

- We need to firm up our future business of high revenue, high margin products and give the consumer "insurance" in the form of a guarantee that they are justified in paying the premium for a varmint rifle vs. a price point rifle.
- We need to control trigger pull weights on the SPL fire control to 3 -3.5 lbs max, guarantee that the rifle shoots MOA or better and include a target in the box with the gun for 2006.

Shooting 100% on five different skus; 80% under 1" for three shot groups. Marketing would like to guarantee accuracy in 2006 while going away from HS stock. Will start 2006 varmint run in August of 2005.

7400 SGS-New gas system – S. Perniciaro

- Perniciaro to update on status.
- Team to decide if we should push forward.

Sietsema-Tested 30-06 in test lab, 1000 rounds in endurance with 2% overall malfunction rate. Will have 35 Whelan tested by the end of December. 80% of tooling will be in place by year end. Viewed as a low risk development. Needs new model number and new look. Make high end gun, high end wood with new dimensions. Changes made here carry over to new pump action look. 2006 Catalog introduction. J Trull to submit NPP's. Look at making trigger feel more like rifle trigger. Look at burnishing chambers.

2006 New Rifle Products

New Model 700 Varmint Line

- Utilizes standards set forth above with respect to accuracy and trigger pull
- Will utilize SPL firecontrol
- Will utilize new stock design outlined at recent E-Town meeting on this subject
- Discussions around how we will achieve our goals on accuracy
- Discussions around styling and cosmetics, i.e. carbon receiver with stainless barrel

R&D-Stock design from Todd Cook.

Trull to review prototype sample and redirect accordingly

Need to be ready with 50 sales rep samples by August with 4th quarter shipments

Update Model Seven Wood Line for 2006

- New styling i.e CDL style? General discussion
- Wood strategy discussion S&K, Boyds, other supplier?
- Lead time discussion and design lead discussion.

Model 7 line has been unchanged for 6-7 years

Spline cut recoil pad could differentiate the magnum from the non-magnum

If Boyds will switch to 1/4 sawn at same price, then make switch on CDL's. Must check with S&K on holding price. May switch to S&K for Magnums in summer 2005.

R&D TOPICS

E-Town Development Topics

17 Hornady Mach 2 Project – Diaz/Lance

- Status on 504 accuracy testing

Working on several issues with E-Town to pin down accuracy issues. Running Green Mountain barrels now.

- Status on 597

Reviewing at a low priority. Are exploring different alloy's as a solution or a tungsten plug. Will continue to monitor progress and work on where time permits.