

|                              |               |                  |                 |                     |  |
|------------------------------|---------------|------------------|-----------------|---------------------|--|
| <b>Mendoza</b>               |               |                  |                 |                     |  |
| <b>Pricing Strategy</b>      |               |                  |                 |                     |  |
| • 22LR                       |               |                  |                 |                     |  |
| — 2006 Proposed Volume       |               |                  |                 |                     |  |
| • 10,000 Units               |               |                  |                 |                     |  |
| — 10,000 22LR Caliber        |               |                  |                 |                     |  |
| — Net Acquisition Cost       |               |                  |                 |                     |  |
| • \$60.00 22LR Caliber       |               |                  |                 |                     |  |
| — Net Distributor Sell Price |               |                  |                 |                     |  |
| • \$85.00 22LR Calibers      |               |                  |                 |                     |  |
| — Suggested Retail Price     |               |                  |                 |                     |  |
| • \$135.00 22LR Calibers     |               |                  |                 |                     |  |
| <b>Configuration</b>         | <b>Volume</b> | <b>Margin \$</b> | <b>Margin %</b> | <b>Gross Margin</b> |  |
| 22LR                         | 10,000        | 25.00            | 29.4            | \$250,000           |  |