

specifications. However, significant engineering improvements have achieved the desired level of accuracy/performance.

Model	MSP	NSP	1 st Year Volume	Margin
870 SPS 20 ga. FR CL Deer	\$435	\$346	2000	45%

- Model 870 Express** - For 2004, Remington engineering staff will begin the process of incorporating material and process changes that will lower the cost of manufacture. Initially, the use of MIM parts where they make sense will help in this regard. Additionally, Ilion Engineering will work toward the development of a lower cost camouflage application method for Express guns known as Kolorfusion™. *This new method of camo application has annual savings potential of over \$60,000.*
- Model 870 Wingmaster** - The Wingmaster will see some cosmetic improvements in 2004. The original fine line roll marking on the receiver will return, along with some “sculpted engraving” options featuring tasteful and understated artwork. Another improvement opportunity on the stock and fore-end is a return to the “Fleur de Lis” checkering pattern of yesteryear. The advent of laser checkering now makes this technically and financially possible.
- All vent rib shotguns in the Remington line will incorporate changes that improve Remington’s shotgun point of impact when using SAAMI sight picture.

Pricing Considerations - Due to the competitive pressure mentioned above, there are no price increases planned for the pump action category in 2004.

Product Deletions - A 2004 product deletion list is included in Appendix A.

Pump Action Shotgun Product Strategy – 2005 and Beyond

- Long term, the path for the 870 Express will include a continuing cost reduction effort that harnesses modern materials science and design. By accumulating significant cost savings, Remington can make concrete steps towards the goal of squeezing Mossberg out of the dominant share position for pump action shotguns. *This strategy does not include any planned price increases for the 870 Express for at least 2 years.* Growth in margin must come from cost savings.
- Another priority will be to expand the 870 law enforcement products to maximize volumes in this segment of pump guns and dramatically improve response time with buyers. To achieve this, a new process is underway to dramatically streamline the way law enforcement products are made. More detail on this can