

Remington Arms Company, Inc.
2006 Estimated Costs

Ilion, NY

Description		(A) 2005 Standard	(B) 2005 Variance	(A+B=C) 2005 Actual	(D) 2005 Annualized	(D-C) Calculated Difference	(E) Expected Inc/Dec in 2006
MATERIALS							
Steel	(1)	3,600,000	500,000	4,100,000	4,225,000	125,000	
Synthetic Long Stocks	(2)	1,400,000	50,000	1,450,000	1,462,500	12,500	105,000
S & K		6,800,000		6,800,000	6,800,000	-	
Surcharge		800,000	200,000	1,000,000	1,000,000	-	(200,000)
SPL Trigger Assembly		-	-	-	-	-	1,100,000
		\$12,600,000	\$ 750,000	\$ 13,350,000	\$ 13,487,500	\$ 137,500	\$ 1,005,000
LABOR							
2.75% Hourly Wage Increase 9/13/05	(3)	27,689,063	-	27,689,063	27,689,063	-	567,138
\$500 per Lump Sum Increase 9/10/06		-	-	-	-	-	125,563
Salaries	(4)	8,800,000	-	8,800,000	8,800,000	-	264,000
		\$ 36,489,063	\$ -	\$ 36,489,063	\$ 36,489,063	\$ -	\$ 956,750
OVERHEAD							
Tooling & Operating Supplies		6,868,000	1,000,000	7,868,000	7,868,000	-	
Overtime Premium		1,400,000	300,000	1,700,000	1,700,000	-	
Healthcare Costs (+11%)		6,800,000	(300,000)	6,500,000	6,500,000	-	715,000
Worker's Compensation		1,600,000	600,000	2,200,000	2,200,000	-	
Freight (Non Raw Material)		300,000	200,000	500,000	600,000	100,000	300,000
Steam	(5)	1,900,000	350,000	2,250,000	2,250,000	-	1,050,000
Match Change - 401k		-	-	-	-	-	
Electricity		2,100,000	1,000,000	3,100,000	3,320,000	220,000	498,000
Gases (including hydrogen/nitrogen)		450,000	150,000	600,000	600,000	-	120,000
Maintenance		7,200,000	700,000	7,900,000	7,900,000	-	
Depreciation		3,300,000	(200,000)	3,100,000	3,100,000	-	300,000
		\$ 31,918,000	\$ 3,800,000	\$ 35,718,000	\$ 36,038,000	\$ 320,000	\$ 2,883,000
Total Standard Costs		\$ 81,007,063	\$ 4,550,000	\$ 85,557,063	\$ 86,014,563	\$ 457,500	\$ 4,844,750
PERIOD EXPENSE							
Scrap		2,300,000	(400,000)	1,900,000	1,900,000	-	
+17% Worker's Comp 2nd Injury Fund		200,000		200,000	200,000	-	34,000
Excess/Obsolete Reserve	(6)	100,000	750,000	850,000	850,000	-	(350,000)
Steam Costs (Temp. Boiler & O&M)		-	550,000	550,000	550,000	-	650,000
Project Operations Charges	(7)	650,000	650,000	1,300,000	1,300,000	-	(450,000)
		\$ 3,250,000	\$ 1,550,000	\$ 4,800,000	\$ 4,800,000	\$ -	\$ (116,000)

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