

LAW ENFORCEMENT PRODUCTS

Remington's Law Enforcement firearms are broken down into three main categories; the Model 870 Police, the Model 11-87 Police and the Model 700 Police. In standard catalog SKUs, the Model 870P comes in Wood stock and Synthetic stock versions as well as various Tactical (14" barrel) options. The Model 11-87P is a synthetic stocked gun only, and has only one 14" version as a catalog offering. The Model 700P is a synthetic stocked tactical rifle that is offered in both long and short action. Finally, though they comprise a much smaller segment of the category, it is worth noting that Remington also offers a Model 40-XB rifle to the LE community and furnishes the Department of Defense with the M-24 Sniper Weapon System. A comprehensive discussion of Remington's opportunities with the military product market is available as a separate document authored by Ed Schoppman.

Remington Segment Performance

870 Police	1999 Actual	2000 Act.	2001 Act.	2002 Act.	2003 Fcst.	2003 P.O.
Units Sales (M)	13.9	16.4	18.3	21.8	18.2	18.2
Sales Dollars (\$MM)	\$ 4.4	\$ 5.3	\$ 5.2	\$ 8.1	\$ 5.6	\$ 5.6
Standard Margin (\$MM)	2.2	2.7	2.7	3.3	2.5	2.5
Standard Margin % Sales	49.1%	51.1%	43.2%	40.2%	44.4%	44.4%

11-87 Police	1999 Actual	2000 Act.	2001 Act.	2002 Act.	2003 Fcst.	2003 P.O.
Unit Sales (M)	1.2	1.2	1.0	1.0	0.7	0.7
Sales Dollars (\$MM)	\$ 0.6	\$ 0.6	\$ 0.5	\$ 0.5	\$ 0.3	\$ 0.3
Standard Margin (\$MM)	0.3	0.3	0.2	0.2	0.2	0.2
Standard Margin % Sales	55.3%	55.3%	51.8%	51.8%	52.1%	52.1%

700 Police	1999 Actual	2000 Act.	2001 Act.	2002 Act.	2003 Fcst.	2003 P.O.
Unit Sales (M)	4.5	5.7	6.7	7.1	7.6	7.6
Sales Dollars (\$MM)	\$ 2.6	\$ 3.2	\$ 3.7	\$ 3.9	\$ 4.3	\$ 4.3
Standard Margin (\$MM)	1.4	1.7	2.0	2.0	2.2	2.2
Standard Margin % Sales	53.6%	53.5%	53.3%	52.1%	51.0%	51.0%

In terms of both unit sales and sales dollars, the Model 870 Police dominates Remington's LE business. There are two reasons for this: One is that almost every law enforcement vehicle unit in the United States is required to carry a shotgun of some type. The second reason is the fact that when lives are at stake, law enforcement officers insist on carrying the most reliable weapon available. The Remington Model 870 is widely perceived to be that weapon.