

by aggressive pricing strategies and available "not in kind" substitutes at significantly low prices. *Our objective for centerfire repeating rifles will be to increase sales volume by lowering price on a newly styled family of Special Purpose products.*

#### Market Share Goals

| <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------|-------------|-------------|-------------|
| 12%         | 15%         | 19%         | 20%         |

### ■ Remington Segment Performance

Remington's centerfire repeating rifle segment includes 7400 autoloading and 7600 pump action models. 1996 sales totaled 35M units accounting for 12MM in revenue. This is a 45% decrease in units and a 42% decrease in revenue from 1995 actuals. Our world wide performance for this category follows:

|                         | <u>1995</u><br><u>Actual</u> | <u>1996</u><br><u>Actual</u> | <u>1997</u><br><u>Rev. 1F</u> | <u>1997</u><br><u>P.O.</u> |
|-------------------------|------------------------------|------------------------------|-------------------------------|----------------------------|
| Unit Sales              | 64,297                       | 35,456                       | 33,120                        | 39,439                     |
| Sales Dollars (\$MM)    | 21.3                         | 12.3                         | 11.2                          | 13.0                       |
| Standard Margin (\$MM)  | 10.1                         | 5.6                          | 4.2                           | 4.8                        |
| Standard Margin % Sales | 47.4                         | 45.9                         | 37.3                          | 36.6                       |

*The principal issues facing this product segment are:*

- Product quality
- Cost of manufacture
- Restrictive legislation
- Strengthening competition
- Handicaps of autoloading design/operation

### ■ Competitive Analysis