

Mayfield 2006 Budget Review

Remington Ilion Firearms – 2006 Budget Review			
<u>Non-Inventoriable Manufacturing Costs</u>			
(\$ in millions)	<u>'05 Fcst</u>	<u>'06 Budget</u>	<u>\$ change</u>
Warranty	\$ 2.3	\$ 2.4	+\$ 0.1
Project Op's Exp.	\$ 1.3	\$ 0.9	(\$ 0.4)
Other Period Cost	\$ 1.3	\$ 2.2	+\$ 0.9
Pension/OPEB	\$ 6.8	\$ 4.8	(\$ 2.0)
Total	\$11.7	\$10.3	(\$ 1.4)
3% increase in Warranty based on increased labor rates for RARC's.			
Project Operations expense based on '06 Capital Budget			
Other Period Costs include rental & labor associated with temporary boiler for steam production of \$1.2MM in '06; \$538M in legal fees and O&M accruals in '05			
Pension & OPEB expense based on data from corporate			

15