Remington Arms Company, Inc.
Board of Directors' Meeting
Wednesday, August 17, 2005

Operations

Remington International

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•Zastava

•153 year old company near Belgrade
•ISO 9001 certified
•3,000 employees
•Modern machine centers and forging operations
•Currently sell through an importer, Charles Daly
•Product lines include Mauser Action Centerfire, Bolt Action Rimfires for the mid market
•Also make O/U's and SXS but need work

•Ardessa

•50 years old
•Bilbao, Spain
•Currently sell as Traditions in USA
•Put us in the Blackpowder Market

- Fabarms
  - Extremely high quality family company in Brescia
  - Produce O/U's $500-$1,500
  - Produce Semi Auto Shotgun - $1,000
  - ISO certified, state of the art factory
- Mendoza
  - Family Business – 40 years old
  - Primarily airguns and rimfire rifles
  - Mexico City
  - Give us an OPP Rimfire ($89.00 Retail)

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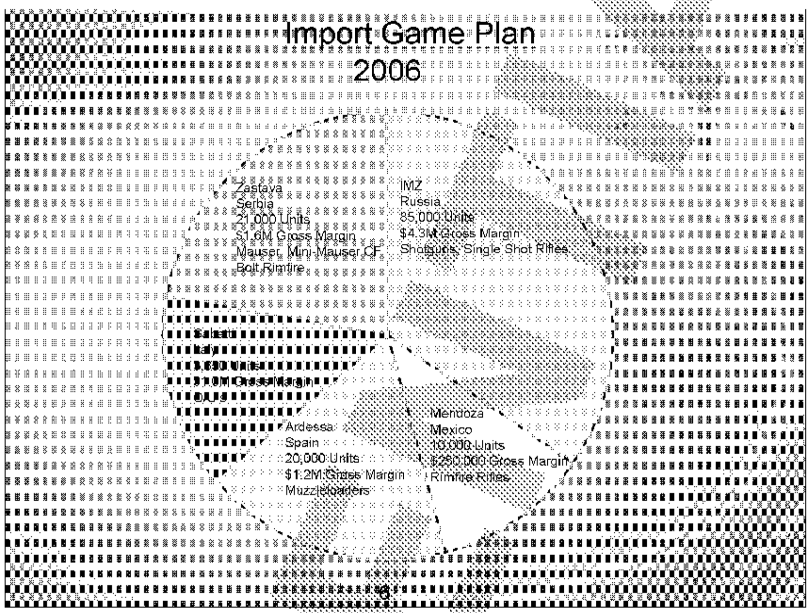
Testing Requirements

- All samples must pass Remington safety, performance, and SAAMI requirements
- All Spec's required - steel, trigger pulls, etc.
- Contracts to be executed (to include exclusivity)
- In plant QC required (as per Russian model)
- No minimums will be agreed to


Import Game Plan
2006
Zastava
Serbia
21,000 Units
$1.6M Gross Margin
Mauser, Mini-Mauser CF
Bolt Rimfire
IMZ
Russia
85,000 Units
$4.3M Gross Margin
Shotguns, Single Shot Rifles
Sabatti
Italy
O/U's
Ardessa
Spain
20,000 Units
$1.2M Gross Margin
Muzzleloaders
Mendoza
Mexico
10,000 Units
$250,000 Gross Margin
Rimfire Rifles
6

Financial Projections
International Sourced Product

Manufacturer	Volume	Avg Mrg $ per Unit	Avg Mrg % per Unit	Gross Mrg $
IMZ (2005 Forecast)	84,931	$50.37	23.5	$4,278,000
Sabatti	3,350	$333.66	24.2	$1,043,500
Zastava	21,000	$82.80	24.8	$1,654,000
Ardesa	20,000	$66.80	26.4	$1,164,500
Mendoza	10,000	$25.00	29.4	$250,000
Totals	***135,931***	***$56.24***	***26.02%***	***$8,390,000***

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Sabatti, Italy
Over Under Shotguns

Sabatti
Field Grade Over and Under

- Coin Nickel Plated Frame
- Scroll Embellishment On Frame And Hinge Pin
- Embellished "R" On Underbelly Of Frame
- Gold Trigger
- Hard Case
- 5 Flush Mount Choke Tubes
- Recoil Pad TBD
- Ivory Front Bead, Steel Mid Bead
- Configurations:
  - 12 Gauge, 28" and 26" Barrels
  - 20 Gauge, 28" and 26" Barrels
  - 28 Gauge, 28" and 26" Barrels

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Sabatti
Upland Grade Over Under

- Satin Finish, Straight Grip, Schnable F/E Cased Receiver
- Upland Game Scene Embellishment with Gold Inlays
- Embellished "R" on underbelly of Frame
- Gold Trigger
- Hard Case
- 5 Flush Mounted Choke Tubes
- Recoil Pad TBD
- Ivory Front Bead, Steel Mid Bead
- Configurations:
  - 12 Gauge, 26" Barrel
  - 20 Gauge, 26" Barrel
  - 28 Gauge, 26" Barrel

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Sabatti
Target/Sporting Over Under

- Gloss Walnut Target Stock, Schnabel F/E, Nickel Receiver
- Jewelled Frame, Satin Side Plates
- Embellished Script "R" On Underbelly Of Frame
- Gold Trigger
- Hard Case
- 5 Extended Choke Tubes
- Sporting Recoil Pad
- Wide Rib with Ivory Front Bead, Steel Mid Bead
- Configurations:
  - 12 Gauge 28" Barrels
  - 12 Gauge 30" Barrels

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Sabatti

Pricing Strategy

- **Field Grade O/U – 1800 Units**
  - Net Acquisition Cost - $999.00
  - Net Distributor Sell Price - $1249.00
  - Suggested Retail - $1599.00
- **Upland Grade O/U – 550 Units**
  - Net Acquisition Cost - $1049.00
  - Net Distributor Sell Price - $1399.00
  - Suggested Retail - $1799.00
- **Target/Sporting O/U – 1,000 Units**
  - Net Acquisition Cost - $1049.00
  - Net Distributor Sell Price - $1460.00
  - Suggested Retail - $1850.00

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Sabatti
Pricing Strategy Cont.

- Over Under Shotguns

Configuration	Volume	Margin $	Margin %	Gross Mrg $
Field Grade	1,800	$250	20.0	$450,000
Upland Grade	550	$350	25.0	$192,500
Target Grade	1,000	$401	27.6	$401,000

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Zastava, Serbia

Model 798, 799, Model Five

Model 798 Long Action
Product Review

- 98 square bridge Mauser style action
  - Controlled Round Feed
  - Non Rotating Claw Extractor
  - 22"bbl Standard Calibers, 24"bbl On Magnum Calibers
  - Blued Plain bbl & Receiver, Drilled & Tapped
  - Hinged Floor Plate
  - Adjustable Trigger
  - 1" Recoil Pad
  - S&K produced Laminated Stock
  - Suggested Calibers
    - .243Win, .308Win, .25-06Rem, 30-06SPRG, .270Win, 7mm Mag, .300Win

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Model 799 Short Action
Product Review

- Mini 98 Mauser style action
  - Controlled Round Feed
  - Non Rotating Claw Extractor
  - 20" Plain bbl, Drilled & Tapped
  - Blued bbl & Receiver
  - Hinged Floor Plate
  - Adjustable Trigger
  - Rubber Butt Plate
  - S&K produced Laminated Stock
  - Suggested Calibers
    - 22 Hornet, .222Rem, .22-250 Rem, .223Rem, 7.62X39,

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Model Five Rimfire
Product Review

- Bolt Action Rimfire
  - Blued 22” bbl And Receiver
  - Grooved Receiver w/ Mechanical Sights
  - 5 Shot Magazine Box
  - Simple Trigger
  - Hard Recoil Pad
  - S&K Produced Laminated Stock (Express Finish)
  - Suggested Calibers
    - .22LR, .22Mag, .17HMR TBD

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Zastava

Pricing Strategy

- Model 798 Long Action
  - 2006 Proposed Volume
    - 5,500 Units
      - 4,000 Standard Caliber
      - 1,500 Magnum Caliber
  - Net Acquisition Cost
    - $299.00 Standard Caliber
    - $319.00 Magnum Calibers
  - Net Distributor Sell Price
    - $399.00 Standard Calibers
    - $425.00 Magnum Calibers
  - Suggested Retail Price
    - $550.00 Std. Calibers
    - $570.00 Mag. Calibers

Configuration	Volume	Margin $	Margin %	Gross Margin $
Std. Calibers	4,500 Units	$100.00	25.0	$450,000
Mag. Calibers	1,000 Units	$106.00	24.9	$106,000

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Zastava
Pricing Strategy

- **Model 799 Short Action**
  - 2006 Proposed Volume
    - 5,500 Units
  - Net Acquisition Cost
    - $299.00 Standard Caliber
  - Net Distributor Sell Price
    - $399.00 Standard Caliber
  - Suggested Retail Price
    - $550.00

Volume	Margin $	Margin %	Gross Margin $
5,500 Units	$100.00	25.0	$550,000

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Zastava
Pricing Strategy

- **Model Five Rimfire**
  - – 2006 Proposed Volume
    - 10,000 Units
      - – 9,000 .22LR
      - – 1,000 .22Mag
  - – Net Acquisition Cost
    - $160.00 for .22LR
    - $172.00 for .22Mag
  - – Net Distributor Sell Price
    - $215.00 for .22LR
    - $225.00 for .22Mag
  - – Suggested Retail Price
    - $299.00 for .22LR
    - $309.00 for .22Mag

Configuration	Volume	Margin $	Margin %	Gross Margin $
.22LR	9,000 Units	$55.00	25.6%	$495,000
.22Mag	1,000 Units	$53.00	23.6%	$53,000

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Ardesa, Spain
Genesis Blackpowder Muzzleloader
21

Genesis Black Powder Rifle
Product Review

- Pivot Breech, with hammer
  - Removable Breech Plug
  - .50 caliber Black Powder rifle
  - Drilled and Tapped for Scope Mounts
  - 209 Primer Ignition
  - Williams Fiber Optic Sights
  - Aluminum Anodized Ramrod with Jag
  - Front and Rear Swivel Studs
  - Cross Bolt Safety

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Genesis Black Powder Muzzleloader

Configurations

- **Black Synthetic Stock**, Satin Barrel, Matte Receiver
- **Mossy Oak Breakup Camo Synthetic Stock**, Mossy Oak Camo Barrel, Matte Receiver
- **Mossy Oak Breakup Thumbhole Stock**, Stainless Barrel, Matte Receiver
- **Black Laminate Thumbhole Stock**, Stainless Barrel, Mate Receiver
- **Black Synthetic Overmold Stock**, Satin Stainless Barrel, Matte Receiver

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Remington Genesis

Pricing Strategy

- **Black Synthetic Volume – 10,000 Units**
  - Net Acquisition Cost - $125.00
  - Net Distributor Sell Price - $175.00
  - Suggested Retail - $249.00
- **Camo Synthetic Volume – 5,000 Units**
  - Net Acquisition Cost - $169.00
  - Net Distributor Sell Price - $229.00
  - Suggested Retail - $329.00
- **Camo Thumbhole Volume – 1,500 Units**
  - Net Acquisition Cost - $192.00
  - Net Distributor Sell Price - $259.00
  - Suggested Retail - $369.00
- **Laminate Thumbhole Volume – 1,500 Units**
  - Net Acquisition Cost - $289.00
  - Net Distributor Sell Price - $389.00
  - Suggested Retail - $549.00
- **Black Synthetic Overmold Volume – 2,000 Units**
  - Net Acquisition Cost - $182.00
  - Net Distributor Sell Price - $219.00
  - Suggested Retail - $316.00

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Ardessa

Pricing Strategy Cont.

- Genesis Blackpowder Muzzleloader

Configuration	Volume	Margin $	Margin %	Gross Mrg $
Black Syn	10,000	$50	28.5	$500,000
Camo Syn	5,000	$60	26.2	$300,000
Camo Thumb	1,500	$67	25.8	$100,500
Lam. Syn	1,500	$100	25.7	$150,000
Overmold Syn	2,000	$57	26.0	$114,000

Mendoza, Mexico

Model 412 Bolt Action Rimfire Rifle

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Mendoza Bolt Action Rimfire

Product Review

- Single Shot w/second shot holder
- Hardwood Stock
- Polished Blue Receiver & Barrel
- Grooved Receiver for tipoff rings
- Open Sights
- Cocks on close of bolt
- Auto Safety
- Non Adjustable Simple Trigger
- Swivel Studs

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Mendoza

Pricing Strategy

- 22LR
  - 2006 Proposed Volume
    - 10,000 Units
      - 10,000 22LR Caliber
  - Net Acquisition Cost
    - $60.00 22LR Caliber
  - Net Distributor Sell Price
    - $85.00 22LR Calibers
  - Suggested Retail Price
    - $135.00 22LR Calibers

Configuration	Volume	Margin $	Margin %	Gross Margin $
22LR	10,000	25.00	29.4	$250,000

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Ilion

- When the Company makes a decision to move Ilion, we are required to notify under Federal Law
- Currently we are in the discovery mode and not subject to notification
- Status
  - Defining the future state
    - ➢ Benefits
    - ➢ Workrules
    - ➢ # of plants
    - ➢ Wage rates
    - ➢ State incentives (outside New York)
  - Exploratory surgery
    - ➢ Quasi secret
    - ➢ Learn what is possible

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Ilion

- Define point of indifference
  - Stay or 60
  - We will stay if we can get X, Y, Z,
    we will leave if we cannot
- We are not, in this process trying to lay out the engineering of a new plant

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Sales Force Reorganization

- Current Status
  - Multi bag Rep group
  - Salesmen are salaried, Principal is commissioned
  - Largely unfocused due to multiple lines
  - High cost – 2005 $7.0M
- New Structure
  - Remington exclusive sales force
  - Salary + bonus (margin, volume, MBO) + expenses

Sales Force Reorganization

- First region – Northeast 9/1/05
  - Pittsburgh next to Dick's
  - Regional plus four Reps
  - Current cost $1.5M, new cost $700K-$800K
- Second region – Midwest – 4/2006
  - Columbia/Missouri based regional manager
  - 4 salesmen
  - Current cost $2.0M, future cost $700K-$800K
- Third region – Southeast - Fall 2006 / Winter 2007
- West Coast – Current Rep group to remain in place

Walmart

- Trends are as strong as reported in May. Up double digits in all segments
- Solid Fall on tap

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Other Critical Issues

- Firearms (cost – pricing)
  - May 1, 2005 increase has held; value $1.3M
  - Steel softened mildly
  - 2006 increases to customers under review
- Ammunition
  - Two price increases in 2005 have held
  - Total value versus Budget + $3.0M
  - Plan 6% increase in 2006 (value $11.4M)
    - Across the board
  - Materials
    - Lead softened
    - Copper still strong
    - Resins still strong

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Industry Issues

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Industry Issues

- July 29,2005 – Senate passed S.397, the "Protection of Lawful Commerce in Arms Act" by a vote of 65-32
- Provides for immunity from prosecution or suit in cases alleging liability for the criminal misuse of a firearm
- Goes to conference in September
- Bullet serialization
  - California Attorney General Bill Lockyer withdrew this initiative in mid July 2005

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Clay Targets

- No progress to report in alternative suppliers
- Plant idling to occur on August 19
- Preliminary view on 2006 (Findlay only) versus 2005

	Revenues	Earnings (EBITDA)
2005	$6MM	$500K
2006	$3MM	$300K

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Industry Sales and Marketing Issues

- Ruger
  - Stock up to $10.89 from mid $6.00 range on news of S.397 passage
  - Quarter ending June 30,2005
    - Sales up 4%
    - Net loss of $2,000 versus loss of $461,000
- Marlin
  - Currently for sale
  - $60M Revenues
  - 2004 Gross Margins 16.8% (LTM 3/31/05 18%)
  - 2004 EBITDA 3.3% (LTM 3/31/05 4.4%)
  - Produce 406,000 units

52,000 Lever Rifles	112,000 Single Shot Shotguns
68,000 Semiauto Rifles	98,000 Bolt Rimfires
	76,000 Single Shot Rifles

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Industry Sales and Marketing Issues

- Of note - Marlin notes:
  - Increased offshore competition
  - Increased seasonal compression
  - Increased inventory pressure on manufacturers
  - Import strategy from China, etc. with 20% margins. Currently 2% of revenue, growing to 8% in 2005
    - China
    - Turkey
    - Italy
- Winchester – Federal
  - Winchester remains price disciplined
  - Federal less so

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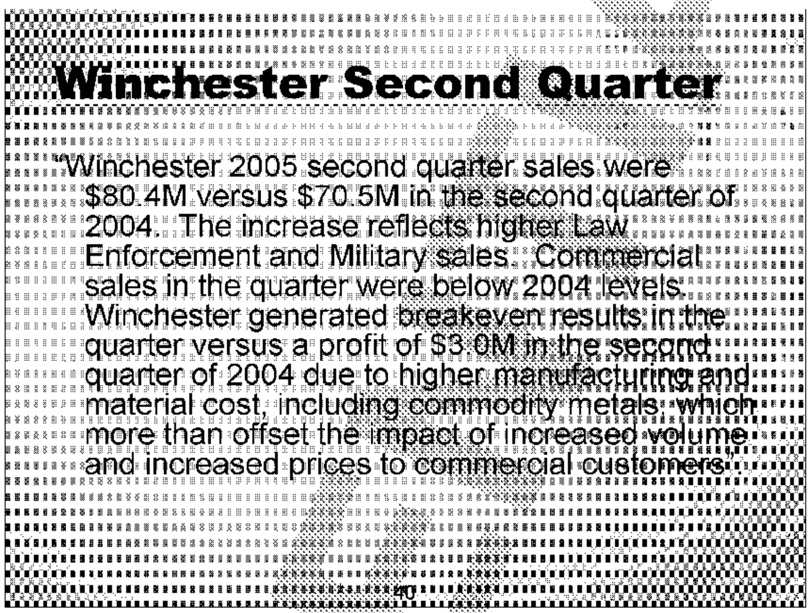
Winchester Second Quarter
"Winchester 2005 second quarter sales were $80.4M versus $70.5M in the second quarter of 2004. The increase reflects higher Law Enforcement and Military sales. Commercial sales in the quarter were below 2004 levels. Winchester generated breakeven results in the quarter versus a profit of $3.0M in the second quarter of 2004 due to higher manufacturing and material cost, including commodity metals, which more than offset the impact of increased volume and increased prices to commercial customers."
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New Domestic Projects

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Parker Shotgun

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Parker Gun Specifications

28 Gauge AAHE Grade 7 Gun

- Custom Built to Consumers Specifications
  - 26", 28", or 30" Barrels Choked to Customer's Request
  - Solid Rib with Twin Beads
  - Exhibition Grade Circassian Walnut-American Walnut Optional
  - Oil Finish with 26 LPI Checkering
  - Splinter or Beavertail Fore End
  - English, Half Pistol, or Full Pistol with Initials in Gold Plate
  - Stock Dimensions Specified by Customer
  - Fleur-de-lis Checkering Pattern
  - Engraving-Customers Request
  - Hinged Double Trigger or Single Trigger
  - Oak and Leather Case

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Parker Gun
Volume & Price

	2006	2007	2008
Cost	$23,500	$23,500	$23,500
Selling Price	$49,000	$49,000	$49,000
Volume	10	15	20

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Parker Gun

Launch Strategy

- Produce Quality Catalog-$25 Retail
  - Includes Options and Order Information
- Press Relations and Product Announcement
- Display at SCI, FNAWS, and SHOT Show
- Write Orders at SCI and FNAWS Shows

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Parker Gun
Order Process

- 50% Deposit Due at Time of Order Approval
- Deposit is Refundable up to Time of Build
- Balance Due 30 Days Before Completion
- Orders will Only Be Accepted for Guns to be Delivered within 12 Months
- Gun Shipped to Customer Supplied FFL
- All Inquiries over 12 Months Placed on List
- Customer Service

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Model 700/Model Seven Trigger Assembly Review (Safety Pivoted Link Design)

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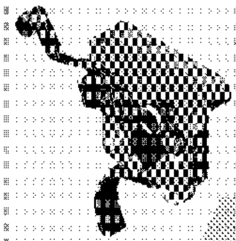
Safety Pivoted Link Design Highlights



Features

- Improved out-of-the-box feel
- Better surface finish on key components for crisper trigger pull
- Designed to accommodate all products in the Model 700 and Model Seven families
- Design allows for lower trigger pull settings from the factory
- Enhanced corrosion resistance
- Operates like current fire control
- Safety blocks sear and trigger
- Trigger pull adjustable by Authorized Repair Centers


How The SPL Trigger
Assembly Works
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Safety in SAFE Position
Blocker
With the safety in the SAFE position, the blocker ensures the trigger is blocked and under the sear while the sear safety cam is supported by the safety.
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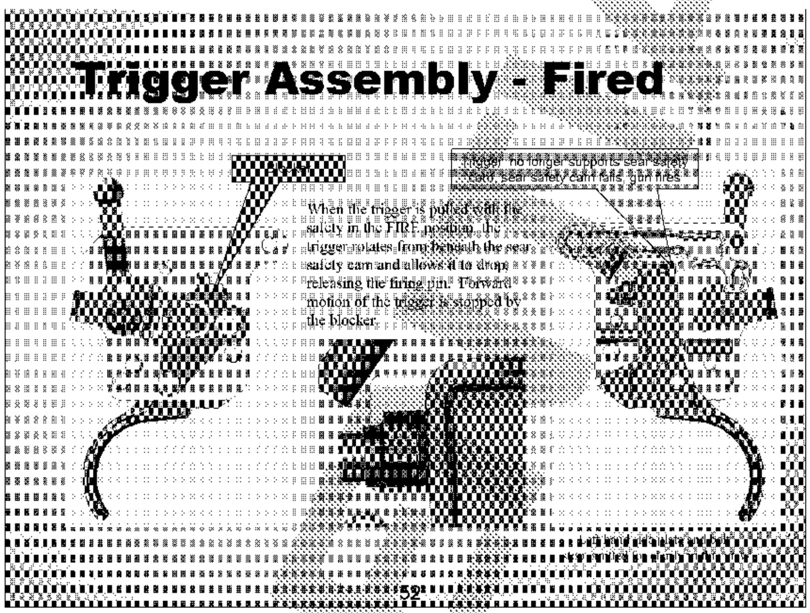
Safety in FIRE Position
Blocker
Trigger supports sear safety cam
With the safety in the FIRE position, the blocker moves away from the front of the trigger and the safety lowers the sear safety cam on top of the trigger.
51


Trigger Assembly - Fired
Blocker
Trigger no longer supports sear safety cam, sear safety cam falls, gun fires
When the trigger is pulled with the safety in the FIRE position, the trigger rotates from beneath the sear safety cam and allows it to drop, releasing the firing pin. Forward motion of the trigger is stopped by the blocker.
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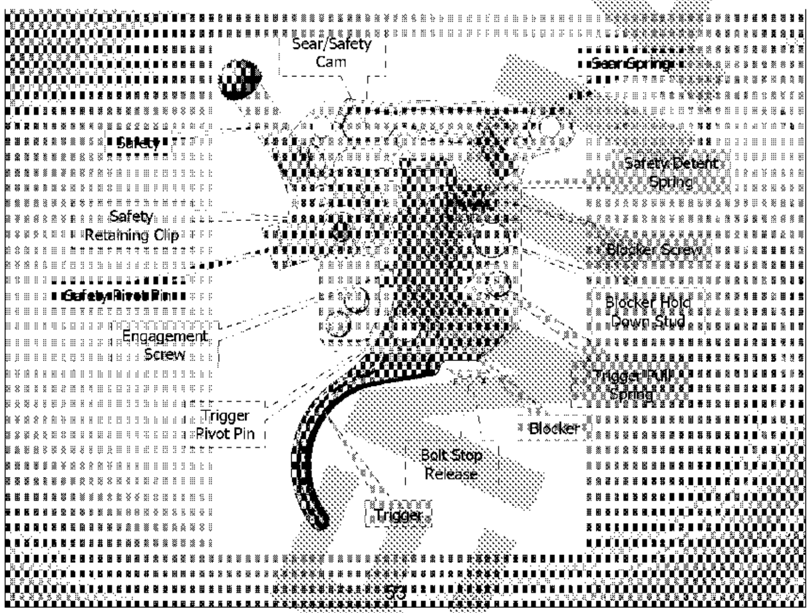
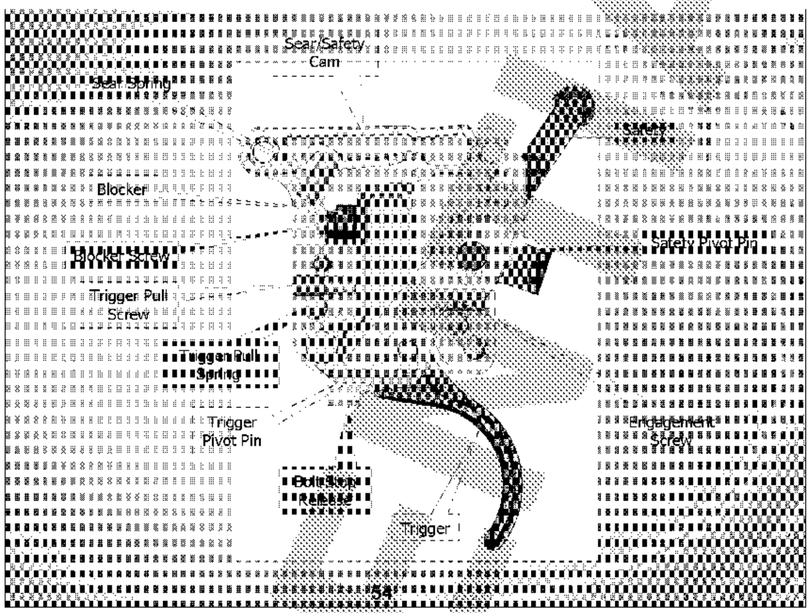

Sear/Safety Cam
Sear Spring
Safety
Safety Detent Spring
Safety Retaining Clip
Blocker Screw
Safety Pivot Pin
Blocker Hold Down Stud
Engagement Screw
Trigger Pull Spring
Trigger Pivot Pin
Blocker
Bolt Stop Release
Trigger
53


Sear/Safety Cam
Sear Spring
Blocker
Blocker Screw
Trigger Pull Screw
Trigger Pull Spring
Trigger Pivot Pin
Bolt Stop Release
Trigger
Safety
Safety Pivot Pin
Engagement Screw
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Model 105 CTi
Product Review

- Bottom Feed and Eject
  - Ambidextrous with no Peripheral Distraction
- Cast Titanium and Carbon Fiber Receiver
  - Over 1 lb. Lighter than 11-87
- Rotary Bolt Lock Up with Fixed Bolt Face
  - Smooth and Highly Efficient
- Target Grade Trigger
  - Roller Sear Breaks Consistently Clean at 3 ½ lbs
- Convex R3 Recoil Pad
  - Functional Visual Indicator of Softest Recoiling Shotgun

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Model 105 CTi
Product Review

- Overbored (.735") Barrel
  - Offers Enhanced Pattern Performance and Reduced Recoil
- New ProBore Choke Tubes
  - Optimized for Use With Overbore Barrel
- Rate Reducer
  - Factor in Recoil Reduction

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Model 105 CTi

Specifications

- 12 Gauge 2 ¾" and 3" Shells
- 26" and 28" Barrels
- Gun Weight-7 Pounds
- Length of Pull-14 ¼" Drop at Comb-1 ½" Drop at Heel-2 ½"
- Bore Diameter-.735"
- 5 Shot Capacity
- Magazine Plug
- IC, Mod, Full Extended Choke Tubes
- FAA Approved Hard Case
- CA DOJ Approved Trigger Block

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105 CTi
Marketing Support

- Product Video and 30 Second TV Spot
- Outdoor Writer Mini-Conference
- New Products Seminar Introduction
- Catalog Cover and Two Page Spread
- Sales Meeting Introduction
  - Video, Sell Sheets
- SHOT Show Shooting Demo
  - Writers and Customers

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870 Express

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870 Express

- 2005 Wood Guns Convert to Laminated Stock & Fore End
- Offers Higher Perceived Value and a Nicer Looking Gun
- Also Exploring New Rib Posts and Receiver Panel Artwork
- 2007-New Synthetic Stocks with SPS Look
- Discuss Long Term Strategy for Express Line

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Summary

- S.397 clears the air
- Import program has grown from $0 to $30M in 2006 in the span of 18 months
- A new 700 Fire Control now exists following 25 years of failed attempts
- Exciting new product for 2006…Most in our history

High End
Parker
Italian O/U's
105 CTI

Middle
New 870 Express
New 1100
New 700 Fire Control
New Mauser CF
New Muzzleloader

Low
New OPP Rimfire

Summary

- Accessories is profitable
- Growth initiatives on track but struggling in start up phase…No long term concerns

Litigation Update

Personal Injury Cases:

- Less than dozen active pending cases, including discontinued product/pre-1993 matters
- Case mix: Ammo, bolt-action rifle, common-fire control
- Recent trial and appellate victories
- *Kensinger* (AK) and *Williams* (TX)

Municipal Cases:

- No cases pending against Remington
- Status of Lawful Commerce in Arms Act
- September 6 trial date in *City of New York v. Beretta*

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Remington Arms Company, Inc.

Accessories
Law Enforcement and Military Products
Remington Technologies Division
Remington Elsag Law Enforcement Systems, LLC

Board of Directors
August, 2005

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Accessory Business - Status

- Financial Performance
  - Staffing has been reduced as forecasted
  - 2005 SGA costs have been reduced:
    - Budget $ 1,356,000
    - Forecast $ 712,000
  - Inventory on track to be reduced by $1,400,000 by year end
    - Eye and Hearing $300,000
    - Safes: $250,000
    - Soft Goods $350,000
    - Game Calls $200,000
    - Excess and Obso reduction $120,000
    - Better Buying & packaging $180,000
- Categories Licensed
  - Eye & Hearing:
    - Licensee is in place, all inventory sold
  - Safes:
    - Licensee selected, transition to occur by 4th quarter 2005
  - Cut and Sew:
    - Potential candidates identified, data package being developed
- Categories to be shut down
  - Electronic Game calls -
    - Inventory will be sold out by end of year
- Categories Kept
  - Gun parts:
    - Merged with Barrels and will become part of firearms business
  - Knives & Gun Care will remain with Accessory & Licensing business

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Law Enforcement and Military Products

- Military
  - Firearms :
    - 870 MCS
      - Completed delivery of Airforce variant of MCS in 2nd quarter of 2005 3,000 units
      - Bidding on 750 to 1,000 more units to US & Overseas Military operations for delivery in 4th q 2005
    - M24
      - US Military procurement has been put on hold by the military pending SASS outcome
      - Repair and parts business should be double average of last 4 years
      - Have developed a model M24 A2 version to improve the size of future repairs business
        - » Expect to upgrade a few version in 4th q of 2005
      - Major FMS orders on the horizon
        - » Various countries : 268 units
        - » Egypt: 1000 units between 4th quarter 2005 and 2nd quarter 2006
    - SASS – US Military Sniper Weapons Program
      - 5 entrants still remain
      - Supposed to be awarded in June
      - No update from Military on timing
  - Ammunition
    - Business volume is small - Even with last year
    - Plant is has installed linking capability for 223/5.56 ammunition and we are starting to market the capability
    - Issue will arise around plants ability to load 223
    - We are unable to make 5.56 and 7.62 NATO ammunition

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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 7615is anticipated
      - As usual several big contracts are expected to be let in 3rd and 4th q of 2005
  - Ammunition
    - Pricing continues to be sub sporting pre Sporting price increases
    - Margins continue to hover between 7% and 15% on most contracts
    - Backordered on most major sku's
      - 9mm
      - 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

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Remington Technologies Division

- Markets
  - Have recently negotiated rights to ALL Products developed by ODF for next 10 years
  - Us & Canada
    - Military
    - Law Enforcement
    - Correctional Institutions
    - Private Security
- Production
  - Startup problems being experienced by ODF
  - Next run scheduled for mid september
- Governmental Approvals
  - Last milestones appear to have been cleared
  - Waiting on final test for FCC approval
- Sales
  - Have booked over $250,000 in orders
  - All markets have placed orders
  - Shipments will depend entirely on FCC approval date and Production quantities received
- Financial Arrangement
  - Split gross profit 50/50

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RELES, LLC

- Orders Received
  - 7 different Departments
  - 20 Units
- 75% of top agencies have either tested product or had sales presentation
- Pilot projects, sweeps and demonstrations have resulted in great validation of system effectiveness
  - Business is starting to show promise – Great interest from
  - 8 of top 10 agencies in America
  - NYPD and NYSHP
  - Capital Police
  - LAPD, CHP and LAC Sheriff
- Orders are starting to come in from the above
  - 100 to 150 units are expected from these groups in next 2 to 3 months15 to 30 are expected before end of the month
- Negotiated a lower price from Elsag so as to remain at the forefront of price competitiveness

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Reles, LLC – Sweep Results

Agency	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	18	
[illegible]	7	3	10	
[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1		1	
[illegible]	1		1	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	1
[illegible]	1		[illegible]	
[illegible]	[illegible]		[illegible]	1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]		[illegible]	
[illegible]	[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1		[illegible]	
[illegible]	[illegible]		[illegible]	1
[illegible]	7		[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]		7	
[illegible]	[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		1	[illegible]	1
[illegible]	1		[illegible]	1
Total Results	347	70	[illegible]	[illegible]

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