

<u>Model 7400</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2002</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>FCST</u>	<u>PQ</u>
Unit Sales (M)	26.7	27.2	24.0	19.5	21.0	21.9
Sales Dollars (\$MM)	\$8.4	\$8.8	\$8.1	\$6.8	\$7.2	\$7.5
Standard Margin (\$MM)	\$3.4	\$3.6	\$3.5	\$2.8	\$2.8	\$2.7
Standard Margin (%)	41.0%	40.5%	42.8%	40.4%	36.6%	35.9%
<u>Model 7600</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2002</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>FCST</u>	<u>PQ</u>
Unit Sales (M)	13.5	12.6	11.3	8.5	8.0	8.5
Sales Dollars (\$MM)	\$3.9	\$3.8	\$3.7	\$2.7	\$2.6	\$2.7
Standard Margin (\$MM)	\$1.5	\$1.4	\$1.5	\$1.0	\$0.9	\$0.9
Standard Margin (%)	39.3%	38.0%	40.4%	38.4%	35.0%	34.1%

It is apparent from the information above that the category is challenged from Remington's perspective. **With an exponential decline in unit sales volume on a year to year basis, Remington is faced with some very key impending decisions with respect to the long term future of the product category.** Primary reasons for the decline in sales for the Model 7400/7600 series are:

- *Unfavorable general market conditions for the 7400/7600 category with respect to consumer preferences geared toward bolt-action rifles*
- *Favorable pricing for bolt-action rifles appealing to the traditional repeating rifle customer*
- *Dated design of the Model 7400/7600 is not competitive with today's product offerings (i.e. not capable of handling magnum cartridges)*
- *Poor reputation for quality and reliability, particularly in the Model 7400 series*
- *Lack of recent focus through advertising efforts to promote the product and generate consumer awareness*

Competitive Outlook

The following section will briefly address competitive offerings in the centerfire repeating rifle category. It is important to note that the "other" category listed earlier in the section is comprised mostly of surplus military rifle imports and assault rifle type configurations. Due to the scope of