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STURM, RUGER & COMPANY, INC. REPORTS

FIRST QUARTER EARNINGS

SOUTHPORT, CONNECTICUT, April 23, 2001--Sturm, Ruger & Company, Inc. (NYSE-RGR), today reported first quarter 2001 net sales of \$43.9 million compared to \$59.9 million in the first quarter of 2000, and net income of \$4.1 million or \$0.15 per share compared to \$9.0 million or \$0.34 per share in the first quarter of 2000.

Chairman William B. Ruger, Jr. made the following comments concerning the first quarter: "We believe the 38% decline in firearms shipments is an indication of the subdued demand in the overall firearms market, which, to all indications, is significantly weaker for many of our competitors. The continuing success of our new products, including the Ruger Deerfield Carbine and especially the Ruger Super Redhawk Revolver chambered for the new .480 Ruger cartridge, could not offset the reduced demand during the quarter. I am, however, encouraged by indications of reduced inventories at the wholesale and retail level, which may signal that the firearms market is readying itself for some recovery during the latter half of the year when seasonal demand generally increases.

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“The investment castings segment may have suffered from generally slower economic conditions as sales decreased by 9%. We are intensely pursuing opportunities in the titanium and steel investment casting markets to augment our golf club business, and to further diversify our customer base for these products. By demonstrating our ability to provide castings of the highest level of quality, we expect to strengthen our relationships with new and existing customers, and believe that our efforts to significantly expand this segment of our business will be successful.”

For the third consecutive quarter, the Company was not served with any additional municipal lawsuits. On January 12, 2001, the City of Gary (IN) case was dismissed in its entirety by the trial court and, on April 3, 2001, the Louisiana Supreme Court dismissed the New Orleans (LA) case.

Senior Executive Vice President and General Counsel Stephen L. Sanetti expressed his satisfaction with these recent events, “The New Orleans dismissal is important because it was the first city to file a lawsuit against the firearms industry. Now it has become the first city lawsuit to be dismissed by a state Supreme Court. We are hopeful and confident that other courts considering such important matters will follow these correct legal precedents.”

Sturm, Ruger was founded in 1949. Since 1950 it has never failed to show an annual profit and has never required financing from outside sources. The Company’s business segments are engaged in the manufacture of the world famous **RUGER®** brand of sporting and law enforcement firearms and titanium and steel investment castings for a wide variety of customers and end uses. Plants are located in Newport, New Hampshire and Prescott, Arizona. Corporate headquarters is located in Southport, Connecticut.

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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, and the impact of future firearms control and environmental legislation, 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.

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STURM, RUGER & COMPANY, INC.  
Condensed Consolidated Statements of Income (unaudited)  
(in thousands, except per share amounts)

	Three Months Ended March 31			
	2001	%	2000	%
Firearms sales	\$35,837	81.7	\$51,095	85.3
Castings sales	<u>8,027</u>	<u>18.3</u>	<u>8,794</u>	<u>14.7</u>
Net sales	43,864	100.0	59,889	100.0
Cost of products sold	<u>31,897</u>	<u>72.7</u>	<u>41,437</u>	<u>69.2</u>
Gross profit	11,967	27.3	18,452	30.8
Expenses:				
Selling	4,266	9.7	3,648	6.1
General and administrative	<u>1,969</u>	<u>4.5</u>	<u>1,418</u>	<u>2.3</u>
	<u>6,235</u>	<u>14.2</u>	<u>5,066</u>	<u>8.4</u>
Operating income	5,732	13.1	13,386	22.4
Other income-net	<u>1,067</u>	<u>2.4</u>	<u>1,459</u>	<u>2.4</u>
Income before income taxes	6,799	15.5	14,845	24.8
Income taxes	<u>2,665</u>	<u>6.1</u>	<u>5,819</u>	<u>9.7</u>
Net Income	<u>\$4,134</u>	<u>9.4</u>	<u>\$9,026</u>	<u>15.1</u>
Basic and diluted earnings per share	\$0.15		\$0.34	
Cash dividends per share	\$0.20		\$0.20	
Average shares outstanding	26,911		26,911	

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STURM, RUGER & COMPANY, INC.  
Condensed Consolidated Balance Sheet (unaudited)  
(in thousands)

	March 31 2001
<b>Assets</b>	
Cash and cash equivalents	\$3,272
Short-term investments	59,215
Trade receivables, net	17,035
Inventories	58,758
Deferred income taxes	7,086
Prepaid expenses and other assets	3,022
Total current assets	148,388
Property, plant and equipment	152,745
Less depreciation	(110,128)
	42,617
Deferred income taxes	562
Other assets	18,208
<b>Total</b>	<b>\$209,775</b>
<b>Liabilities and Stockholders' Equity</b>	
Trade accounts payable and accrued expenses	\$5,877
Product safety modifications	467
Product liability	3,000
Employee compensation	11,347
Workers' compensation	4,895
Income taxes	1,125
Total current liabilities	26,711
Product liability accrual	11,954
Stockholders' equity	171,110
<b>Total</b>	<b>\$209,775</b>

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