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Rep Group Region Report

Information

1. Rep Group Name (Sales Agency:) STONEWOOD - September, 2002
2. Date: 10/10/02

SWOT Analysis

3. Remington Product Strengths

Remington firearms are made in the USA. This is very important in New York and Pennsylvania. M710's continue to gain in popularity due to reliability and price point, shipments needed. Recent inventory reports show JSC has 18 units (7408 / 7410) in stock, all locations combined. They currently have 1,106 on backorder. State of Pennsylvania has approved black powder inlines for use during 2002 special early season resulting in increased 700ML sales. Reintroduction of Remington 700LH short action calibers. New product introductions and Quality reputation. Strong advertising/merchandising support, but this can also turn into a negative if consumers can not find product available for Rebate programs, etc. Recent deliveries of the Model 700 Classic in 221 Fireball have helped to ease the complaints but the backorders must be filled. Consumer perception that Remington Arms offers the best quality product for the price. Also consumers have mentioned that Remington Long guns are the most accurate rifles out of the box of any production guns. Special make up guns available to penetrate niche markets.

4. Remington Product Weaknesses

Continued lack of 332's in marketplace. Model 7 youth needs finish upgrade to compete with Ruger counterpart - walnut, blued, rings 3 position safety on competitive product viewed as a positive by many consumers. A three position kit is available aftermarket for M700's. Poor deliveries continue to be most serious product weakness. M/1187 rebate program running while delivery of many sku's has not been made. Plastic parts - One dealer mentioned he had to send back 2 M/710's because the latch that holds the clip in had broken off (new guns). The Model 700 Classic backorders need to be filled before orders are cancelled by unhappy dealers. Model 11-87 Super Mags are still bringing in function complaints. The lack of a Bolt Action in the 17HMR has lost potential sales orders. Availability of new products after initial introduction when the market is "hot" for them has been poor. Should have product ready to ship after introduction to satisfy market and set Remington apart from other manufacturers who continue to be slow on delivery of new products. Wholesalers are going to be more conservative on buying long guns due to lack of turns through the year. Distributors want to turn product in 60-90 days, if they can not they will order lighter and be out of product later in the year.

5. Opportunities For New or Existing Products

Need a new semi-auto shotgun possibly utilizing rotary bolt or similar design to compete with Benelli and Beretta.
Capitalizing on the success of Hevi-shot. It is believed Remington should follow up with choke tube offerings for competitive firearms.
Include M700 Winchester 300 Short Mag offerings in catalog / production rifles.
Bolt action Rim fire rifle. (value introduction as well as high end to replace M/541). Additionally need youth starter 22 rifle to get kids started with a Remington.
Full product line of O/U target guns.
Bring back the 350 Remington Mag in a short action.
Package Rings and Bases with firearms to compete against Ruger for added value

6. Threats To Remington: Products or Market Share

Verona semi-auto SX405 - 3" chambered shotgun selling to dealers for - \$246.50 for 26" / \$259.50 for 28" and 30" versions (350 pricing). This is directly competing with 1100 synthetic market.
Reliability reputation of M/1187 shotgun.
Delivery of entire center fire bolt action line. Ruger deliveries continue to be good and are increasingly filling void left by Remington. Ruger's reputation for quality and performance has also improved. This coupled with Rebate they are currently running, has definitely affected Remington's share of shelf. (See recent call report for Juniata Trading Co. - Everett, Pa.).
Plastic parts.
The Savage rimfire bolt action Models 93R17 is filling the market place because they are delivering.
The Savage , Stevens favorite single shot in 17HMR is also selling well.
The Savage Model 10ML that takes smokeless powder, Black Powder or Pyrodex with a 209 ignition system is selling very well in the Muzzle Loader Market
Ruger \$40 rebate impacting the market. Ruger has also offered wholesaler reps a \$5 spiff for each 77R sold as well as a \$5 spiff to each dealer for each gun sold.
Winchester will be offering new Short action magnum calibers such as .223 super short action magnum and .243.

Sales Plan

7. Areas of Focus

7A. Products (Sku's)

Focus on improving shipments and selling existing inventories to position for strong stocking orders in 2003.
Focus on available to ship list for incremental sales.
Continued focus on M/700 ML's taking advantage of new deer season in Pa. allowing use of "in-line" rifles for first season.
The 2003 Bullet Knife has generated some early orders as has the 2002 Wildlife knife.
Clips and magazines have also been selling well with some RemOil orders to help out.

7B. Accounts

Work with JSC to finalize Model 700 Special Run Thumbhole Laminate Guns.

Work closely with CSR's to gain additional shipments for all accounts.

Grice Whlse has just placed their 2003 "spring" gun order, which was up 61% despite only a fair 2002 spring gobbler season.

Bonitz Bros. (div. Of JSC) also placed additional gun orders in September for \$53,000 in additional 2003 Spring guns and \$74,000 in regular gun products.

Overall dealer business has improved - however, outlook for the year is only fair due to warm weather and lost sales from poor deliveries.

Lew Horton has ordered over \$10,000 in cutlery products.

Dealers and Syndicate buyers report good sales in Remington products.

Review AcuSport inventory on regular basis for opportunities on available to ship product.

Work on getting Baumler to commit to special run make ups for 2003.

7C. Territory Problems and Resolutions

Product availability - M710's, 332's, M7 Shortmags, 17 HMR's.

Grice Whlse still concerned about delivery of special run m700 ADL syn 7mm08.

Dealers concerned about delivery of all guns now that we are in key selling season.

Delivery of M/1187 shotguns to support Rebate program.

Kittery Trading Post had the 7400 Weathermaster in their Septemberfest flyer, but had none to sell.

They will put in a cancel date on future SHOT Show orders.

Model 870 Express Combos 5578 are in demand and on backorders.

Distributors are complaining of profitability of Remington line. Distributors having

to buy large amounts of sku's to carry for the length of the year. The carrying costs are becoming more than profitability therefor resulting in a more conservative buying pattern.

7D. Promotions

Waite III

Culberson's Sportsmen Outfitters, Knox, PA 9/13-15

Thruway Sporting Goods, Walden, NY 9/21

Foster

Trop gun shop

Richland shooter supply

Miller's gun center

Shyda's gun shop

Puck

Juniata trading post

Ryan

Kittery Trading Post Septemberfest

Norbert Buchmayr Benefit Shoot

Northeast Grand

NSSF Heritage Jack Robertson Invitational Shoot.

Wheaton

Ace Sporting Goods (Washington PA). In the two days we sold over 50 Remington long guns.

Buckeye Outdoors (Buckeye Lake, OH) was slow considering his grand opening.

Traffic in the store was less than expected.

Sportsmans Den (Shelby OH) promotion with over 75 guns sold. The

owner put together with Wheaton a free knife giveaway with each gun purchased. Overall sales in the three days was over \$150,000.

8. Orders Written

8A. Dollar Amount of Sold "obsolete stock"

8A. Dollar Amount of Sold "available stock"

8A. Dollar Amount of Sold "regular program orders"

9. Accessories Comments

Currently awaiting more information from Remington regarding JSC / special run Patriot Knife. As previously discussed JSC has agreed to \$750,000 special accessory rebate proposal thus this category will be high focus with account to reach goals during remainder of 2002 sales year. Safe shipments for Foster Terr. running about even with 2001 — which was a record year. Largest safe customer (Targetmaster) is very concerned about "rumored" changes to the Remington safe line for 2003, and hopes to be able to order 2002 classic version in 2003 as a Special run for his account exclusively.

Accessory sales in cutlery have been very good with orders written for both the 2003 Bullet knife and the 2002 Wildlife knife.

We need to change the packaging on the HeviShot choke tube. It does not stand out against the competitors choke tube offerings.

Complaints on the Remington Express Gun cabinet on its quality. Need to noise dampen the interior so it doesn't vibrate when you hit the exterior of the cabinet.

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