game hunting and the hunter with a limited budget. Entry level product offerings in the centerfire rifle category account for approximately 35% of retail sales in the U.S. domestic market.

Premium Centerfire Rifle

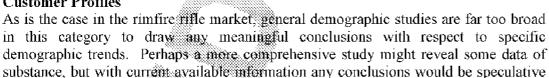
Appealing to a more discriminating audience, the premium centerfire rifle category in the sporting firearms market consists primarily of bolt-action rifles that constitute the flagship products of the various manufacturers. Featuring higher grade options such as stainless steel, high grade stocks, polished blued metal work and an overall higher perceived level of attention to detail. The premium centerfire category accounts for approximately 50% of retail sales in the U.S. domestic market.

Specialty Centerfire Rifle

The specialty centerfire category features products that are generally highly focused toward a specific end use. Examples would be heavy barreled long range rifles with specialized target stocks for situations such as varminting, or extended range big game hunting. Products within this category often utilize state of the art materials such as aramid fiber reinforced stocks, titanium alloys and in the case of the Remington Model 700 EtronX, electronic firing mechanisms. Custom built firearms would also be included in this category. This segment constitutes the remaining 15% of the U.S. domestic market.

Customer Profiles

at best.



Based on market trends and data compiled in the 2001 SMRG Annual Rifle report, nearly three fourths of the centerfire rifles purchased in the domestic market are purchased for hunting applications⁹. Based on personal experience, this writer believes that to be a conservative estimate and that in fact, the actual figure for hunting usage approaches the 85% mark. The remaining 15% of the sporting centerfire market can be primarily categorized as target shooters.

The "hunter" profile can be categorized under two broad headings, "casual" and "dedicated." Stratification within the category is estimated to be skewed 60% toward the "casual" profile.

• The "casual" hunter can be categorized as the person who has an opportunity to hunt a few times a year, generally in close proximity to his or her home. It can reasonably be assumed that game types and hunting situations do not vary a great

⁹ SMRG's U.S. Marketrac, 2001 Annual Report



Subject to Protective Order Williams v. Remington