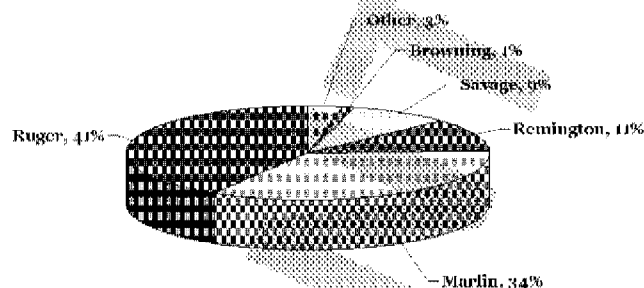


2001 Autoloading Rimfire Rifle Brand Share (% of Units)

2001 Autoloading Rimfire Rifles
(Brand Share by Manufacturer)



Remington Segment Performance – Autoloading Rimfire Rifles

Remington competes in the autoloading rimfire rifle segment with two product families. 2001 sales consisted of 53M units or \$7.3 MM in revenue. Volume and revenue changes from 2000 to 2001 were decreases of 9% and 10% respectively.

	1999 Actual	1999 Actual	2000 Actual	2001 Actual	2002 FCST	2002 P.O.
Unit Sales (M)	64.2	56.9	57	51	47	50
Sales Dollars (\$MM)	\$7.6	\$7.7	\$6.9	\$6.3	\$5.6	\$5.8
Standard Margin (\$MM)	\$2.1	\$1.8	\$1.3	\$1.0	\$0.7	\$0.7
Standard Margin (%)	27.0%	23.5%	18.8%	15.5%	12.6%	12.1%

The Mayfield based Model 597 family dominates Remington's presence in the category, consisting of 51k of the total volume of the 53M autoloading rimfire rifles sold. The remaining 2M units are comprised of the Ilion based Model 552 Speedmaster.

Model 597 sales appear to have stabilized over the course of the past two years. Therefore volumes and share growth are stagnant. This is problematic for Remington. Introduced in 1997, the Model 597 has reached a plateau in its product life cycle much too soon. The Model 597 problem for Remington is one of complexity. With razor thin standard margins of 12%, Remington must focus on increasing profitability while growing volume in the category. For a product which competes in a highly price elastic market, this presents a formidable task.