodated through the reduction of other 2005 budgeted projects.

Shown below is a comparison of budgeted expenditures, anticipated expenditures, and year-to-date actual expenditures by location.

	Budgeted \$	Anticipated \$	YTD YTD Actual \$	Remaining Anticipated
Ilion	\$4,400,000	\$4,543,095	\$4,543,095	\$0
Mayfield	300,000	267,545	267,545	0
Ada/Findlay	74,000	39,869	39,869	0
Lonoke	2,500,000	3,754,181	3,754,181	0
PMPd	150,000	49,515	49,515	0
E-Town	126,000	104,071	104,071	0
Corp.	486,000	777,232	777,232	0
Total Company	\$8,036,000	\$9,535,508	\$9,535,508	\$0

Ilion's expenditures of \$4,543M exceed budget by \$143M. Projects with significant expenditures include \$1,150M for the model 105CT1 project and \$852M for the M/700 &