



STURM, RUGER & CO., INC.

SOUTHPORT, CONNECTICUT 06890 U.S.A.

FOR IMMEDIATE RELEASE

STURM, RUGER & COMPANY, INC. REPORTS 2008 RESULTS

AND FILES ANNUAL REPORT ON FORM 10-K

SOUTHPORT, CONNECTICUT, February 24, 2009 - Sturm, Ruger & Company, Inc. (NYSE-RGR) today filed its 2008 Annual Report on Form 10-K, which has been posted and is available on the SEC website at www.sec.gov and the Ruger website at www.ruger.com/corporate/. The financial statements included in the 2008 Annual Report on Form 10-K are attached to this press release. However, investors are urged to read the complete Form 10-K to ensure that they have adequate information to make informed investment judgments.

In 2008, the Company reported net sales of \$181.4 million and earnings per share of \$0.43, compared to net sales of \$156.5 million and earnings per share of \$0.46 in 2007. A detailed analysis of the operations and results of both periods is included in the MD&A section of the Form 10-K.

Chief Executive Officer Michael O. Fifer made the following comments related to the 2008 results:

- Our firearm sales grew from \$144 million in 2007 to \$174 million in 2008 on the strength of new product shipments and overall robust firearms demand, particularly in the fourth quarter.
- Firearm orders received grew from \$156 million in 2007 to \$234 million in 2008. The order backlog at December 31, 2008 was \$48 million, up from \$18 million at December 31, 2007.

Nonetheless, shipments in 2009 will be limited to units produced in 2009 as finished goods inventory was depleted during the fourth quarter of 2008.

- Firearms unit production increased 29% in 2008 compared to 2007. We expect production capacity to improve in 2009, although at a more modest pace than in 2008, as we continue to work on the transition from large-scale batch production to lean manufacturing, with an emphasis on setting up manufacturing cells that facilitate single-piece flow production and inventory pull systems.
- At December 31, 2008, our cash, cash equivalents and short-term investments totaled \$28.2 million. Our pre-LIFO working capital of \$90.6 million, less the LIFO reserve of \$44.3 million, resulted in working capital of \$46.3 million and a current ratio of 2.6 to 1.
- In 2008, the Company repurchased 1,535,000 shares of its common stock, representing 7.5% of the outstanding shares, in the open market at an average price of \$6.57 per share. All of these purchases were made with cash held by the Company and no debt was incurred. Currently, a stock repurchase program of up to \$4.7 million remains authorized by the Board of Directors, and the Company intends to file a plan under Rule 10b5-1 on March 9, 2009 covering the period through April 24, 2009. This plan may result in the repurchase of shares of common stock during that period.
- In December 2008, the Company renewed its unsecured \$25 million revolving line of credit with a bank. This facility is renewable annually and now terminates on December 13, 2009. On December 31, 2008, the Company had a \$1 million outstanding balance on the credit facility.

About Sturm, Ruger

Sturm, Ruger was founded in 1949 and is one of the nation's leading manufacturers of high-quality firearms for the commercial sporting market. Sturm, Ruger is headquartered in Southport, CT, with plants located in Newport, NH and Prescott, AZ.

The Company may, from time to time, make forward-looking statements and projections concerning future expectations. Such statements are based on current expectations and are subject to certain qualifying risks and uncertainties, such as market demand, sales levels of firearms, anticipated castings sales and earnings, the need for external financing for operations or capital expenditures, the results of pending litigation against the Company including lawsuits filed by mayors, attorneys general and other governmental entities and membership organizations, the impact of future firearms control and environmental legislation, and accounting estimates, any one or more of which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to publish revised forward-looking statements to reflect events or circumstances after the date such forward-looking statements are made or to reflect the occurrence of subsequent unanticipated events.

STURM, RUGER & COMPANY, INC.

Balance Sheets

(Dollars in thousands, except share data)

<i>December 31,</i>	2008	2007
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,688	\$ 5,106
Short-term investments	18,558	30,504
Trade receivables, net	25,809	15,636
Gross inventories:	59,846	64,330
Less LIFO reserve	(44,338)	(46,890)
Less excess and obsolescence reserve	(3,569)	(4,143)
Net inventories	11,939	13,297
Deferred income taxes	6,400	5,878
Prepaid expenses and other current assets	3,374	3,091
Total Current Assets	75,768	73,512
Property, Plant, and Equipment	125,026	126,496
Less allowances for depreciation	(98,807)	(104,418)
Net property, plant and equipment	26,219	22,078
Deferred income taxes	7,743	3,626
Other assets	3,030	2,666
Total Assets	\$112,760	\$101,882

STURM, RUGER & COMPANY, INC.

<i>December 31,</i>	2008	2007
Liabilities and Stockholders' Equity		
Current Liabilities		
Trade accounts payable and accrued expenses	\$ 10,235	\$ 8,102
Product liability	1,051	1,208
Employee compensation and benefits	7,994	4,860
Workers' compensation	5,067	5,667
Income taxes payable	4,171	411
Line of credit	1,000	-
Total Current Liabilities	29,518	20,248
Accrued pension liability	16,946	4,840
Product liability	693	725
Contingent liabilities (Note 6)	-	-
Stockholders' Equity		
Common stock, non-voting, par value \$1:		
Authorized shares – 50,000; none issued		
Common stock, par value \$1:		
Authorized shares – 40,000,000		
2008-22,798,732 issued,		
19,047,323 outstanding		
2007-22,787,812 issued,		
20,571,817 outstanding		
	22,799	22,788
Additional paid-in capital	2,442	1,836
Retained earnings	93,500	84,834
Less: Treasury stock – at cost		
2008 – 3,751,419 shares		
2007 – 2,215,995 shares		
	(30,153)	(20,000)
Accumulated other comprehensive loss	(22,985)	(13,389)
Total Stockholders' Equity	65,603	76,069
Total Liabilities and Stockholders' Equity	\$ 112,760	\$ 101,882

STURM, RUGER & COMPANY, INC.

Statements of Income

(Dollars in thousands, except per share data)

Year ended December 31,	2008	2007	2006
Net firearms sales	\$174,416	\$144,222	\$139,110
Net castings sales	7,067	12,263	28,510
Total net sales	181,483	156,485	167,620
Cost of products sold	138,730	117,186	139,610
Gross profit	42,753	39,299	28,010
Operating Expenses:			
Selling	17,189	15,092	15,810
General and administrative	12,867	13,678	12,110
Pension plan curtailment charges	-	1,143	-
Other operating (income) expenses, net	(840)	271	(832)
Total operating expenses	29,216	30,184	27,088
Operating income	13,537	9,115	922
Other income:			
Gain on sale of real estate	-	5,168	-
Interest income	405	2,368	1,062
Other income (expense), net	36	8	(141)
Total other income, net	441	7,544	921
Income before income taxes	13,978	16,659	1,843
Income taxes	5,312	6,330	739
Net income	\$ 8,666	\$ 10,329	\$ 1,104
Basic and Diluted Earnings Per Share	\$ 0.43	\$ 0.46	\$ 0.04
Cash Dividends Per Share	\$ 0.00	\$ 0.00	\$ 0.00

STURM, RUGER & COMPANY, INC.

Statements of Cash Flows
(Dollars in thousands)

Year ended December 31,	2008	2007	2006
Operating Activities			
Net income	\$ 8,666	\$ 10,329	\$ 1,104
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	5,365	4,372	3,852
Impairment of assets	-	2,264	494
Pension plan curtailment charge	-	1,143	-
Gain on sale of assets	(95)	(7,161)	(1,326)
Deferred income taxes	(4,639)	2,473	(2,759)
Changes in operating assets and liabilities:			
Trade receivables	(10,173)	2,371	(2,230)
Inventories	1,358	11,109	24,320
Trade accounts payable and other Liabilities	5,134	(1,001)	3,023
Product liability	(189)	192	(455)
Prepaid expenses and other assets	1,995	(6,128)	4,077
Income taxes	3,760	(643)	119
Cash provided by operating activities	11,182	19,320	30,219
Investing Activities			
Property, plant, and equipment additions	(9,488)	(4,468)	(3,906)
Purchases of short-term investments	(45,363)	(51,328)	(114,585)
Proceeds from sales or maturities of short-term investments	57,309	42,850	114,485
Net proceeds from sale of assets	95	12,542	2,251
Cash provided by (used for) investing activities	2,553	(404)	(1,755)
Financing Activities			
Cashless exercise of stock options	-	(1,126)	-
Repurchase of common stock	(10,153)	(20,000)	(25,205)
Increase in line of credit	1,000	-	-
Cash used for financing activities	(9,153)	(21,126)	(25,205)
Increase (Decrease) in cash and cash equivalents	4,582	(2,210)	3,259
Cash and cash equivalents at beginning of year	5,106	7,316	4,057
Cash and cash equivalents at end of year	\$ 9,688	\$ 5,106	\$ 7,316