

3% of the centerfire market with the acquisition of Harrington & Richardson (H&R), a popular manufacturer of break-action, single-shot rifles.

The "Other" category consists predominately of imports, as well as custom rifles. Although the import category is significant, a large portion of that market consists of imported surplus military rifles. In fact, **it is estimated that nearly half of the 100M imported centerfire rifles are comprised of surplus military firearms.** It should be noted that the scope of the remainder of this report section will be focused on sporting firearms as Remington, with the exception of specialized products for law enforcement and military applications, does not participate in marketing military style firearms for sale to the general public.

Completing the list of top industry players are Savage Arms with 10% share, Browning with 7% share, followed by H&R and Weatherby each with a 3% share of the market.

CENTERFIRE RIFLE INDUSTRY ANALYSIS

Unlike the rimfire rifle market, the centerfire rifle market is not dominated by one or two manufacturers. Certainly there are clear market leaders, but by in large, the playing field is bit closer to level between the top four or five players. Intense competition exists amongst this segment, primarily through efforts to provide product differentiation to the market through new caliber chambering, usage of hi-tech materials for construction, and by introducing platforms geared toward specific end use applications.

Like other segments within the firearms industry, the price/value relationship maintains a great presence within the centerfire rifle segment. Consumers place a great deal of emphasis on the level of performance, precision, and quality obtained for the dollars spent. It should be noted that unlike the rimfire rifle market, centerfire rifles maintain a position of a premium product in and amongst themselves. While entry-level priced products exist in the centerfire rifle market, typical entry level price points are sub \$400 at retail as opposed to sub \$150 at retail for the rimfire market. Centerfire rifles are by nature, viewed as more specialized tools for more specific end use applications and therefore maintain a higher threshold price.

Essentially, the centerfire rifle segment can be categorized under three distinct headings:

- Entry Level Centerfire Rifle (< \$500 Retail)
- Premium Centerfire Rifle (\$500 - \$800 Retail)
- Specialty Centerfire Rifle (Niche Markets)

Entry Level Centerfire Rifle

This segment is dominated by lower price point repeating rifles, no-frills bolt action offerings, and the increasingly popular "ready to go" scoped combo packages. The entry level price point appeals to the casual big game hunter, the new entrant to big