

Core Strategy – Law Enforcement/Military Firearms

As tabulated above, the LE/Military firearms business is an important part of Remington's bottom line, accounting for roughly \$5MM per year in standard margin. Despite this fact, forecasting and planning for the business is difficult at best due to the highly unpredictable nature of the market. The LE/Military segment is largely made up of "targets of opportunity" that can range from a few dozen units for a local police department to several thousand for the federal government. What's even more difficult from a planning perspective is that most of these are special make-ups, where a potential customer will specify various options that are not part of the catalog structure. In addition, unforeseeable events like those of 9/11/01 can dramatically change the face of the LE/Military market and the particular firearms options that are needed.

With that in mind it is imperative that the watchword for this business going forward is *flexibility*. As the world continues to change at breakneck speed and the War on Terror evolves, Remington's ability to respond quickly to the needs of the LE/Military communities will be paramount. Timely responses to purchasing inquiries, solid planning with Manufacturing and on-time deliveries of firearms product must be the cornerstones of this strategic plan. If for no other reason, than servicing this market with speed and with the highest quality product is Remington's patriotic duty.