



STURM, RUGER & CO., INC.

SOUTHPORT, CONNECTICUT 06890 U.S.A.

FOR IMMEDIATE RELEASE

STURM, RUGER & COMPANY, INC. REPORTS SECOND QUARTER EARNINGS OF 46¢ PER SHARE AND DECLARES DIVIDEND OF 12.3¢ PER SHARE

SOUTHPORT, CONNECTICUT, July 29, 2009--Sturm, Ruger & Company, Inc. (NYSE-RGR), announced today that for the second quarter of 2009, the Company reported net sales of \$72.4 million and earnings of 46¢ per share, compared with sales of \$38.7 million and earnings of 5¢ per share in the second quarter of 2008.

For the six months ended July 4, 2009, net sales were \$135.9 million and earnings were 76¢ per share. For the corresponding period in 2008, net sales were \$81.2 million and earnings were 12¢ per share.

The Company also announced today that its Board of Directors declared a dividend of 12.3¢ per share for the second quarter, for shareholders of record as of August 14, 2009, payable on August 28, 2009. The amount of the dividend was based on a percentage of Operating Profit after adjustment for certain items, the same approach used by the Company last quarter when it declared its first dividend in over three years. Under this approach, the amount of the quarterly dividend fluctuates directly with certain operating results of the Company.

Chief Executive Officer Michael O. Fifer made the following comments related to the second quarter of 2009:

- Our firearms sales grew 94% from the second quarter of 2008 and 14% from the first quarter of 2009.
- The Company estimates that its year-to-date sales growth of \$54.7 million can be attributed to the following:
 - Approximately 50% New products (LCP, LCR, SR-9, and SR-556),
 - Approximately 25% Industry-wide surge in demand that began in the fourth quarter of 2008, and
 - Approximately 25% Increased marketshare.

- Our firearms unit production grew 63% from the second quarter of 2008 and 18% from the first quarter of 2009.
- We had a successful launch of a new product platform, the SR-556, our new modern sporting rifle.
- Cash generated from operations during the second quarter of 2009 was \$13.1 million. At the end of the second quarter of 2009, our cash, cash equivalents and short-term investments totaled \$43.6 million. Our pre-LIFO working capital of \$100.0 million, less the LIFO reserve of \$43.2 million, resulted in working capital of \$56.8 million and a current ratio of 3.0 to 1. The Company has no debt.
- During the first half of 2009, capital expenditures totaled \$6.8 million. We expect to invest approximately \$12 million for capital expenditures during 2009.
- Our backlog dropped to 412,300 units as orders received in the second quarter decreased by 59% from the first quarter of 2009. This decline in orders received reflects the following:
 - A reduction in the industry-wide surge in demand that began in the fourth quarter of 2008,
 - The large backlog at the end of the first quarter that discouraged further orders,
 - Prolonged ammunition shortage at retail that hindered retail firearms sales,
 - Stronger inventories throughout the distribution channel, and
 - Normal product seasonality.

Today, the Company filed its Quarterly Report on Form 10-Q for the second quarter of 2009. The financial statements included in this Quarterly Report on Form 10-Q are attached to this press release.

The Quarterly Report on Form 10-Q is available on the SEC website at www.sec.gov and the Ruger website at www.ruger.com/corporate/. Investors are urged to read the complete Form 10-Q to ensure that they have adequate information to make informed investment judgments.

The Company will host a webcast on Thursday, July 30, 2009, at 9:00am EDT to discuss the second quarter operating results. Interested parties can access the webcast at www.ruger.com/corporate or www.earnings.com.

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 manufacturing facilities 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.

Condensed Balance Sheets (Unaudited)
(Dollars in thousands, except share data)

	July 4, 2009	December 31, 2008
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,890	\$ 9,688
Short-term investments	39,704	18,558
Trade receivables, net	27,534	25,809
Gross inventories	51,822	59,846
Less LIFO reserve	(43,160)	(44,338)
Less excess and obsolescence reserve	(2,597)	(3,569)
Net inventories	6,065	11,939
Deferred income taxes	5,318	6,400
Prepaid expenses and other current assets	2,558	3,374
Total current assets	85,069	75,768
Property, plant and equipment	131,087	125,026
Less allowances for depreciation	(101,364)	(98,807)
Net property, plant and equipment	29,723	26,219
Deferred income taxes	9,205	7,743
Other assets	4,525	3,030
Total Assets	\$128,522	\$112,760

STURM, RUGER & COMPANY, INC.

July 4, 2009

December 31, 2008

Liabilities and Stockholders' Equity

Current Liabilities		
Trade accounts payable and accrued expenses	\$ 9,690	\$ 10,235
Product liability	771	1,051
Employee compensation and benefits	10,643	7,994
Workers' compensation	4,665	5,067
Income taxes payable	2,456	4,171
Line of credit	-	1,000
Total current liabilities	28,225	29,518
Accrued pension liability	16,932	16,946
Product liability accrual	906	693
Contingent liabilities – Note 9	--	--
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		
2009 – 22,798,732 issued,		
19,063,143 outstanding		
2008 – 22,798,732 issued,		
19,047,323 outstanding	22,817	22,799
Additional paid-in capital	6,447	2,442
Retained earnings	106,347	93,500
Less: Treasury stock – at cost		
2009 – 3,753,821 shares		
2008 – 3,751,419 shares	(30,167)	(30,153)
Accumulated other comprehensive loss	(22,985)	(22,985)
Total Stockholders' Equity	82,459	65,603
Total Liabilities and Stockholders' Equity	\$128,522	\$112,760

STURM, RUGER & COMPANY, INC.

Condensed Statements of Income (Unaudited)
(Dollars in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	July 4, 2009	June 28, 2008	July 4, 2009	June 28, 2008
Net firearms sales	\$71,372	\$36,839	\$133,600	\$76,869
Net castings sales	1,018	1,825	2,320	4,301
Total net sales	72,390	38,664	135,920	81,170
Cost of products sold	47,358	30,169	91,362	62,020
Gross profit	25,032	8,495	44,558	19,150
Expenses:				
Selling	5,319	4,098	10,764	8,486
General and administrative	5,738	2,968	10,384	6,909
Other operating expenses (income), net	-	(54)	-	(54)
Total operating expenses	11,057	7,012	21,148	15,341
Operating income	13,975	1,483	23,410	3,809
Other income:				
Interest income	39	118	57	280
Other income (expense), net	(14)	144	(101)	(1)
Total other income (expense), net	25	262	(44)	279
Income before income taxes	14,000	1,745	23,366	4,088
Income taxes	5,320	663	8,879	1,554
Net income	\$ 8,680	\$ 1,082	\$14,487	\$ 2,534
Earnings per share				
Basic	<u>\$0.46</u>	<u>\$0.05</u>	<u>\$0.76</u>	<u>\$0.12</u>
Diluted	<u>\$0.45</u>	<u>\$0.05</u>	<u>\$0.76</u>	<u>\$0.12</u>
Average shares outstanding				
Basic	<u>19,059</u>	<u>20,576</u>	<u>19,052</u>	<u>20,576</u>
Diluted	<u>19,272</u>	<u>20,609</u>	<u>19,110</u>	<u>20,626</u>

STURM, RUGER & COMPANY, INC.

Condensed Statements of Cash Flows (Unaudited)
(Dollars in thousands)

	Six Months Ended	
	July 4, 2009	June 28, 2008
Operating Activities		
Net income	\$ 14,487	\$ 2,534
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	3,325	2,390
Stock-based compensation	2,950	256
Gain on sale of assets	-	(54)
Deferred income taxes	(380)	48
Changes in operating assets and liabilities:		
Trade receivables	(1,725)	2,025
Inventories	5,874	(4,584)
Trade accounts payable and accrued expenses	1,472	(1,870)
Product liability	(68)	(223)
Prepaid expenses, other assets and other liabilities	(769)	(2,790)
Income taxes	(1,715)	1,202
Cash provided by (used for) operating activities	23,451	(1,066)
Investing Activities		
Property, plant and equipment additions	(6,829)	(3,846)
Proceeds from sale of assets	-	54
Purchases of short-term investments	(48,708)	(15,843)
Proceeds from maturities of short-term investments	27,564	21,700
Cash provided by (used for) investing activities	(27,973)	2,065
Financing Activities		
Tax benefit from exercise of stock options	1,378	-
Repayment of line of credit balance	(1,000)	-
Repurchase of common stock	(14)	-
Dividends paid	(1,640)	-
Cash used for financing activities	(1,276)	-
(Decrease) Increase in cash and cash equivalents	(5,798)	999
Cash and cash equivalents at beginning of period	9,688	5,106
Cash and cash equivalents at end of period	\$ 3,890	\$ 6,105