

of the counter). To date, the EtronX program has been a major product success hindered by a market acceptance failure.

Production/Quality Control – Focus must be maintained on the part of manufacturing on monitoring and insuring the quality and integrity of the Model 700 brand. Emphasis must be placed on consistency and standardization within manufacturing processes. Focus should also be placed on cost reducing measures which improve margins, but do not detract from the perceived quality of the product.

Pricing Considerations – Pricing will be reviewed annually in order to determine the most effective pricing strategy from year to year. Market dynamics and conditions are constantly changing, making meaningful forecasting models for pricing marginally effective at best. Pricing strategies will likely continue to be driven by necessity and opportunistic events and conditions. For forecasting purposes the following price increases per year will be used with the understanding that the percentages may fluctuate up or down in any given year.

Model	2004 % Increase	2005 % Increase
Model 700 ADL	+1.0%	+1.0%
Model 700 ADL SYN	+1.0%	+1.0%
Model 700 Regular	+2.0%	+1.5%
Model 700 Stainless	+1.5%	+1.5%
Model 700 Titanium	+1.0%	+1.5%
Model 700 EtronX	NC	NC
Model 700 Long Range	+2.0%	+1.5%

Product Strategy 2003 – Model Seven

While the Model Seven product category has nowhere near the breadth of the Model 700, the strategies for growth are essentially the same. While less emphasis in the short term will be placed on new materials, the same