

Law Enforcement and Military Products

Law Enforcement & Federal Agency

Firearms

7615

Business is strong

Plant started delivering in May

Forecast for 2005: 8,000 units

Shipped to date 2005: 1,500

870: Business is steady with local LE customers

Slow migration away from the business to 7615's anticipated

As usual several big contracts are expected to be let in Q4 and Q1 of

2005

Ammunition

Pricing continues to be sub-spotting pre-spotting price increases

Margins continue to hover between 7% and 10% on most contracts

Backordered on most major items

2mm

223

Ammunition quality problems plague us at FLETC

Over \$1,500,000 in lost business in 2005

Firearms shipments are at par with last year