

market. *Our strategy is to quickly penetrate this market by offering a 3½" capable version of the 870 Express in 1998. Pricing and gross profit of this product will be superior to the regular 870 Express.*

**Pump Action Shotguns
Market Share Goals**

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
35%	38%	39%	41%

■ **Remington Segment Performance**

Remington's pump action business includes 870 Express, 870 Wingmaster and 870 Police models. 1996 sales in this segment totaled 241M units accounting for \$49MM in revenue. *86% of Remington's 1996 sales in the pump action category can be attributed to the economy priced Express.*

Last year, Express sales volume was down 27% from the previous year. This decrease was the result of soft market conditions amplified by mass merchants trimming inventory at the store level.

For 1997, Remington is anticipating an increase in Express sales volume of approximately 8%. Key to this recovery is strengthening business at the Marts and strong "pull through" consumer promotions.

	<u>1995 Actual</u>	<u>1996 Actual</u>	<u>1997 Rev. 1F</u>	<u>1997 P.O.</u>
Unit Sales (M)	334	241	244	213
Sales Dollars (\$MM)	68.4	49.3	48.5	42.1
Standard Margin (\$MM)	25.2	16.6	10.9	9.4
Standard Margin % Sales	36.8	33.6	22.5	22.4

The major issues facing this segment are market pricing pressures, cost competitiveness and the lack of a 3½" 12 gauge product in the Express product category.