

Pump Action Shotguns	1999 Actual	2000 Act.	2001 Act.	2002 Act.	2003 Est.	2003 P.O.
Units Sales (M)	314.1	243.4	223.0	256.5	244.6	258.1
Sales Dollars (\$MM)	70.2	57.8	53.1	60.7	59.0	59.6
Standard Margin (\$MM)	24.8	22.3	16.1	20.3	19.0	18.3
Standard Margin % Sales	35.3%	38.5%	30.2%	33.5%	32.2%	30.7%

Competitive Outlook

- **Remington**

Remington still enjoys a well recognized brand and loyal following in the Model 870. Long considered the standard in pump action shotguns, the Model 870 has been copied both in terms of function and appearance by numerous firearms manufacturers over the years. Because the pump action buyer is generally not as fixated on high tech "newness", the 870 has not been as sensitive to life cycle decline as Remington's autoloaders. 870 Pump action shooters seem to value basic functionality, reliability, aesthetics and cost over serious product innovation. In other words, there are only so many ways to make a pump-action shotgun. The price point of the average pump action shotgun is in the \$190-\$200 range, which keeps most major manufacturers focused on producing a lower cost product, fulfilling the needs of special markets and/or improving cosmetic appeal to gain share. This has been a key part of Mossberg's success in the pump action shotgun segment. In short, the pump-action shotgun shooter is looking for a dependable *shooting tool*.

Remington's major competitors in the domestic pump action shotgun market are Mossberg, Browning/USRAC, and Benelli. These three manufacturers, together with Remington, make up over 90% of all units sold in the United States.

Mossberg

After discontinuing the Model 9200 autoloading shotgun, Mossberg's focus on its pump action business has made it the leading producer of this category of shotgun. Mossberg offers three main models: 1. **The Model 835 Ulti-Mag**, which is a 12 gauge only 3 ½" capable pump gun that is primarily a synthetic camouflage offering, but includes two SKUs of plain synthetic and wood. The softness of the 3 ½" 12 gauge market has prompted a promotional push from Mossberg in the first quarter of this year. All Ulti-Mags come with ported barrels. 2. **The Model 500**, which is an economically priced pump gun that is chambered for 12, 20 and .410 gauge. The Model 500 is offered in 32 SKUs, and comes in wood and synthetic, field and personal defense versions (known as the Persuader/Cruiser). 3. **The Model 590** is a special purpose cylinder bore 12 gauge