

Remington Segment Performance

Remington's pump action shotgun line includes the Model 870, in both the Wingmaster and Express versions. 2001 sales totaled 223M units, or \$53.1MM in revenue. This represents an 8% decrease in units and an 8.1% decrease in revenue from 2000 actuals. Worldwide Remington performance for the pump action shotgun category follows:

Pump Action Shotguns	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 FCST	2002 P.O.
Units Sales (M)	272.1	314.1	243.4	223.0	256.6	281.4
Sales Dollars (\$MM)	58.6	70.2	57.8	53.1	60.7	66.7
Standard Margin (\$MM)	20.0	24.8	22.3	16.1	20.3	22.4
Standard Margin % Sales	34.1%	35.3%	38.6%	30.2%	33.5%	33.6%

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.