

Based on this, there are no overwhelming issues from an internal perspective that require a price increase to maintain current margin positions.

Externally, however there are factors at play which make logical sense to take a price increase for 2003. Although trade inventory levels are high with respect to long action Ultra Mag sku's, demand for core offerings appears stable. The upcoming release of SAAMI 2002 Q1 share figures will confirm or raise question to this hypothesis.

From a competitive perspective, both Browning and Winchester are likely at full capacity with strong demand levels for the Winchester Short Magnum (WSM) calibers. Both are likely to initiate price increases for 2003. Browning, Winchester and Ruger have all taken substantial price increases over the past two years in relation to Remington. It is the belief of this writer that there is a price parity issue between Remington Model 700's and Winchester Model 70's in the premium centerfire bolt-action category. On average, Winchester Model 70's are priced at a \$30 premium to the Model 700. Entry level Model 700 ADL Synthetics are priced on a net basis approximately \$10 below the push-feed Winchester Model 70 Black Shadow. Remington must make up some of this price disparity in 2003. Price increases by category are as follows:

Model	2003 % Increase
Model 700 ADL	+2.5%
Model 700 ADL SYN	+2.5%
Model 700 Regular	+3.0%
Model 700 Stainless	+3.5%
Model 700 Titanium	+2.5%
Model 700 EtronX	NC
Model 700 Long Range	+3.0%

Product Deletions – See Appendix xx for a comprehensive listing of product deletions.

Product Strategy 2004 & Beyond – Model 700

The Model 700, while continuing to serve as the industry standard for modern day bolt-action centerfire rifles, is a product in the mature stage of