

***Production/Quality Considerations*** – Perhaps the most important issue pertaining to the repeating centerfire rifle category centers on the reliability issues with the Model 7400. Considerable emphasis needs to be placed on insuring that the Model 7400 will reliably cycle and function consistently. Remington's European business is suffering as a result of poor performance in the field. A letter from Remington's key distributor in Italy noted that every Model 7400 received by them undergoes a rigorous evaluation and rework by their gunsmiths at their expense. The reputation for poor performance has become so widespread that the distributor, after completing their evaluation and rework includes an insert in each gun box stating the following.

*We declare that the above mentioned rifle, after the forced test provided for by law at the National Proof House of Gardone Val Trompia has undergone another shooting test using a congruous number of cartridges of the commercial choice in order to guarantee the correct functioning of its semi auto mechanism.*

The same letter indicated that of the last 400 Model 7400's that were received 50 of them or 12.5% did not reliably function with factory ammunition. These issues are critical. One of the key selling points behind the Model 7400 is that the firearm enables the shooter with the ability for rapid follow up shots. The benefit of this feature, of course, is lost when the rifle will not properly cycle ammunition. This further solidifies the fact that the current design is on the edge and that if Remington wishes to continue to play a part in this market, a new gun design is needed.

***Pricing Considerations*** - Due to declining sales and a softening market, no pricing recommendations are recommended for either the Model 7400 line or the Model 7600 line.

***Product Deletions*** – No product deletions are planned for the Model 7400 or Model 7600 for 2003.

## **Product Strategy 2004 & Beyond – Centerfire Repeating Rifles**

As stated earlier, the near term strategy for Remington's centerfire repeating rifle business will be to maximize the opportunity for sales of the Model 7400 and Model 7600 through focused efforts to target product toward niche opportunities. Through this strategy, along with efforts to improve the quality of the Model 7400, the focus will be on stabilizing order positions within the category on an annual basis.