

Remington's objective for the extra barrel business is to improve product availability so that sales opportunities can be maximized. This will be accomplished through modified sales programming, front loaded production planning and new consumer advertising initiatives.

■ Remington Segment Performance

Extra shotgun barrels are one of the highest gross margin products in the shotgun product family. Through May of this year, SGM is nearly 39% or approximately \$46 per unit.

Our worldwide performance for this category follows:

	<u>1995 Actual</u>	<u>1996 Actual</u>	<u>1997 Rev. 1F</u>	<u>1997 P.O.</u>
Unit Sales	43,924	39,810	42,153	45,504
Sales Dollars (\$MM)	4.9	4.9	5.3	6.0
Standard Margin (\$MM)	2.8	2.6	2.3	2.9
Standard Margin % Sales	57.5	52.4	44.2	48.2

The principal issues facing our extra barrel business are:

- Poor availability in season (historical, but improving)
- Under performing deer barrels
- Lack of a 20 Ga. fully rifled deer barrel
- Lack of a 11-87 light contour deer barrel which can handle the entire spectrum of modern slug ammo.

■ Competitive Analysis

As noted, Remington has two primary competitors in the extra barrel market. Both Mossberg and Hastings market replacement barrels for Remington shotguns.

Mossberg currently offers a full line of replacement barrels for Mossberg shotguns including blued and camouflaged configurations. They also market nine replacement barrel SKUs for the Model 870. Included are rifle sighted and bead sighted barrels in