

Memorandum

DATE:AUGUST 16, 2005TO:Distribution ListFROM:David ChafinRE:Status of Capital Expenditures as of July 31, 2005.

For the month ended July 31, 2005, year to date capital expenditures totaled \$3,925M compared to an annual budget of \$10,144M. Projects totaling \$6,507M have been authorized for spending in 2005. Shown below are projects authorized in July.

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	July 2005 Authorized Projects	;
Location	Project	\$
Mayfield	710 Short Action Introduction	\$120,820
Mayfield	New 710 Fire Control	68,308
Mayfield	Quality Area Racks	16,087
Mayfield	Gauge Recall & Rehab	15,900
Mayfield	Security Upgrade	14,320
Mayfield	Carbon Bolt Pallet Fixture	8,640
Mayfield	Drill Sharper	8,198
Mayfield	Office Air Conditioner	5,608
	Totat Mayfield	\$257,881
llion	M7, 700, SPS & XCR Recoil Pad	\$13,100
llion	Third Floor 49 New/Refinish Balance	10,800
llion	Test Jack Design Modification-Gallery	9,350
	Total Ilion	\$33,250
Lonoke	Lonoke Waste Treatment Facility	\$800,000
Lonoke	Replace Conical Wash Drums	80,000
Londke	Rebuild #132 Centerfire Heading Press	35,000
Lonoke	Rebuild #144 Centerfire Heading Press	35,000
Lonoke	Rebuild #149 Centerfire Heading Press	35,000
Lonoke	Rebuild Centerfire #86 Taper Press	30,000
Lonoke	Replace Damaged Utility Poles	25,000
Lonoke	Rebuild Shotshell Packing Machine	21,000
Lonoke	Shotshell Rotary Cam Body Slug Bowl Feeder	18,000
Lonoke	Medity Ballistics Calibration Unit	10,000
Lanoke	Lead Styphnate Weigh Scale	2,600
	Total Lonoke	\$1,091,600
PMPd.	Rep AC/Heating Unit in 72-3 Office	\$4,100
PMPd.	Refurbish Comparator	3,800
	Total PMPd.	\$7,900
Madison	Itanium Server and Disk	\$91,371
Madison	Internet Server Upgrades	31,000
	Total Madison	\$122,371
	Total July Authorizations	\$1,513,002

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Remington Arms Company, Inc. Status of Capital Expenditures as of July 31, 2005

For the current month, there are no projects with expected carryovers into 2006.

Shown below is a comparison of budgeted expenditures, anticipated expenditures, and year-to-date actual expenditures by location.

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			YTD	Remaining	
	Budgeted \$	Anticipated \$	YTD Actual \$	Anticipated	
Ilion	\$3,586,300	\$5,155,590	\$1,916,290	\$3,239,300	
Mayfield	600,000	600,000	84,580	515,420	
Ada/Findlay	103,000	80,000	0	80,000	
Lonoke	4,782,900	4,868,030	1,005,830	3,862,200	
PMPd	236,000	235,260	95,614	139,646	
E-Town	196,000	9,500	9,500	0	
Corp.	640,000	1,915,331	811,572	1,103,759	
Total Company	\$10,144,200	\$12,863,711	\$3, 9 23,385	\$8,940,325	
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Ilion's anticipated expenditures of \$5,156M include \$899M for the M/700 & 7 New Fire Control project, \$532M for Replace GFM #9, \$490M for the Lighting Refurbishment project, \$367M for the 105CTI project, \$248M for Roof Replacement, \$121M for the Triordinate Retrofit project and \$103M for the Water Tank Roof. The Lighting Refurbishment project is a capital lease, with payments extending over a five-year period.

Mayfield's anticipated expenditures of \$600M include \$121M for the 710 Short Action Introduction, \$75M for the \$97 Trigger Housing LR/Mag project, \$75M for Move Auburn Investment Casting Tools, \$72M for Supplier Tools and \$68M for the New 710 Fire Control project.

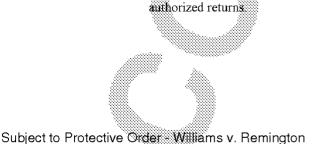
Lonoke's anticipated expenditures of \$4,868M include the Lonoke Wastewater Treatment Process for \$800M, the Shotshell Cap Progressive Forming Operation for \$546M, Amortized Shotshell Wad Mold for \$500M, Shotshell Buckshot Loader and Packer for \$389M and West Centerfire Building Roof Replacement for \$374M.

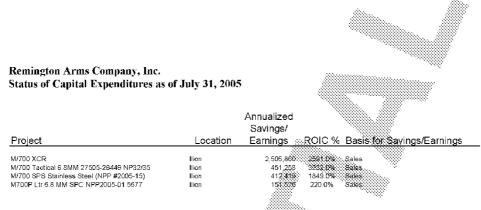
Target plants anticipated expenditures of \$80M include the Rebuild Findlay Spare Mixer Screw for \$40M and the Findlay Air Compressor for \$30M.

PMPd's anticipated expenditures of \$235M include the New Large Oven for \$69M and Furnace Rebuild for \$60M.

Corporate anticipated expenditures of \$1,915M include EMC Renegotiation #6 capital lease for \$626M, additional SAP Licenses for \$379M, Parker project for \$226M and the Wal-Mart RFID project totaling \$204M. EMC Renegotiation #6 is a capital lease with payments extending over a three-year period.

Total company budgeted ROIC for 2005 is 17.3%. Through July, total company authorized ROIC for 2005 projects is 44.9%. Below are listed projects with substantial authorized returns.





The following information has been adapted from narratives provided by management at the various manufacturing sites.

<u>llion</u>

For the month of July, capital expenditures were \$211M. Projects with major expenditures include M700 & Seven New Fire Control for \$60M, Model 105 CTI 12/26" & 12/28" RC VR Premier project for \$32M and the Sprinkler Compliance Upgrade for \$30M

<u>Mayfield</u>

For July, capital expenditures totaled \$23M. Projects with major expenditures include Office Renovations for \$11M and Gauge Recall & Rehab for \$11M.

Ada/Findlay

For July, there were no capital expenditures for Targets.

Lonoke

For July, expenditures totaled \$178M. Projects with major expenditures include Rebuild Centerfire Lead Elevator for \$51M, 5.56MM Linked Frangible Capability for \$23M and Centerfire 727 Anneal Furnace Belt for \$15M.

Ilion – PMPd

For July, expenditures totaled \$45M. Projects with major expenditures include Air Conditioner for PMPd press room for \$28 and New Large Oven for \$17M.

Elizabethtown

For July, there were no capital expenditures for Elizabethtown.

Corporate

For July, expenditures totaled \$64M. Projects with major expenditures include Wal-Mart RFID project for \$53M and Stretchwrap Machine for \$11M.

Listed below is a payment stream summary for projects approved in July that have expenditures greater than \$25M and do not require CFO authorization.

		(1)	(1) Approved	Terms/
Contraction of the second state of the second	Site	Budget \$	CAR \$	Payment Stream
Repuild Centerfire #82A Taper Press	Lonoke	SD	\$30,000	In-house Labor and Parts
Rebuild Centerfire #132 Heading Press	Lonoke	SO	\$35,000	In-house Labor and Parts
Rebuild Centerfire #144 Heading Press	Lonoke	SO	\$35,000	In-house Labor and Parts
Rebuild Centerfire #149 Heading Press	Lonoke	SO	\$35,000	In-house Labor and Parts
		SO	\$135,000	

(1) Includes total project dollars

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Remington Arms Company, Inc. Status of Capital Expenditures as of July 31, 2005

Shown in the below table are projects with post audits currently due and their status.

				Re	mington Arms Post Audit	s Company, Inc		
Location lion lion lion lion lion lion lion conoke conoke conoke conoke conoke conoke degrield >MPd	Year <u>Approved</u> 2003 2003 2001 2001 2001 2001 2001 2001 2001 2001 2001 2001 2001 2000 1599 1599 1599 2000 1599 1599 2000 2001 2001 2003 2000 200 2000 2	Barrel Cold Forging Machin Robotic Flat Receiver Pais Wr1100 16 Gauge New 16 Gauge Barrel Machining Project OV Project Wr1187 3 1/2 Inch Super Wr1187 3 1/2 Inch Super Bandshall Prenier Sahot Si Centerfres Come Bullet Wi Centerfres Come Bullet Centerfres Come Bullet Centerfres Come Bullet Schethall Prask Body Esh Centerfres BMM Mase Pack Sold Product Line Expensio Contentries BMM Gase Pack Sold Product Line Expensio Contentries BMM Gase Pack	e #6 n 1g Equip. 1ation 1sh Equip. 1cmation oeder 1sion ng Equip. 1	ed pos	Cepital Expenditu 983,7 284,2 138,9 25,8 5,969,1 7876,0 66,9 2,223,2 1450,0 3,100,0 1000,0 1,000,000	80 48,740 93.0 85 5,44,748 36.0 95 40,983 32.0 95 40,983 32.0 96 11,1940 33.5 97 1,122,853 34.0 98 211,300 2461 92 11,340 2461 92 11,340 2461 93 94,000 27.4 90 5,000 56.0 92 50,000 34.6 90 5,000 244.0 90 5,000 36.2 90 5,000 36.2 90 5,000 36.2 90 5,000 36.2 90 5,000 36.2 90 5,000 36.2 91 342,214 54.2 76 342,214 54.2 47 25,498 22.2	0% Being Re 0% Being Re 0% Complete % Dening Re 0% Complete % Being Re 0% Being up 0% Pending, 0% Pending, 0% Being up 0% Bei	Batus worksja (Padri Somp Sept 105 wewed af Ngaj Comp Sept 105 di avaiting region at Corporate sci being reviewed by Corporate wewed at Plant - Comp Aug 105 deleging reviewed by Corporate wewed at Plant - Comp Aug 105 deleging reviewed by Corporate wewed at Plant - Comp Aug 105 deleging reviewed by Corporate deleging reviewed at Car 105 föblighengheted and Car 105 föblighengheted and Car 105 dated, to be completed and Car 105 dated in be completed and Car 105 to be completed and Car 105
					nington Activ	Company, Inc		
	Year		Total Pr Original	roječt Sizimi Sički al		Return on Invested Original	Capital % Over	
Location A	Approved	Project New Caliber Ultra Mag	Project \$150,543	Presect \$170.977	(Uniter) \$20484	Project Project 962% 846%	(Under) -116%	Comments Project performance primarily due to higher than
lion		Rolary Machine Syn T-Plates	200,050	187,988	(912.062)	45% 48%	196	forecasted operations expenditures. Project achieved savings authorized.
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