

**Low Cost Model 11-87:** The second part of this long term strategy will be to introduce a redesigned, simplified and much cost-reduced Model 11-87. There are currently industry rumors that Mossberg will reintroduce the Model 9200 in a 3 1/2" capable 12 gauge in 2004. If this comes to pass then the need to lower the cost of the 11-87 will become even more important. Naturally such a fundamental change in the 11-87 will require significant redesign. However, this should fit the strategic vision well if the redesigned gun is positioned as a low-cost autoloader that complements the "high end" Model 2100 mentioned above. A symbiotic relationship like the Model 700/Model 710 is the goal, and places Remington firmly at both ends of the autoloading shotgun market. The best areas in which to concentrate this redesign are:

- A simplified fire control that uses significantly fewer parts than the current design and can provide significant cost savings from a purchasing, inventory, and assembly perspective. Better sourcing of the new parts can yield significant cost savings if focus is applied to the process. Marketing will work with Ilion Engineering and Purchasing to explore these possibilities.
- In addition, a simplified and more rugged gas system that moves away from o-rings and activator seals is needed. Remington currently has six different gas system options in the autoloading shotgun line. If possible, this needs to be standardized.
- Alternative receiver manufacturing methods will be explored. The goal here is to identify a way to make the 1187 receiver without resorting to machining from solid bar stock. This should reduce raw material cost, cycle time, and capital tooling requirements.
- New materials for synthetic stocks and fore-ends that improve cycle time and reduce part cost will be explored. Also, more cost-effective sourcing of our wood stock and fore-end is needed.
- Given the current project load for the Ilion Engineering Department and the upcoming New Gas Autoloader, which will be an Ilion-based product, the effort for a Low Cost 11-87 will take some time. The redesign of the gas system, the alternative machining of the receiver, the simplified fire control, and the possibility of new parts from new vendors will all require engineering time and significant testing. ***A Low Cost 11-87 is therefore not forecast for introduction until 2006.*** The target pricing strategy is:

Model	MSP	NSP	1 <sup>st</sup> Year Volume	Margin
Low Cost Model 11-87	\$429	\$375	15000	50%