

MARKETING COMMENTS ON NEW INTRODUCTIONS AND 5-YEAR FORECAST

As background for the domestic 5-year forecast, we'd like to show you three charts illustrating Remington's domestic unit shipments versus estimated industry shipments as a percentage to a base year selected as 1968. It is interesting to note that both Treasurer's and Marketing chose 1968 as the comparison year. In our case, 1968 was selected because we consider it to be the year Remington turned 21 in the gun business. New records were established for both sales and profits that set the stage for a new era of growth in spite of some adverse effects of the 1968 firearms legislation that began to be felt in 1969.

In shotguns it can be seen that Remington's growth has continued at a rate greater than that of the industry. The domestic 5-year forecast follows this trend with an increase of 35.0% or 8.8% per year over the forecast period. Based on Marketing Research's studies, we will gain between 3-5% additional share of market points. 83

The rim fire rifle chart graphically shows that we have reversed the downward trend resulting from the 1968 firearms legislation, although we lagged about a year behind the industry in doing so. However, we feel that the saturation of the market in the early '70's of "cheap" rim fire rifles that affected our sales has run its course, as the industry curve reflects. We feel there is a degree of market growth potential here, but it is limited. Our strategy is to concentrate our marketing efforts toward promoting the sales of automatic rim fire rifles which is the dominant and most profitable segment of the market. We forecast a gain of 8.5% or 2.1% per year over the forecast period. Our share of market should increase between 1-3 points.

The center fire rifle chart illustrates a general fall-off after the 1968 legislation. However, its effect on Remington was minimal and in 1971 our growth pattern resumed its pre-1969 course. The charts indicate that the industry was hurt far more than Remington, and although the downward trend was reversed at about the same time as ours, their growth rate has not been as strong. The domestic forecast calls for a 16.5% or 4.1% per year growth over the 5 year period. Our share of market should increase between 2-4 points.