

- The new gun will have ergonomic and handling characteristics that are second to none. It will fit better, point better, balance better, and perform better than anything Remington has done in the past.
- This new autoloader must be much more robust and wear-resistant than anything currently offered. A compensating rate-reducing device will be part of the action design that mitigates fatigue on the gun and improves functionality over a wider range of ammunition. Light 2 ¾" loads up to 3" magnums will cycle the action uniformly without the use of dubious "gas regulation" systems.
- A lockable, FAA-approved hard gun case will come standard. The nature of the modular barrel system on this gun means that two barrels can fit in the case along with various accessories while maintaining the exterior dimensions of a current combo shotgun box for 5-pack and shipping purposes.
- The manufacturing strategy employed to make this new gun will be as revolutionary as the design itself. All of the standard manufacturing bottlenecks will be avoided through the use of heavy outsourcing of finished parts and new assembly methods. As this strategy is proven it has significant implications for the manufacturing methodology of all Remington guns.

| Model                    | MSP   | NSP   | 1 <sup>st</sup> Year Volume | Margin    |
|--------------------------|-------|-------|-----------------------------|-----------|
| Model 2100, New Gas Auto | \$749 | \$669 | 15000                       | 34%/\$204 |

*Second year volumes are forecast at 20M units, third year forecast is 25M units. It is expected that manufacturing costs will be reduced in the 2<sup>nd</sup> and 3<sup>rd</sup> year, thus improving margin significantly.*

**Pricing Considerations** – Pricing changes for 2004 and beyond will be closely tied to two factors; internal cost fluctuations and external market pressures. The guiding strategy for all Remington shotguns will continue to be holding or increasing margins without pricing the product out of the market.

Internally, production costs including operating overhead can change dramatically and in relatively short order. Obstacles to production can compound the problem if inefficient manufacturing and high scrap rates spiral out of control. Because of this, changes in price on Remington shotguns are somewhat speculative.

In terms of external influences, thoughtful product comparisons with competitive offerings will be an ongoing process. As benefits and features are compared between