

be introduced that is low enough cost and can be positioned properly. Most likely this would be a heavily outsourced product to keep overhead low. The design would have to be simple and safe. One possibility is to build a single shot shotgun based on the very simple Rolling Block action. This was last done in 1891 with the Model 1 and Model 2 Rolling Block Shotgun. Marketing will work with R&D and Manufacturing to determine if such a product fits into Remington's strategic framework.

A Remington single shot shotgun would have to come with a cost of no more than \$40 and a net price of less than \$75 to achieve a profit margin of 34-35%. This would yield around \$20 gross profit per gun. First year volumes could be expected at 30M units.