

### **Opportunities**

- Re-establishment in European market through a concerted focus on improving product quality (Model 7400)
- Expansion of French market opportunities through introduction of standard line item with 2-shot non-detachable magazine
- Niche market opportunities in domestic market
- Entry and acceptance in the Law Enforcement markets

### **Threats**

- Legislative pressures to eliminate or vastly restrict sale of pump and autoloading centerfire rifles to the public
- Continued pressure from competitors further eroding market share
- Growing popularity of lower price point bolt-action rifles acting as substitute product (Model 7600)
- Environmental conditions such as Chronic Wasting Disease threatening game populations

### **Product Strategy 2004 – Centerfire Repeating Rifles**

Developing a meaningful strategy for the Remington centerfire repeating rifle product family is difficult at best. Current product offerings are well into the declining stages of the product life cycle. The overall sporting goods market for pump and autoloading rifles is flat or slightly declining domestically. The sporting world market size for these products is less than 150M units annually. Both of these factors present challenges in developing a new product family, requiring a product design that utilizes many of the same design concepts from a parallel development effort such as the Model 2100 New Gas Autoloading Shotgun project. In addition, further justification for the development of a new gas autoloading rifle should be tied into recent focus on pursuing an expanded presence in military markets in response to military interests in a new gas autoloading rifle to replace current bolt-action sniper rifles (i.e. M-24).

Therefore, the near term strategy for Remington's centerfire repeating rifle business will be to maximize the opportunity for sales of the Model 7400 and Model 7600 through focused efforts to target product toward niche opportunities. In addition, manufacturing has been directed to assign a team of engineers to help the Model 7400 line "limp" along until a new product platform is available. This team will focus on major factors which contribute to the rifle's inability to perform in the market. Bottomline is that the Model 7400 design is a design on the edge and is not manufacturing friendly.