Remington Arms Company, Inc.
Sportsman Model 710 Centerfire Rifle
Financial Model Summary
(Dollars in Thousands)

	Hurdle Rate	One-Third Replacement Volume 20,000 Units	30,000 Units	40,000 Units
Investment				
Capital		$ 1,089	$ 1,089	$ 1,089
Inventory		399	599	797
Accounts Receivable		624	935	1,246
Startup Costs		227	227	227
Total		$ 2,339	$ 2,850	$ 3,359
Sales Volume (Units)				
Per Year		20,000	30,000	40,000
Year 2000 ($ per Unit)				
MSP		$ 259.00	$ 259.00	$ 259.00
Discounts		26.53	26.53	26.53
Taxes		23.04	23.04	23.04
NSP		209.43	209.43	209.43
Cost of Mfg		125.63	125.63	125.63
Std Margin		83.80	83.80	83.80
% Net Selling Price		40.0%	40.0%	40.0%
Incremental EBIT		48.67	48.10	46.57
% Net Selling Price		26.3%	26.0%	25.2%
Internal Rate of Return	15.0%	-4.1%	1.2%	4.9%
Net Present Value	$ -	$ (663)	$ (518)	$ (384)
Cash Flow Payback Month		70	59	58
Return on Invested Capital				
With Startup Costs	29.0%	22.1%	31.7%	37.3%
Without Startup Costs		34.0%	41.5%	45.6%

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Remington Arms Company, Inc.
Sportsman Model 710 Centerfire Rifle
Financial Model Summary
(Dollars per Unit)

		One-Third Replacement Volume		
	New Product Proposal	20,000 Units	30,000 Units	40,000 Units
Sales Volume (Units)				
2000	40,000	20,000	30,000	40,000
2001, 2002 and 2003	50,000	20,000	30,000	40,000
Incremental Sales Volume (Units)				
2000	25,000	13,333	20,000	26,667
2001, 2002 and 2003	31,250	13,333	20,000	26,667
Year 2000 ($ per Unit)				
MSP (710)	$ 229.00	$ 259.00	$ 259.00	$ 259.00
Discounts	20.32	26.53	26.53	26.53
Taxes	20.68	23.04	23.04	23.04
NSP (710)	188.00	209.43	209.43	209.43 83
Cost of Mfg (710)				
Material		56.38	56.38	56.38
Labor		17.99	17.99	17.99
Fixed Overhead		8.49	8.49	8.49
Incremental Overhead		42.77	42.77	42.77
Total Cost of Mfg	103.00	125.63	125.63	125.63
Std Margin (710)	85.00	83.80	83.80	83.80
% Net Selling Price	45.2%	40.0%	40.0%	40.0%
Replacement Margin		(23.57)	(23.85)	(24.78)
Incremental Margin		60.23	59.95	59.02
% Net Selling Price		32.5%	32.3%	31.9%
Period Expense		3.60	3.60	4.05
Gross Margin		56.63	56.35	54.97
% Net Selling Price		30.5%	30.4%	29.7%
Distribution		2.25	2.25	2.25
Commissions		1.80	1.80	1.80
Bad Debt		0.91	1.20	1.35
Marketing		1.00	1.00	1.00
Product Related		2.00	2.00	2.00
Interest Expense		12.68	10.50	9.37
Total SG & A Expense		20.64	18.75	17.77
Incremental Pretax Earnings		35.99	37.60	37.20
% Net Selling Price		19.4%	20.3%	20.1%
Incremental EBIT		$ 48.67	$ 48.10	$ 46.57
% Net Selling Price		26.3%	26.0%	25.2%

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Remington Arms Company, Inc
Sportsman Model 710 Centerfire Rifle
Financial Model Summary
(Dollars in Thousands)

	Hurdle Rate	One-Half Replacement Volume 20,000 Units	30,000 Units	40,000 Units
Investment				
Capital		$ 1,089	$ 1,089	$ 1,089
Inventory		301	450	599
Accounts Receivable		404	705	810
Startup Costs		227	227	227
Total		$ 2,021	$ 2,471	$ 2,725
Sales Volume (Units)				
Per Year		20,000	30,000	40,000
Year 2000 ($ per Unit)				
MSP		$ 259.00	$ 259 00	$ 259.00
Discounts		26.53	26 53	26.53
Taxes		23.04	23 04	23.04
NSP		209 43	209 43	209.43
Cost of Mfg		125.63	125 63	125.63
Std Margin		83.80	83 80	83.80
% Net Selling Price		40.0%	40 0%	40.0%
Incremental EBIT		24.80	24 33	23.05
% Net Selling Price		15.4%	15 1%	14.3%
Internal Rate of Return	15.0%	-24.7%	-22 8%	-23.9%
Net Present Value	$ -	$ (1,224)	$ (1,320)	$ (1,476)
Cash Flow Payback Month		142	130	131
Return on Invested Capital				
With Startup Costs	29.0%	1.3%	6 9%	10.6%
Without Startup Costs		15.0%	18 1%	20.8%

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Remington Arms Company, Inc
Sportsman Model 710 Centerfire Rifle
Financial Model Summary
(Dollars per Unit)

	New Product Proposal	One-Half Replacement Volume 20,000 Units	30,000 Units	40,000 Units
Sales Volume (Units)				
2000	40,000	20,000	30,000	40,000
2001, 2002 and 2003	50,000	20,000	30,000	40,000
Incremental Sales Volume (Units)				
2000	25,000	10,000	15,000	20,000
2001, 2002 and 2003	31,250	10,000	15,000	20,000
Year 2000 ($ per Unit)				
MSP (710)	$ 229.00	$ 259.00	$ 259 00	$ 259.00
Discounts	20.32	26.53	26 53	26.53
Taxes	20 68	23.04	23 04	23.04
NSP (710)	188.00	209.43	209 43	209.43 83
Cost of Mfg (710)				
Material		56.38	56 38	56.38
Labor		17.99	17.99	17.99
Fixed Overhead		8.49	8.49	8.49
Incremental Overhead		42.77	42 77	42.77
Total Cost of Mfg	103.00	125.63	125 63	125.63
Std Margin (710)	85.00	83.80	83 80	83.80
% Net Selling Price	45.2%	40.0%	40 0%	40.0%
Replacement Margin		(47.80)	(47 80)	(48.90)
Incremental Margin		36.00	36 00	34.90
% Net Selling Price		22.4%	22 3%	21.7%
Period Expense		3.60	4 00	3.60
Gross Margin		32.40	32 00	31.30
% Net Selling Price		20.1%	19 8%	19.5%
Distribution		2.20	2 27	2.25
Commissions		1.20	1 60	1.80
Bad Debt		1.20	0 80	1.20
Marketing		1.00	1 00	1.00
Product Related		2.00	2 00	2.00
Interest Expense		14.30	11 93	10.00
Total SG & A Expense		21.90	19 60	18.25
Incremental Pretax Earnings		10.50	12 40	13.05
% Net Selling Price		6.5%	7 7%	8.1%
Incremental EBIT		$ 24.80	$ 24 33	$ 23.05
% Net Selling Price		15.4%	15 1%	14.3%

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