

Remington Product Proposal Short Form

NPP#

2008-83

RAMAC

SAP Description:

Site Assignment: ILLION

MAYFIELD

Category: SHOTGUNS

CENTERFIRE

Product Description: NEW

Background:

From review of our manufacturing processes, it was determined that the current XMP trigger design could not be controlled to provide an average out of the box trigger pull of 3 1/2 pounds. To achieve this pull, the trigger must be set just prior to final pack. The most feasible way to achieve this trigger pull is to develop an externally adjusted XMP trigger. Development of this trigger will also provide Sales and Marketing with a very saleable feature for the Remington rifle line. Current CAR estimate is \$362,000.

The adjustable XMP project is a defensive measure to protect Model 700 market share.

Based on the proposed project economics of \$362,000 it would only take a loss of 1800 Model 700 Reg to adversely impact our standard gross profit beyond that level. These calculations are based 2008 std gross profit figures.

Marketing Overview:

Remington builds the best bolt action rifle available in the Model 700 and Model Seven. These models provide consumers with tremendous value, the best out of the box accuracy, dependability, and functionality. The only weakness is our trigger. This is due to competitive introductions over the last 4 years. This started with Savage's introduction of the AccuTrigger offering the consumer adjustment of pull. Sako, Browning, Winchester, Thompson Center, Smith & Wesson now all offer consumers an adjustable trigger. It is critical that we develop an externally adjusted X-Mark Pro to protect our market share.

Product Description Detail:

Develop externally adjustable X-Mark Pro Trigger for the Model 700 and Model Seven line. Adjustment to allow a 2 pound range of adjustment of 3-5 pounds. Fire control must provide same crisp feel with no take up and break as cleanly as current X-Mark Pro. All guns to leave Illion set at 3 1/2 pounds (+/- 4 oz). Final trigger pull to be set just prior to going in box.

Special Instructions:

Phase In-Start phasing externally adjusted X-Mark Pro in the 3rd quarter of 2008. All 2009 new products to feature new externally adjusted trigger. Varmint and VTR line to get externally adjustable version when available.

Submitted By:

J Fink

Revisions:

| Comparable Product #1 | | RAMAC | | Description | | | | | |
|-----------------------|-----|---------|------|-------------|------|----------|---------|---------|--|
| Unit Pricing | MSP | Invoice | FET | RemCash | cost | \$Margin | %Margin | | |
| Actual | \$ | - | \$ - | \$ | - | \$ - | - | #DIV/0! | |

| Comparable Product #2 | | RAMAC | | Description | | | | | |
|-----------------------|-----|---------|------|-------------|------|----------|---------|---------|--|
| Unit Pricing | MSP | Invoice | FET | RemCash | cost | \$Margin | %Margin | | |
| Actual | \$ | - | \$ - | \$ | - | \$ - | - | #DIV/0! | |

| Comparable Product #3 | | RAMAC | | Description | | | | | |
|-----------------------|-----|---------|------|-------------|------|----------|---------|---------|--|
| Unit Pricing | MSP | Invoice | FET | RemCash | cost | \$Margin | %Margin | | |
| Actual | \$ | - | \$ - | \$ | - | \$ - | - | #DIV/0! | |

| Proposed Product Pricing | | RAMAC | | Description | | | | | |
|--------------------------|-----|---------|------|-------------|------|----------|---------|---------|--|
| Unit Pricing | MSP | Invoice | FET | RemCash | cost | \$Margin | %Margin | | |
| Target | \$ | - | \$ - | \$ | - | \$ - | - | #DIV/0! | |

Cost Basis/Buildup