performance shotgun ammunition makes the need for $3.\frac{1}{2}$ " 12 gauge guns even less of a growth category.

• All of these competitive guns are generally considered high quality and high performance by the market place. Remington's testing of competitive offerings reveals that while these guns are not flawless performers, they do tend to outperform Remington autoloaders across the range of ammunition that's loosely termed "light target loads to 3" heavy magnums".

<u>Autoloading Shotgun Product Strategy–Overview</u>

Remington's strategy to regain a dominant position in the auto shotgun category will have three parts:

- 1. Build demand for the existing autoloading line by redesigning it for greater reliability/lower cost and improving its aesthetic appeal.
- 2. Expand the offering of customer specials and the targeting of under-emphasized or untapped markets such as mehe-competition and collector markets.
- 3. By far the most important strategic initiative is the effort to design a revolutionary new gas autoloader that outperforms the competition at a competitive price. Introduction of such a product, coupled with a strong marketing and advertising plan, can place Remington back on top of the autoloading shotgun market.

Autoloading Shotgun Product Strategy - 2004

In support of the strategic vision mentioned above, new autoloading shotgun product for 2004 will include the following:

• Model 1100: A 20 gauge version of 2003's successful 12 gauge Tournament Skeet will be offered. Research with the National Skeet Shooting Association indicates that the segment of shooters who use 20 gauge guns is growing, and is in fact now the majority. Like the 12 gauge version, the 20 gauge version will feature a 26" barrel, polished blue metal, gloss finish "B" grade wood, and the "Tournament Skeet" roll mark. Positioning strategy is as follows:

Mindel MISP NSP I ^A Year Vilume Margin 1109 20 ga Tournament Skeet \$651 \$582 1000 35%					
1100 20 ga. Tournament Skeet \$651 \$582 1000 35%		MSP	ant NS Pass	1 ³¹ Year Volume	Margin
L	1100 20 ga. Tournament Skeet	\$651	\$582	1000	



Subject to Protective Order Williams v. Remington