

between the chamber and the bore with lands extending into the throat on one side of the chamber and not the other.

- **Rough Rifling** – Similar to rough chambers, rough rifling refers to tool marks and in some extreme cases, gouges in the lands within the bore of the barrel. This issue appears to be more prevalent on stainless steel barrels and has been an issue with the high end Model 700 Titanium rifle.
- **Crowns** –It appears that poor crowns contribute to a large percentage of rifles that fall out due to unacceptable accuracy in the gallery.

It is paramount to understand and uphold the fact that **Remington rifles set the standard for the rest of the industry.** Being “as good as” or “nearly as good as” the rest of the industry is a mindset that can not be tolerated.

Pricing Considerations – The key elements in pricing strategy for the Model 700 are to remain positioned competitively with respect to other product offerings within the category and to maintain margin positions. Internal factors taken into consideration for the upcoming year’s pricing scenario are:

- Changes in raw material costs
- Changes in labor and overhead rates
- Capacity restraints/availability

External considerations are:

- Overall strength of the market
- General condition of the domestic economy
- Competitors strategies and past practices
- Inventory positions within the trade

At the present time, centerfire rifle order positions are at approximately half of their position for the same time period this year. Year end projections indicate that 2003 orders will constitute only 65%-70% of 2002 orders. Trade inventories for centerfire rifles from Remington and our competitors are at a perilous level. Needless to say, price increases under these conditions will not be received with great enthusiasm by the trade. It is the position of this writer that no price increase be taken in the centerfire rifle arena for 2004.

Product Deletions – See Appendix A for a comprehensive listing of product deletions.

Product Strategy 2005 & Beyond – Model 700

The Model 700, while continuing to serve as the industry standard for modern day bolt-action centerfire rifles, is a product in the mature stage of its product life cycle. Focus within the category in the near future will be a proactive approach geared toward maintaining volumes at peak levels at attractive margins. This is accomplished