

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

7 New Fire Control project. Additional expenditures for these projects for 2005 include carryover amounts of \$200M for the 105CTI project and \$897M for the M700 & New Fire Control project.

Lonoke's expenditures exceeds budget by \$1,254M. Projects with significant expenditures include the Amortized Shotshell Wad Mold Conversion project for \$667M, the 5.56mm linked frangible ammo capability project for \$366M, and the Amortized Shotshell GL 12 SWad Mold for \$290M

Corporate's expenditures exceeds budget by \$291M. 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 December, total company authorized ROIC for 2004 projects is 58.8%. Shown below is a list of projects with substantial authorized returns.

Project	Location	Annualized Savings/Earnings	ROIC %	Basis for Savings/Earnings
M700 CDL	Ilion	\$1,672M	4573%	Sales
M700 SPS Stainless Steel	Ilion	\$2,981M	2149%	Sales
M7615P Patrol Rifle .223 Rem	Ilion	\$307M	277%	Sales
M700 Light Varmint Rifle Stock	Ilion	\$184M	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 December, capital expenditures were \$1,610M. Projects with major expenditures include the M700 & 7 New Fire Control for \$470M, the Replacement of 2 Wasino Lathes with 2 Okuma Lathes for \$208M, the 700 Modular Overmolded Stock project for \$133M, the Replacement of Gas Cylinder Braze Machine for \$118M, and the M700 SPS Stainless Steel project for \$108M.

**Mayfield**

For December, capital expenditures totaled \$93M. Projects with major expenditures include the Dust Collector project for \$25M and the M710 Stock Tool Refurbishment project for \$19M.