

## Centerfire Rifle Market Summary

Upon analyzing data supplied by various national organizations in our industry, it can be concluded that the size of the 1996 domestic centerfire rifle market is approximately 1,050,000 units in annual sales.<sup>13</sup> The annual retail sales value of this market is estimated to be about \$315MM.

SAMMI's reporting of 1996 factory shipments of centerfire rifles which does not include several major U.S. manufacturers and all importers showed an industry decline of 12% in units and 10% in dollars from the previous year.<sup>14</sup> *Remington's performance was significantly better than industry results, down only 7% in units and 1% in dollars during 1996.* This downturn was product specific and primarily due to decreased sales of Remington's 7400 and 7600 repeating rifles and a late softening of long range Varmint bolt actions.

*During the last five years the centerfire bolt action rifle market has expanded. This expansion has been led by Remington and resulted primarily from the introduction of new products.* The upturn began in 1992 with the announcement of stainless synthetic and specialty long range, bolt action, hunting rifles. These offerings evolved for the next several years gaining market share for the company. In 1995 Remington partnered with Wal\*Mart in the development of the Model 700 ADL Synthetic, a low cost, high value product with outstanding gross margins. This gun incrementally grew Remington's M700 sales by nearly 40,000 units in the first year it was offered even though it was not cataloged. The upswing continued into much of 1996, breaking historical sales records for total M700 unit shipments.

*Market momentum did however slow in the fourth quarter of 1996 with industry shipments of centerfire rifles showing a 22% decline in units and a 21% decline in dollars from the fourth quarter of 1995.* The trend continued in 1997 with first quarter industry performance down 23.7% in units and 27.3% in dollars from the first quarter of 1996. Remington performance was considerably worse, down 36.8% in units and 35.3% in dollars<sup>15</sup>. The reasons for this decline are:

<sup>13</sup> Combined analyses of Gunmark Benelux - 1997, P.P.I. Research - 1995, BATF Production 1995 and NSGA Retail Sales Study - 1996

<sup>14</sup> SAMMI Reporting - Year End 1996.

<sup>15</sup> Ibid.