

NBAR PROGRESS

- CONCEPT SKETCHES REVIEWED AND MODIFIED
- REVIEWED NEW CONCEPT SKETCHES AND PROTOTYPE
- REVISIONS TO BE MADE TO PROTOTYPE AS FOLLOWS:
 - MODIFIED BARREL CONTOUR, I.E. TRANSITION FROM BARREL TO CHAMBER.
 - RELIEF CUT AT TOP OF EJECTION PORT
 - CHANGE RADIUS OF FOUND
 - CROWN TRIGGER GUARD AT FRONT OUTSIDE
 - ADD MAGAZINE BOX
 - ADD RECEIVER MARKINGS
 - ADD SAFETY (POSITION & TYPE)
 - MODIFY BOLT HANDLE DESIGN

FIREARMS MARKET OUTLOOK

- CANCELLATIONS ARE BEGINNING TO BE RECEIVED. THE TOTAL FIREARMS ORDER POSITION FELL 6M UNITS LAST WEEK. MOST ACTIVITY IS IN RIFLES. (2/3 R.F., 1/3 C.F.)
- FALSE DEMAND IS AN ISSUE WITH EXPRESS AND VIPER PRODUCTS. OPEN ORDERS IN THESE CATEGORIES ARE MOST VULNERABLE.
- DISTRIBUTOR INVENTORY IS A LITTLE HEAVIER THAN NORMAL, HOWEVER, IT IS NOT VIEWED AS UNCOMFORTABLE.
- DEALER INVENTORY IS LEAN, YET, THEY ARE DEMONSTRATING A CAUTIOUS APPROACH TO REORDERS.
- DEALERS HAVE AN OPTIMISTIC OUTLOOK FOR THE FALL BUSINESS, BUT LONGER TERM THE MARKET LOOKS PROBLEMATIC BECAUSE OF POLITICAL AND ECONOMIC TRENDS.
- THE SPORTING CLAYS MARKET IS STILL GOOD, HOWEVER, GROWTH HAS SLOWED DUE TO SATURATION OF PRODUCT IN THE MARKETPLACE.

NEW PRODUCT STATUS VIA TOTAL ORDER POSITION

	<u>YTD ORDER NEW PRODUCTS</u>	<u>TOTAL ORDERS</u>	<u>NEW PRODUCTS % OF TOTAL</u>
SHOTGUNS	22,623	397,701	6%
RIMFIRE	92,167	110,107	84%
CENTERFIRE	39,094	185,109	21%
TOTAL	153,884	692,917	22%

**DISTRIBUTION
CHANNEL ANALYSIS**

	<u>1991 ACT. %</u>	<u>1992 ACT. %</u>	<u>1993 P.O. %</u>	<u>1993 YTD ACT. %</u>	<u>1994 P.O. %</u>
CHAINS	21.5	17.1	18.5	17.6	18.0
DEALERS	14.8	14.1	11.5	12.6	14.5
WHOLESALEERS	63.7	68.3	70.0	69.8	67.5

**FIREARMS
YEAR TO DATE
FINANCIAL PERFORMANCE
(THRU JULY)**

	<u>P.O.</u> <u>\$'s</u>	<u>REV. 2</u> <u>\$'s</u>	<u>CF1</u> <u>\$'s</u>	<u>ACT.</u> <u>\$'s</u>	<u>\$VAR</u> <u>ACT. VS. P.O.</u>	<u>\$VAR.</u> <u>REV. 2 VS. ACTUAL</u>	<u>\$VAR</u> <u>CF1 VS. ACTUAL</u>
SALES	117,465	105,623	106,014	103,402	(14,063)	(2,221)	(2,612)
ATOI	12,283	7,196	7,593	6,448	(5,835)	(748)	(1,145)

**YEAR END
FINANCIAL PERFORMANCE "PROJECTION"
(OVER THE TOP)**

	<u>P.O. \$</u>	<u>REV. 2 \$</u>	<u>PROJECTED \$</u>
SALES	169,796	168,567	166,503*
ATOI	11,300	8,654	8,065

***A FORECASTED REDUCTION OF \$2MM IN SALES, RESULTING FROM A PRODUCTION SHORTFALL AND ORDER CANCELLATIONS HAS APPROXIMATELY A \$600M NEGATIVE IMPACT ON EARNINGS.**

**REVIEW
JULY 93 FINANCIAL PERFORMANCE
FIREARMS**

	<u>P.O.</u> <u>UNITS</u>	<u>P.O.</u> <u>\$'S</u>	<u>REV.2</u> <u>UNITS</u>	<u>REV.2</u> <u>\$'s</u>	<u>CF1</u> <u>UNITS</u>	<u>CF1</u> <u>\$'s</u>	<u>ACTUAL</u> <u>UNITS</u>	<u>ACTUAL</u> <u>\$'s</u>
SHOTGUNS	37,078	8,905	31,410	7,643	31,540	7,512	25,441	6,076
RIMFIRE	5,476	608	5,675	621	6,100	709	4,315	468
CENTERFIRE	15,263	5,079	13,262	4,385	15,055	4,939	13,856	4,449
TOTAL FIREARMS	57,817	14,592	50,347	12,649	52,695	13,160	43,612	10,993
XBBLs	3,910	439	4,300	445	4,300	445	3,855	407
ALL FIREARMS		15,031		13,094		13,605		11,400
ATOI		1,322		392		645		(502)*

* \$74M LOSS ON REGULAR OPERATIONS; \$428M FIXED COST ADJUSTMENT.