

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)**  
**April 24, 2007**

**STURM, RUGER & COMPANY, INC.**  
(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**  
(State or Other Jurisdiction of  
Incorporation)

**001-10435**  
(Commission File Number)

**06-0633559**  
(IRS Employer Identification  
Number)

**ONE LACEY PLACE, SOUTHPORT, CONNECTICUT 06890**  
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code **(203) 259-7843**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

The Board of Directors of Sturm, Ruger & Company, Inc. (the “Company”) adopted a resolution approving an amendment to Article 3 Section 2 of the Company’s by-laws to decrease the number of directors from nine to eight, as Richard T. Cunniff will not be standing for re-election to the Board of Directors. This amendment will be effective as of April 24, 2007, the date of the Company’s 2007 Annual Meeting. The full text of the resolution is attached as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 8.01 Other Events.**

The Company is furnishing the transcript of its presentation delivered at its 2007 Annual Meeting on Tuesday, April 24, 2007 (the “Annual Meeting Presentation”). The text of the Annual Meeting Presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. The disclosure of the Annual Meeting Presentation on this Current Report on Form 8-K will not be deemed an admission as to the materiality of any information in the Report that is required to be disclosed by Regulation FD.

The Company does not have, and expressly disclaims, any obligation to release publicly any updates or any changes in the Annual Meeting Presentation or its expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The Annual Meeting Presentation is available on the Company’s website at [www.ruger.com](http://www.ruger.com). The Company reserves the right to discontinue that availability at any time.

**Item 9.01 Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
3.1	Amended and Restated Article 3, Section 2 of the Company’s bylaws adopted by the Board of Directors effective April 24, 2007 decreasing the number of directors from nine to eight.
99.1	The Annual Meeting Presentation, delivered at the Company’s Annual Meeting of shareholders on April 24, 2007.

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

STURM, RUGER & COMPANY, INC.

By: /S/ THOMAS A. DINEEN  
Name: Thomas A. Dineen  
Title: Principal Financial Officer,  
Vice President, Treasurer and  
Chief Financial Officer

Dated: April 24, 2007

Article 3

Section 2. Number, Tenure and Qualifications. The number of directors constituting the Board of Directors of the Company shall be eight, unless the Certificate of Incorporation of the Company provides otherwise, and such number may be increased or decreased from time to time by resolution of the Board of Directors. No decrease in the number of Directors shall have the effect of shortening or terminating the term of office of any incumbent director. The Directors shall be elected at the Annual Meeting of Shareholders and each Director shall hold office until the next Annual Meeting of shareholders and until his successor shall have been elected and qualified. Directors need not be shareholders of the Company.



**STURM, RUGER & CO., INC.**

**Annual Meeting**

**April 24, 2007**



**RUGER®**

ARMS MAKERS FOR RESPONSIBLE CITIZENS®



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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, 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.



# **Communications Policy**

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## **Investment Community Communications Policy**

**Effective November 1, 2006**

To balance our desire to maintain and cultivate investor interest and confidence in the

Company with our limited resources and our need to abide by Regulation FD, we have

adopted the following communications policy:

1. No meetings will be held with individual investors or analysts.
2. No financial forecasts or earnings guidance will be given.
3. We anticipate implementing quarterly conference calls in late 2007 or early 2008.
4. We will consider presenting at appropriate investor conferences starting in 2008.





# Investment Highlights

- Leading Firearms Brand
- Experienced, Dynamic Board of Directors
- Strong Management Team
- Strong Market Position in Rifles, Revolvers and Pistols
- Strong Balance Sheet: Well positioned to take advantage of business opportunities as they arise
- Improving Earnings

**NYSE: RGR**

**Shares Outstanding: 22.6 Million**

**Price: \$12.05 (4/23/07)**

**Market Capitalization: \$273 Million**



# Company Profile

- Trailing 12 Months Sales of \$168.6 million
- Manufacturing Facilities in Newport, NH & Prescott, AZ
- Corporate Office in Southport, CT
- 1,100 Non-Union Employees
- Steel Castings – sell to 26 other Firearms Manufacturers

## • Firearms Products

### Rifles

Single Shot  
Autoloading  
Bolt Action  
Lever Action

### Pistols

Rimfire  
Centerfire

### Shotguns

Over & Under  
Side-by-Side

### Revolvers

Single Action  
Double Action  
Black Powder

- 2-Step Distribution – sell to 16 wholesale distributors
- 300 Catalog SKUs



# Management Team



## Michael Fifer Chief Executive Officer

With Ruger for 7 months – Age 50

Former EVP Mueller Industries (NYSE: MLI)

Former President North American Operations at Watts Industries (NYSE: WTS)

- BS in Physics from the U.S. Naval Academy
- MBA from the Harvard Business School



# Management Team

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Stephen Sanetti

President, Vice Chairman, General Counsel

With Ruger for 28 years – Age 57

Currently serves on the Executive Board of National Shooting Sports Foundation (NSSF)

Currently serves on Executive Board of Sporting Arms & Ammunition Institute (SAAMI)

2004 – Recipient of Shooting Industry Academy of Excellence Award

1993 – 2001 – Chairman of the Legislative and Legal Affairs Committee of SAAMI

1988 \_ 2000 \_ Director of Product Liability Advisory Council (PLAC)

- BA in History with Honors from Virginia Military Inst.
- JD from Washington & Lee University



# Management Team



Tom Dineen

Chief Financial Officer, Treasurer

With Ruger for 10 years – Age 38

Former Audit Manager at KPMG LLP

- BS in Accounting from Boston College



# Management Team

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Robert Stutler

Vice President of Prescott Operations

With Ruger for 20 years – Age 63

Major, US Marine Corps (Ret.)

- Associate Degree in Firearms Design, Colorado School of Trades



# Management Team



Tom Sullivan

Vice President of Newport Operations

With Ruger for 9 months – Age 47

Former VP Lean at IMI Norgren for 10 years – has extensive experience in supply chain, manufacturing and product development. He has been a student and teacher of the Toyota Production System for the last 15 years.

- BS in Mechanical Engineering from the Illinois Institute of Technology (IIT)
- MS in Mechanical Engineering from the Massachusetts Institute of Technology (MIT)
- MBA from the University of Chicago's Graduate School of Business



# Management Team

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Chris Killoy

Vice President of Sales & Marketing

With Ruger for 4 months + 15 months – Age 48

18 years in Firearms Industry

Former GM at Savage Range Systems

Former VP of Sales & Marketing at Smith & Wesson

Formerly with GE Aerospace

Major, USAR (Ret.)

- BS from U.S. Military Academy





# Management Team

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Leslie Gasper  
Corporate Secretary

With Ruger for 33 years – Age 29 and holding...

- Associate of Arts from Fairfield University



# **First 180 days - Restructuring**

- Ruger Investment Casting (RIC) Closure
- SKU (Stock Keeping Units) Rationalization
- Order Management / Production Control Process Rationalization
- Reduction in Force (RIF)
- Surplus Assets
- Improved Material Management
- Financial Benefit



# First 180 days - Restructuring

## Ruger Investment Casting ("RIC") Closure

- December 2006 - Titanium casting ceased operations
- March 2007 – Post-casting work completed
  - Sale of titanium product continues through 4<sup>th</sup> quarter 2007 (approx. \$512,800)
- February 2007 - Steel casting ceased operations
- March 2007 – Post-casting work completed
  - Sale of steel product continues through 4<sup>th</sup> quarter 2007 (approx. \$8,800)
- Transition of steel casting operations from RIC (Arizona) to Ruger's Pine Tree Castings (New Hampshire)
  - First castings received at Prescott Firearms in March 2007 from Pine Tree Castings
  - Heat treat operations of RIC retained and transferred to Prescott Firearms



Annualized net savings of \$1.6 million



# First 180 days - Restructuring

## SKU (Stock Keeping Units) Rationalization

- **Simplified product line for trade customers and end users**
- **Eliminated low volume / low margin items**
- **Ensured that profitable niche markets are still served**
- **48 SKUs added for new products, calibers, etc.**
- **Ongoing review of product lines**

97 SKUs eliminated – Less items to stock and maintain



# First 180 days - Restructuring

## Order Management / Production Control Process Rationalization

- “Annual” one-time order eliminated
- Replaced with standard order process
  - Distributors place firm, non-cancelable orders as needed
  - Distributors submit rolling 90-day forecast of projected needs
  - Sales, Inventory and Operations Planning (SIOP) implemented
- Long-term goal is to ship 100% of cataloged items in 24 hours from finished goods inventory
- Results to date:
  - Demand significantly exceeding supply
  - Safety stock levels established – but not yet filled

Significant reduction in inventory, resulting in better cash flow



# First 180 days - Restructuring

## Reduction in Force (“RIF”)

- December announcement – projected \$6 million annualized savings, \$3 million one-time severance charges
- Progress to date:
  - Newport - Voluntary RIF
    - 57 people accepted
    - Primarily indirect positions
    - \$2.3 million annualized savings
    - \$0.9 million one-time severance expense
  - Prescott - RIC Shutdown
    - 83 people accepted
    - 81 hourly, 2 salary
    - \$1.1 million annualized savings included in RIC closure estimates



Realized YTD Savings: \$3.3 million (Annualized)



# First 180 days - Restructuring

## Surplus Assets

- RIC Equipment
  - Surplus equipment assets sold for \$1.4 million
  - Pursuing sale of remaining titanium equipment
  - Pursuing sale of remaining factory equipment
  - \$0.5 million book value remaining
- RIC Materials
  - Excess titanium material sold for \$5.1 million
  - Pursuing sale of remaining titanium material – \$0.8 million book value
- Non-Manufacturing Asset Sales
  - 43 parcels of real property in New Hampshire - \$7.3 million
  - Real property in Arizona - \$5 million
  - Marketing 3 additional properties
  - Artwork - \$0.2 million

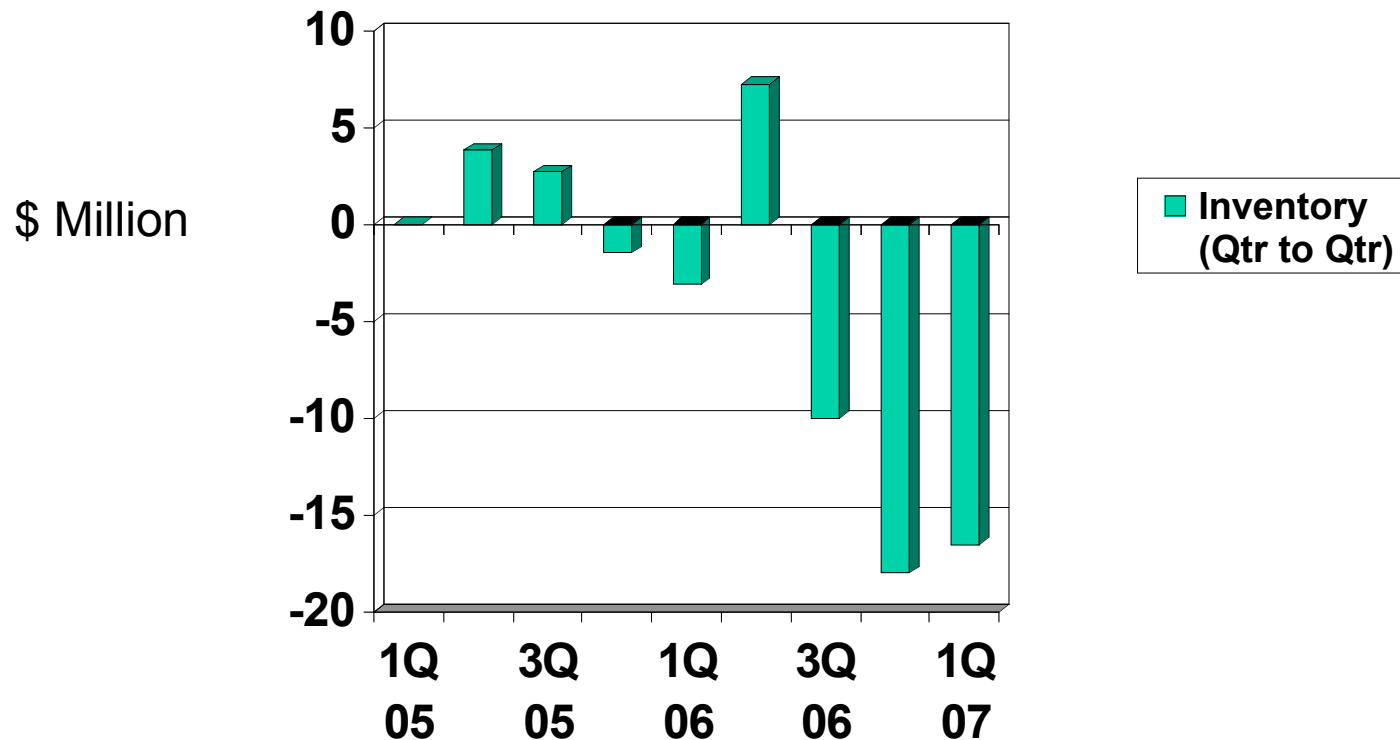
Cash Realization - \$19 million



# First 180 days - Restructuring

## Improved Material Management

- Steady reduction in raw materials, work in process, and finished goods



\$45 million of inventory reduction in last 3 Quarters



# Before and After Inventory Reduction





# First 180 days - Restructuring

## Balance Sheet

	<b>March 31,</b>	<b>June 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>Inc(dec)</b>
Cash and equivalents	54,064	31,648	22,416
Accounts receivable	17,171	16,128	1,043
FIFO inventory	66,485	112,669	(46,184)
LIFO reserve	(51,821)	(62,266)	10,445
Net inventory	14,664	50,403	(35,739)
Net plant, property and equipment	22,610	22,674	(64)
Other assets (includes real estate)	19,011	22,189	(3,178)
Total assets	<u>127,520</u>	<u>143,042</u>	<u>(15,522)</u>
Total liabilities	32,058	28,578	3,480
Total stockholders' equity	<u>95,462</u>	<u>114,464</u>	<u>(19,002)</u>
Total liabilities and stockholders' equity	<u>127,520</u>	<u>143,042</u>	<u>(15,522)</u>



# First 180 days - Restructuring

## Balance Sheet

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# First 180 days - Restructuring

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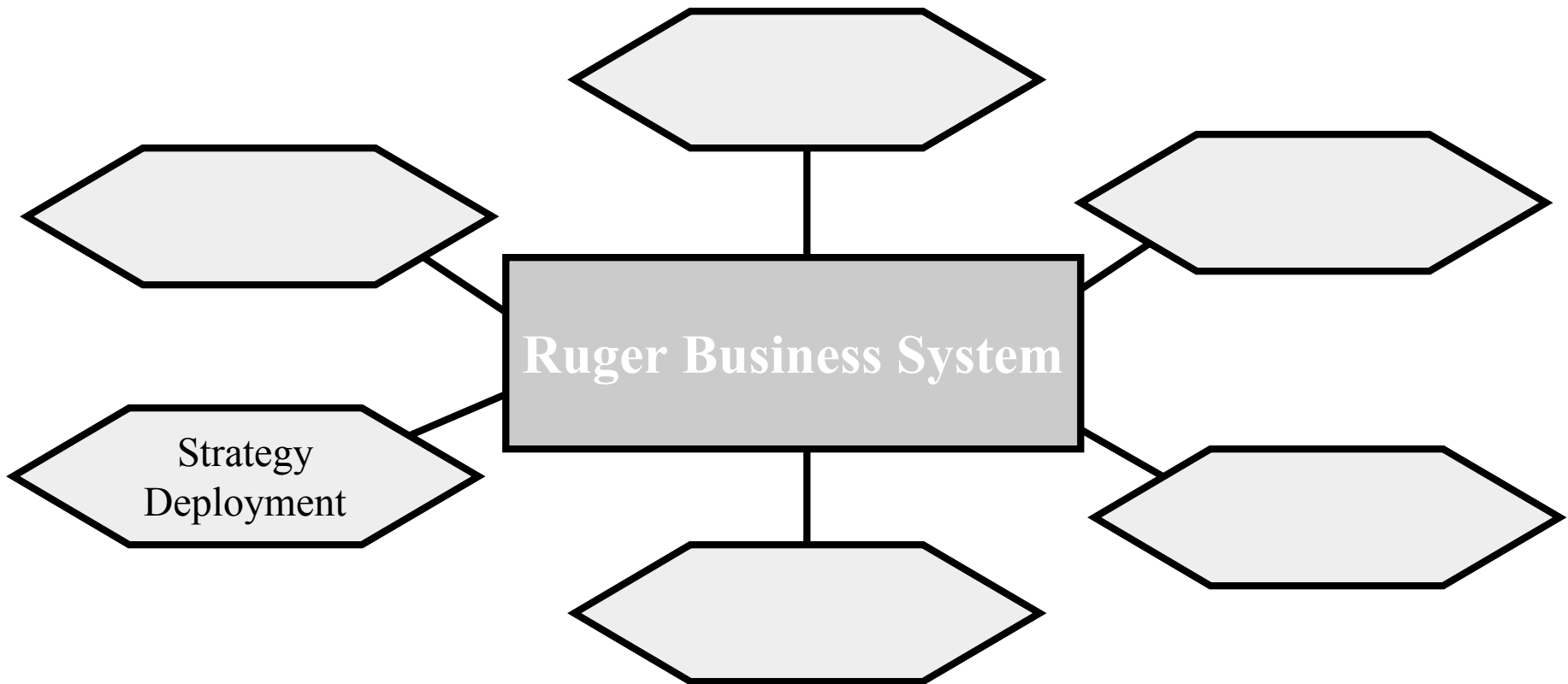


# Ruger Business System

- Ruger is implementing a business system that relentlessly pursues the elimination of all non-value-added activities from every business process with the ultimate goal of providing World-Class quality, delivery and service to its customers at the lowest possible cost.

Ruger Business System

# Ruger Business System

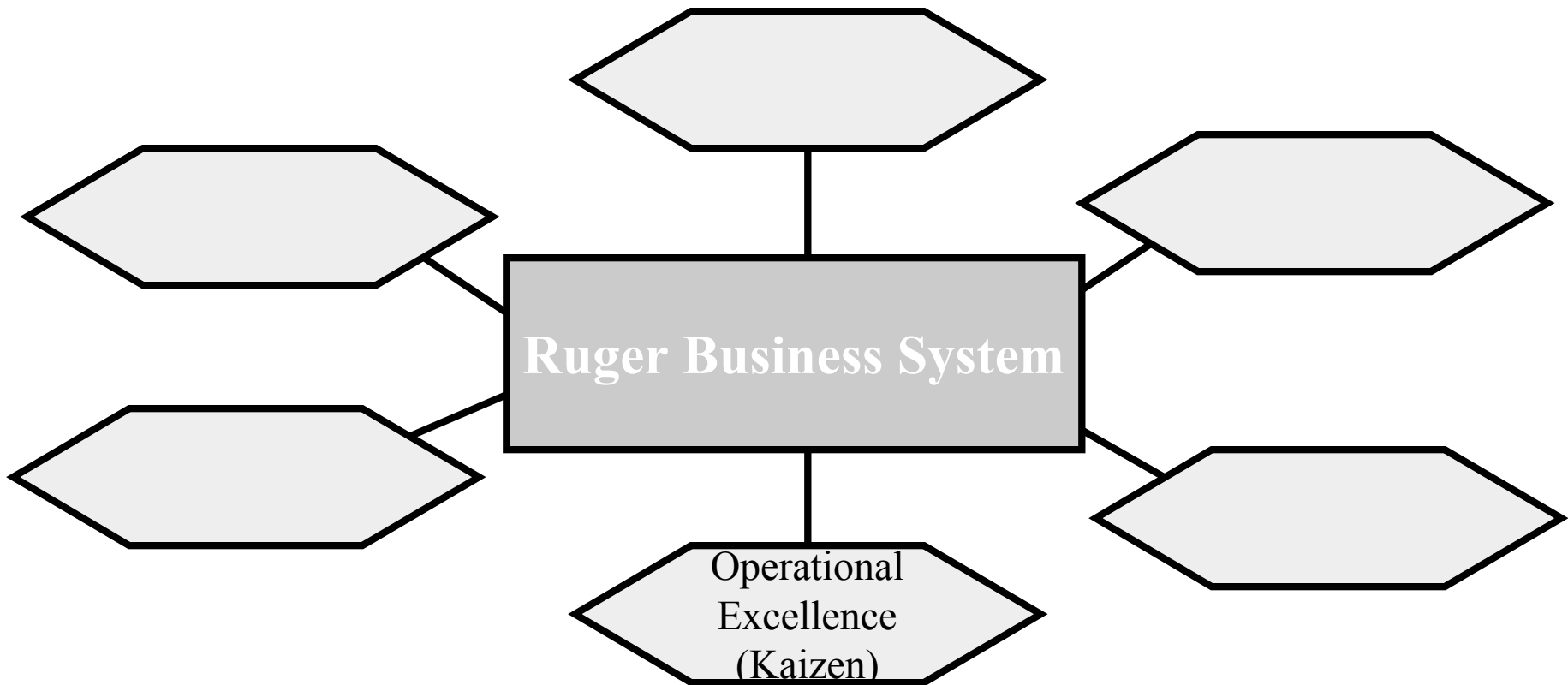




# Strategy Deployment

- Bill Ruger, Sr. set the direction for the Company for 50+ years
- New management team
  - First priority – fix the base business
  - Develop and implement a strategy for the future
  - Initial tool used will be Strategy Deployment
- Strategy Deployment
  - Step-by-step planning, implementation, and review process for managing change during the lean transformation
- Next steps
  - Set breakthrough objectives
  - Identify strategies to achieve the objectives
  - Prioritize and resource the specific initiatives for the upcoming year

# Ruger Business System







# Operational Excellence (Kaizen)

## The elimination of waste

- Over-production Producing more or faster than needed
- Waiting Idle time created when people wait for things
- Transportation Movement of information or material
- Over-processing Additional effort which adds no value or is not required
- Inventory Any supply in excess of customer (internal and external) requirements necessary to produce goods or services just-in-time
- Motion Any movement of people or machines
- Defects/Rework Effort spent in not doing it correct the first time
- People Utilization Not engaging everyone in improving the business

**Relentless pursuit of the elimination of waste**

# Single Action Receiver – Before Kaizen



# Single Action Receiver – After Kaizen





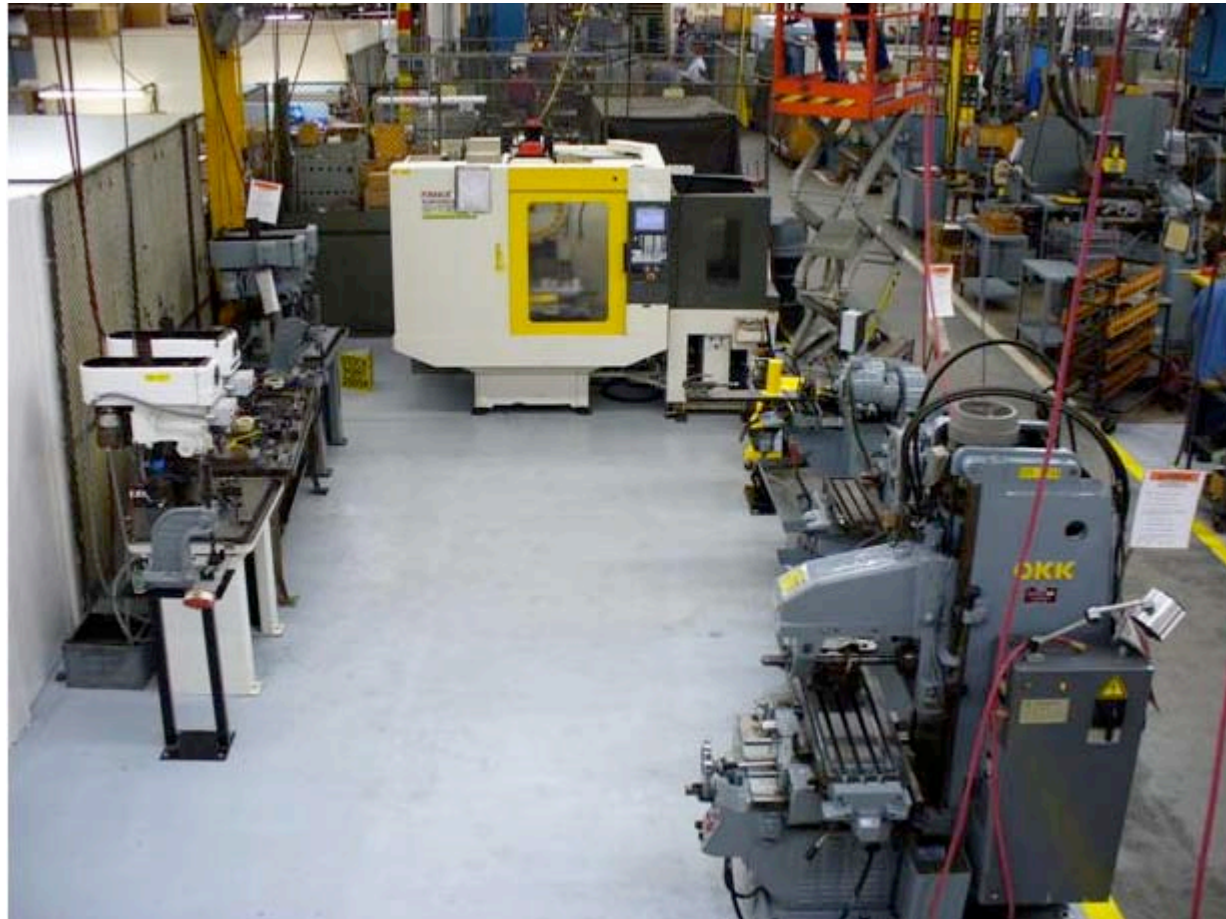
## Receiver Improvements

- Floor space required was 1,178 sq. ft.
  - Now 851 sq. ft. = 28% Reduction
- Walking Distance was 1359'
  - Now 76' = 94% Reduction
- Part transport distance was 3,781'
  - Now 937' = 75% Reduction
- Throughput time was over 2 months.
  - Now will be 3 days = 93% Reduction

# Barrel Receiver Area – Before Kaizen



# Barrel Receiver Area – After Kaizen



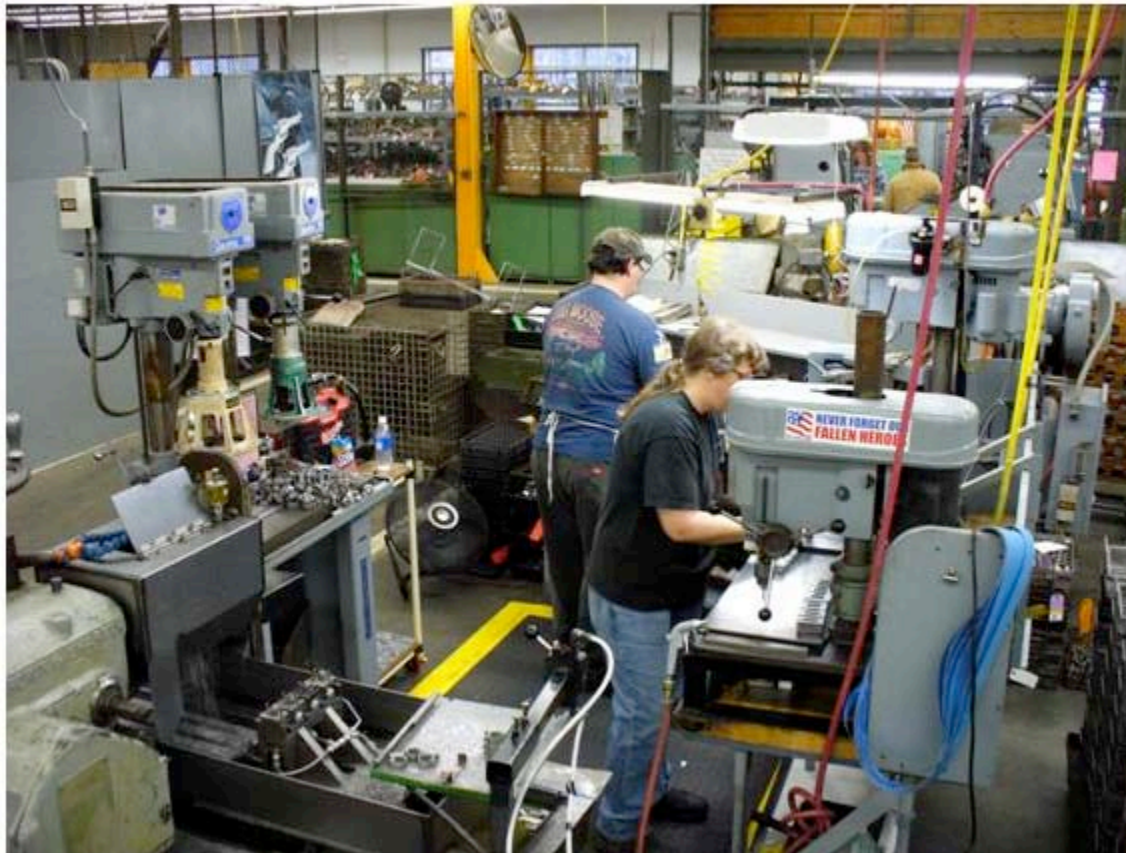


# Barrel Receiver Improvements

- Floor space required was 762 sq. ft.
  - Now 319 sq. ft. = 58% Reduction
- Walking Distance was 495'
  - Now 58' = 88% Reduction
- Part transport distance was 807'
  - Now 86' = 89% Reduction



# Scope Ring Cell Formed



- **Issue: Scope rings were manufactured in batches on 5 different machines in various locations**
- **Countermeasure: Develop a scope ring cell to machine parts complete in one area.**

Batch processing through 6 operations reduced to 3 piece flow.

WIP reduced from over 4,000- 5,000 units to 9





## Scope Ring Cell - Improvements

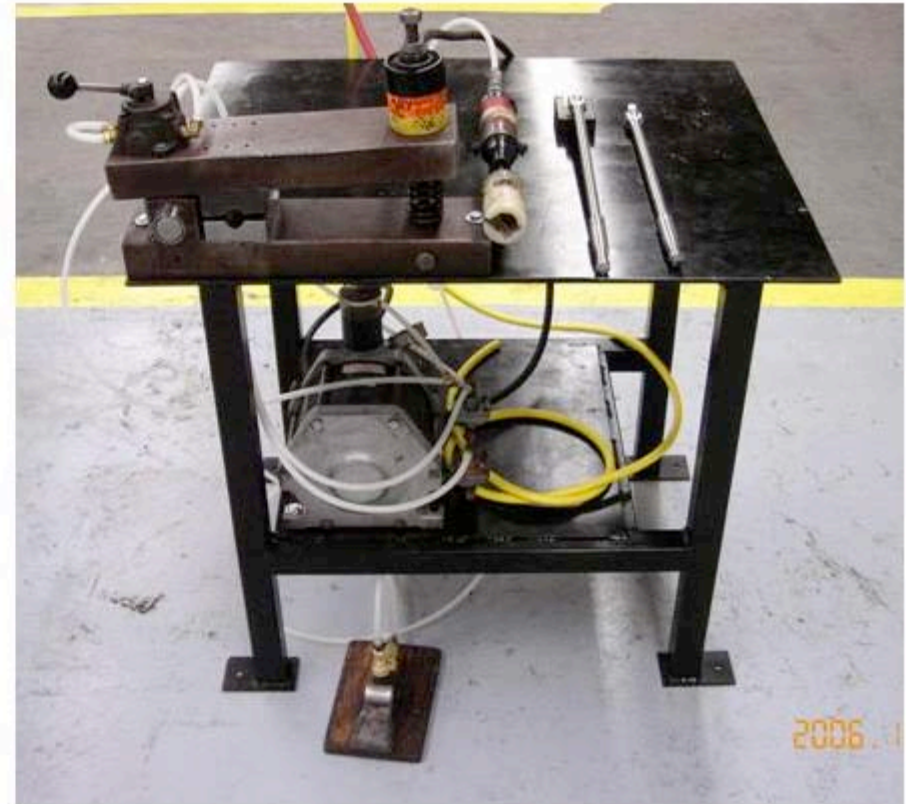
- Space Required was 533 sq. ft. Now 160 sq. ft.
  - 70% Reduction in Floor space
- Walking Distance was 741' now 12'
  - 98.5% Reduction in Walking
- Past Volume per day 800-1000 units with 7 people
- Now 1,300 – 1,500 units per day with 4 people
  - Productivity increased from 143 to 350 per person.
  - 144% Increase in Productivity



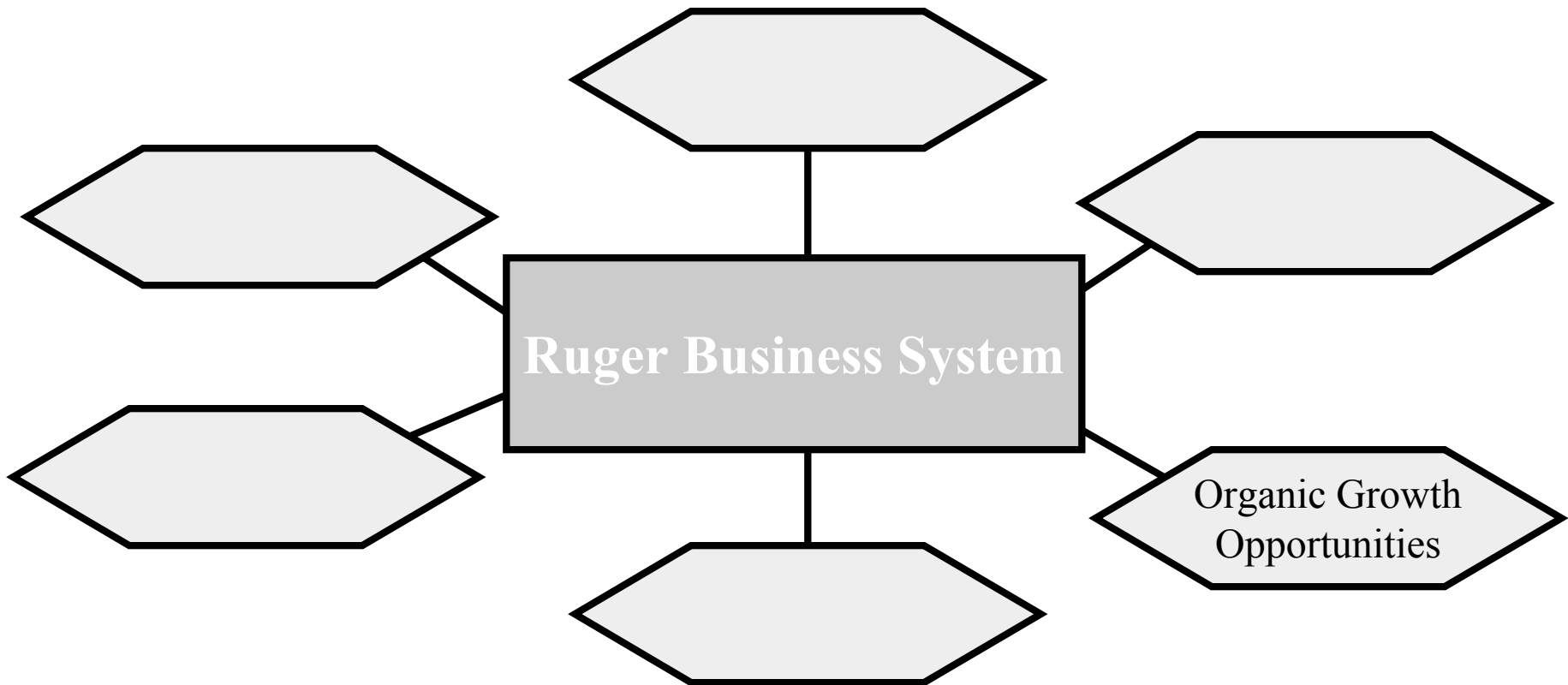
# Torque Bench Improvement – 5S



**Before kaizen Torque Bench**



# Ruger Business System






# Organic Growth

- Aggressive new product development
- Line extensions in existing firearms category
- New opportunities for licensing and accessory sales
- Renewed emphasis on niche Special Runs and Limited Editions

**RUGER** Now Available with a Hogue® OverMolded™ Stock  
New Ruger® Mini-14® Target Rifle







MINI-14 TARGET RIFLE WITH HOGUE OVERMOLDED STOCK

MINI-14 TARGET RIFLE WITH GREY LAMINATED TARGET STOCK (SCOPE NOT INCLUDED)


**MINI-14 TARGET RIFLE - OVERVIEW:**

The Mini-14 Target Rifle is perfect for today's rapid-fire action shooting competition events, such as the Shooting Industry Masters Tournament. Now the performance of the original Mini-14 Target Rifle is also available with a Hogue® OverMolded™ stock featuring a cobblestone texture that aids grip and control of the rifle under competitive conditions. This new version maintains the great features of the original Mini-14 Target Rifle including a heavyweight, hammer forged barrel with a recessed target crown, adjustable harmonic dampener, integral scope bases, and Ruger scope rings at no additional charge.

	<b>Hammer Forged Barrel</b> Features a distinctive heavyweight, hammer forged stainless steel target barrel with a recessed target crown.
	<b>Harmonic Dampener</b> Shooters can "tune" the rifle to obtain the best accuracy from their choice of ammunition by turning the dampener on the barrel. One-inch groups of 100 yards can be regularly obtained with suitable ammunition for the individual rifle.
	<b>Hogue® OverMolded™ Synthetic Stock</b> Overmolding, a patented process, provides a comfortable, non-slip, super smooth attractive finish that is durable and extremely quiet. The exclusive cobblestone texture further enhances the stock by providing an efficient non-slip, non-irritating gripping pattern.
	<b>Patented Scope Bases</b> The Ruger scope bases are machined directly into the receiver and can never shoot loose. A set of stainless steel Ruger scope rings, a \$90.00 value, is included free with each Mini-14 Target Rifle.

RUGER / 1 LACEY PLACE / SOUTHPORT, CT 06890 / TELEPHONE: 203-255-5201 / WWW.RUGER.COM




**RUGER** Now Available with Crimson Trace® Lasergrips  
The Ruger® SP101® Revolver in .357 Mag.



SP101® WITH CRIMSON TRACE LASERGRIPS • KSP-321X


**SP101 REVOLVERS - OVERVIEW:**

Ruger® now offers two special models of SP101 revolvers factory equipped with Crimson Trace Lasergrips, which are designed to put the shooter on target quickly and more accurately. Models KSP-321X and KSP-321XL feature 2-1/4 inch barrels and fixed sights. The KSP-321XL has a spurless hammer for snag free carry and draw. These revolvers are chambered for .357 Magnum and can also fire .38 Special ammunition. The Crimson Trace Lasergrips help experienced shooters with their speed and accuracy, but can also provide a training aid for new shooters. The Lasergrips help develop proper basic handgun skills such as trigger control and sight picture and are used by many of the top firearms trainers.

	<b>Crimson Trace Lasergrip</b> Lasergrips help develop proper basic handgun skills such as trigger control and sight picture. With the laser line for a reference, the shooter can practice smooth trigger pulls and see exactly where the gun is aiming at all times and can detect basic marksmanship errors such as jerking the trigger off the target.
	<b>2-1/4" Barrel</b> Features a short 2-1/4" barrel and a ramp front sight, with a rounded contour at the muzzle and shrouded ejector rod.
	<b>Spurless Hammer Model</b> The KSP-321XL has a spurless hammer for snag free carry and draw.

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**RUGER** For the Cowboy Mounted Shooter  
The Ruger® Vaquero® Montado



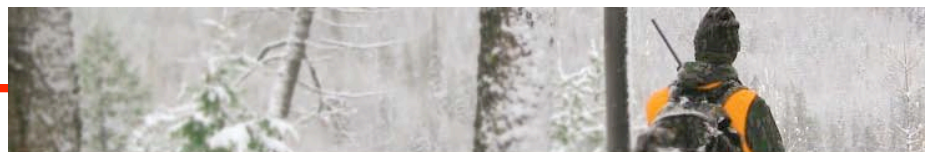
VAQUERO MONTADO

**VAQUERO® MONTADO REVOLVER - OVERVIEW:**

This single action revolver was designed to meet the needs of the cowboy mounted shooter. Constructed of corrosion-resistant stainless steel and built on the frame of the Ruger New Vaquero, the Vaquero Montado is chambered in .45 Colt. It features a shorter barrel to reduce size and weight, and improve holstering at a full gallop. Of course, the Vaquero Montado revolver retains the features and innovations of the very popular New Vaquero, including its patented reverse-indexing pawl for ease of loading and unloading, transfer bar ignition and loading gate interlock, and rugged Ruger reliability.

	<b>3-3/4" Barrel</b> Features a shorter 3-3/4" barrel to reduce size and weight and improve holstering at a full gallop.
	<b>Wide Hammer Spur</b> Features a deeply checkered, wide hammer spur to ease one-handed cocking.
	<b>Grooved Grip Frame</b> Has a slimmer pre-1962 "XB-5" style grip frame featuring grooves on the front of the grip frame to help the shooter keep a firm grip under competitive conditions.
	<b>Beveled Cylinder</b> The smaller cylinder frame, with Ruger's patented reverse indexing pawl, features a beveled cylinder for easier holstering.

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**NEW  
for  
2007**

## NEW FOR 2007 FROM RUGER FIREARMS.



**NEW  
for  
2007** The **NEW** Ruger® M77® Hawkeye®  
.30-06 1 Bolt-Action Centerfire Rifle

Introducing Ruger's new line of M77® Hawkeye® centerfire rifles. Available in calibers from .204 Ruger to the more formidable magnum calibers, Hawkeye rifles redefine the bolt-action centerfire rifle. Features include hammer-forged barrels, rotating Mauser-type controlled-feed extractors and the lightest and crispest, out-of-the-box trigger Ruger has ever offered: the LC6™. Offered in four models: Hawkeye, Hawkeye All-Weather®, Alaskan and African.



Ruger® M77® Hawkeye® All-Weather® | HKM77RFP  
.338 Federal | Stainless Matte Finish/Synthetic Stock



Ruger® M77® Hawkeye® African | HM77RS  
.375 Ruger | Blue Matte Finish/American Walnut Stock



Ruger® M77® Hawkeye® Alaskan | HM77RSPHAB  
.375 Ruger | DiamondBlack™ Finish/Hogue® OverMolded™ stock

*The new Ruger Hawkeye is offered in four models: The standard Hawkeye – featuring an American walnut stock and matte finish blue barrel and action; the All-Weather® featuring a black synthetic stock and stainless steel barrel; the African, with a classic American walnut stock and matte blue barrel and action; and the Alaskan – featuring a Hogue® synthetic stock and DiamondBlack™ finish barrel and action. Both the African and Alaskan are offered in the .375 Ruger. For a complete listing on the Hawkeye rifles, visit: [www.ruger.com/hawkeye](http://www.ruger.com/hawkeye)*

### RUGER® REDHAWK® .44 REM. MAG.

**NEW  
for  
2007**

The latest Ruger® Redhawk® in .44 magnum features a 4" barrel which makes it ideal for those seeking an indestructible, compact magnum that doesn't compromise accuracy. A shooter friendly Hogue® OverMolded™ grip helps neutralize the punishment dished out by today's powerful loads. And a triple-locking cylinder design locks the cylinder to the frame for positive alignment.



**NEW  
for  
2007** **NEW** Ruger® Redhawk®  
.44 Rem. Mag. | Hogue® OverMolded™ Grip/4" Barrel

### RUGER® MINI-14® TARGET RIFLE

**NEW  
for  
2007**

The new Ruger Mini-14 Target Rifle chambered in the popular .223 Remington is the first minute-of-angle Mini. With a hammer-forged, matte-finish stainless-steel target barrel and an adjustable harmonic dampener, the new Mini-14 Target can be tuned to your choice of ammo for pinpoint accurate shooting at the bench or in varmint country.



**NEW  
for  
2007** **NEW** Ruger® Mini-14 Target  
.223 Rem. | Adjustable Harmonic Dampener

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[www.ruger.com](http://www.ruger.com)



For More Information,  
Call Your Ruger Distributor TODAY!



The new Mini-14® Target Rifle is the first minute-of-angle autoloader Ruger® has ever offered. It features a hammer forged, heavy matte stainless steel target barrel and an adjustable harmonic dampener that allows you to tune your rifle to your ammunition. The black laminate stock features a three-position rubber recoil pad that allows you to change your length-of-pull by up to 1.5". In recent Shooting Industry Masters competitions against teams equipped with AR-15® rifles, Team Ruger emerged victorious. You might experience similar results after posting a few one-inch groups of your own. For more details and complete specs, visit: [www.ruger.com/Mini-14TargetRifle/](http://www.ruger.com/Mini-14TargetRifle/)

If it starts shooting groupings like your 20-year-old Mini-14, don't panic. Simply adjust the harmonic dampener for minute-of-angle accuracy, *and you're golden.*

**NEW** Ruger® Mini-14® Target  
.223 Rem. | Adjustable Harmonic Dampener

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ARMS MAKERS FOR RESPONSIBLE CITIZENS®

Mini-14 Target Rifle



The **NEW** Ruger® M77® Hawkeye®  
30-06 Caliber | Centerfire Rifle

On any given Sunday, some guys focus on point spreads.  
For you, it's all about the *points on the rack.*

A day of watching hulking gladiators chase the pigskin? Or a day perched on a deer stand with your trusty Ruger® M77® Hawkeye® at your side? No contest – if there's even a shred of outdoorsman in your DNA. And if you're fortunate enough to spot a trophy buck, the new M77 Hawkeye will be ready. While it shares a numerical moniker with our classic bolt-action M77 Mark II rifles, this is a newly re-engineered masterpiece. Highlights include a matte blued action and barrel, a slim, low-profile American walnut stock featuring wrap-around cut checkering, our new light, crisp LC6™ trigger and a Ruger Red Eagle recoil pad that soaks up recoil with gusto. In fact, if the new M77 Hawkeye isn't the most compelling reason to upgrade to a larger meat freezer, we don't know what is. For more information on the most anticipated bolt-action deer rifle in America, visit [www.ruger.com/Hawkeye/](http://www.ruger.com/Hawkeye/)

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## M77 Hawkeye Rifle



When you're staring down dangerous game like Cape buffalo you'd best feel confident in the rifle you're shouldering, and the cartridge in the chamber. A sure way to put your mind at ease is to carry the Ruger® M77® Hawkeye® rifle chambered in the new .375 Ruger, a round jointly developed by Hornady® and Ruger. This is the first time .375 H&H Magnum ballistics are available in a standard length action — an action housed in a re-engineered and soon-to-be bolt-action classic. The agile Hawkeye African sports a 23" matte blue action and barrel perfectly matched to a slim, wrap-around cut-checked American walnut stock, a new light, crisp LC6™ trigger, express sights and a Ruger Red Eagle recoil pad that just devours recoil. If ever a rifle could be a trophy, the Ruger M77 Hawkeye is it. Learn more about the new M77 Hawkeye African at [www.ruger.com/375ruiger/](http://www.ruger.com/375ruiger/)



**Powerful and accurate  
trumps big and dangerous *every time.***



**Ruger® M77® Hawkeye® African | HM77RS**  
375 Ruger I Blue Matte Finish/American Walnut Stock  
(Scope not included)



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GUN MAKERS FOR RESPONSIBLE CITIZENS™

M77 Hawkeye African  
in .375 Ruger





**Ruger® M77® Hawkeye® “Alaskan”  
Chambered in the **NEW** .375 Ruger**

- **New** .375 Ruger cartridge co-developed with Hornady Manufacturing
- **New** more effective recoil pad.
- **New** light and crisp Ruger LC6™ trigger.
- Features a matte black finish, handy 20” barrel, and a Hogue® OverMolded™ synthetic stock.
- This short-barreled “Alaskan” rifle is the perfect gun where quick handling and hard-hitting cartridges are needed.
- Features windage adjustable shallow “V” notch rear sight and large white bead front sight for instant sight alignment.
- \$80 value Ruger scope rings included at no charge.

New Ruger® M77® Hawkeye®  
.375 Ruger “Alaskan” Rifle  
1M77RSP11AB

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M77 Hawkeye Alaskan  
in .375 Ruger



The **NEW** Short Barrel  
22/45™ Mark III™ Hunter



22/45 Mark III Pistol  
KP45HMKIII

- **New** 4-1/2" barrel 22/45 Mark III Hunter has grip angle and feel of the classic 1911 pistol.
- Slim polymer grip frame features checkered grip panel areas with serrated front strap and checkered back strap.
- Target-crowned, fluted, stainless steel barrel is topped with fiber optic front sight and adjustable V-notch rear sight.
- Receiver is drilled and tapped to accept a Weaver-style scope base adapter – included at no charge.
- Mark III pistols feature a recontoured ejection port and tapered bolt ears for better performance.
- Comes with two 10-round magazines.
- Pistol is shipped in Hunter-green handgun case.
- Also included are six interchangeable LitePipes™ for the HiViz® fiber-optic front sight.

[www.ruger.com](http://www.ruger.com)

 **RUGER**  
ARMS MAKERS FOR RESPONSIBLE CITIZENS®

22/45 Mark III Hunter



The **NEW** 4-Inch Barrel  
.44 Magnum Redhawk®



Stainless Redhawk® Revolver  
KRH-444

- This **New** .44 Magnum, 4" barrel Redhawk revolver provides outdoor enthusiasts with the protection they need in a handy package, making it the perfect choice when trekking through the woods.
- **New** Hogue® one-piece rubber grip provides sure handling and reduction of perceived recoil.
- Low-maintenance satin stainless finish.
- Solid stainless steel frame has no side-plates to weaken its structural integrity.
- Features a micro-adjustable white outline rear sight and pinned distinctive red ramp insert front sight.
- The six-shot cylinder is positively aligned owing to the Ruger patented triple-locking mechanism.

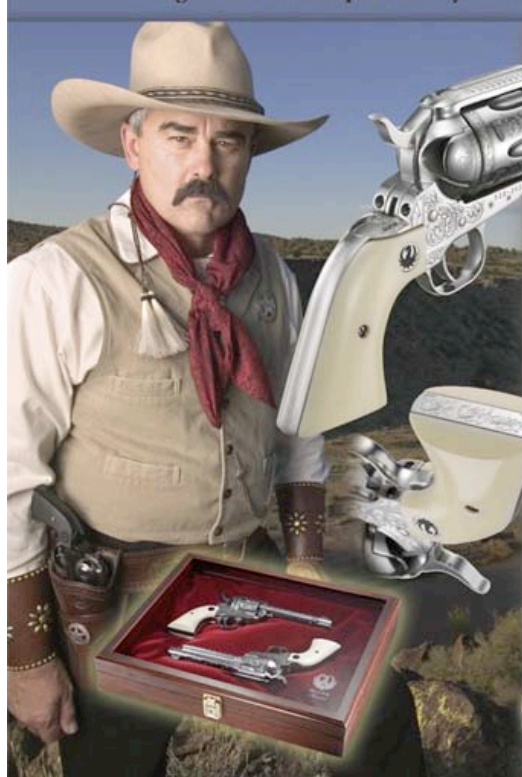
[www.ruger.com](http://www.ruger.com)



.44 Mag. Redhawk



*In the Style of the "Old West"*  
Ruger Offers Sequentially Numbered Engraved .45's



- Consecutive, serial-numbered engraved pair of .45 Colt New Vaquero® revolvers.
- The revolvers are engraved on the cylinder, cylinder frame, loading gate, barrel, and grip frame using a traditional western scroll pattern. Select components are then hand-cut and finished by Ruger's own skilled artisans in the style of the "Old West."
- Revolvers feature a gloss stainless finish.
- Patented Ruger reverse indexing pawl for easy loading and unloading.
- White simulated ivory grips with Ruger Eagle medallion.
- The revolvers will be shipped in a richly stained wooden presentation case high-lighted with a "Ruger Eagle" etched into the clear glass top.
- Only 500 pairs will be built and each gun will have "One of One Thousand" engraved on the underside of the grip frame.
- Owners of "old model" (3 screw) Ruger single action revolvers manufactured from 1953-1972, and Bearcats with serial numbers below 93-00000, should contact us for details about **FREE** safety conversions. **FREE** instruction manuals are available online.



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The Cowboy Pair  
Engraved New Vaqueros



## Ruger® 50th Anniversary Matched Set .357 & .44 Magnum

*If you didn't get them the first time around - now's your chance!*



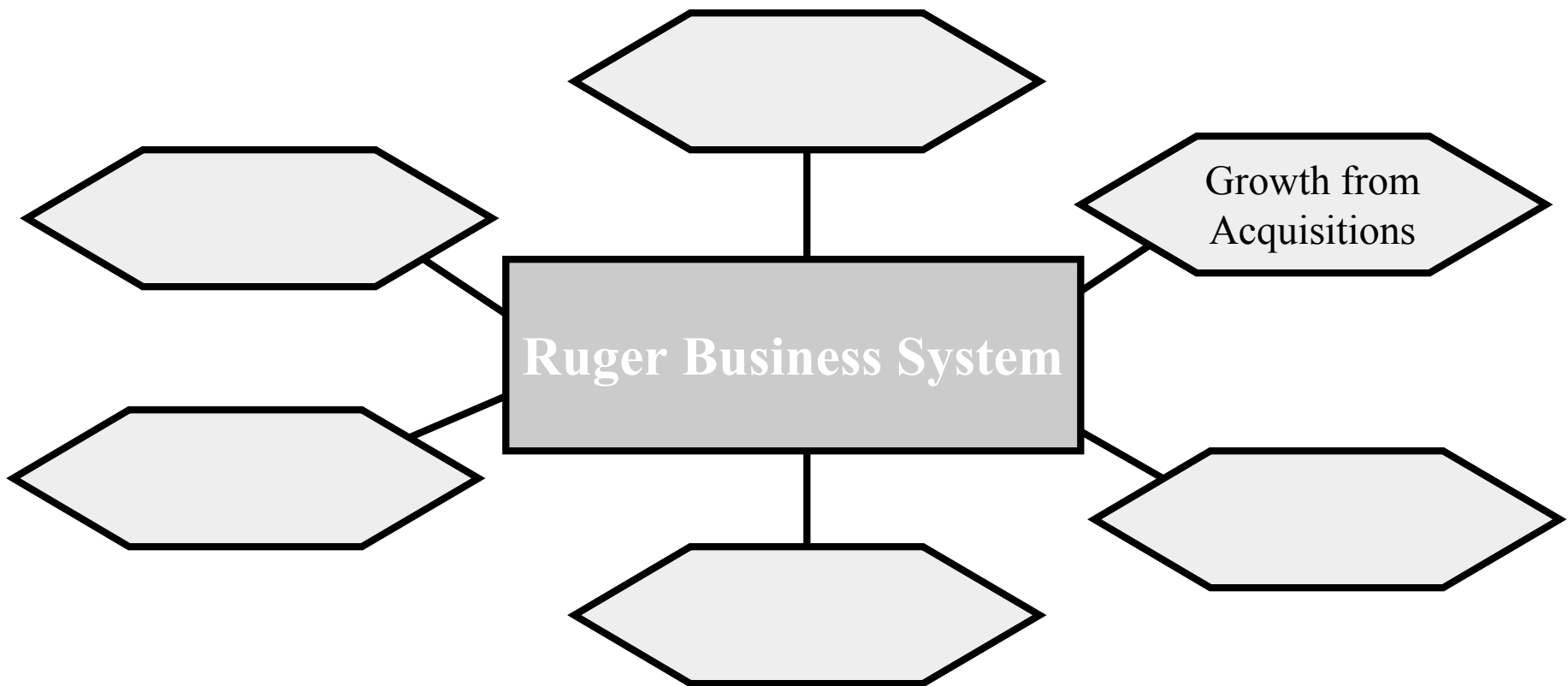
- Matched set includes a 50th Anniversary .357 Magnum New Model Blackhawk® revolver and a 50th Anniversary .44 Magnum New Model Blackhawk® revolver *with matching serial numbers.*
- The .357 Magnum has a 4-5/8" barrel and the .44 Magnum has a 6-1/2" barrel. The barrels on both revolvers feature a special commemorative gold colored rollmark.
- Both revolvers feature the "Flat Top" frame with original "micro"-style click adjustable rear sight, and smaller, pre-1962 "XR-3" grip frame with checkered "hard rubber" grips bearing original-style black Ruger medallions.
- These Anniversary revolvers benefit from 50 years of continuous refinements including a unique reverse-indexing pawl, a new hammer spring, and Sturm, Ruger's patented transfer bar ignition system.
- The Matched Set revolvers are sold with a dark wood presentation case featuring a glass top with a "Ruger Red" silk-screened logo and a dark green padded liner.
- Owners of "old model" (3 screw) Ruger single action revolvers manufactured from 1953-1972, and Beards with serial numbers below 93-00000, should contact us for details about **FREE** safety conversions. **FREE** instruction manuals are available online.

Sturm, Ruger & Company, Inc. | Southport, CT 06890 U.S.A.

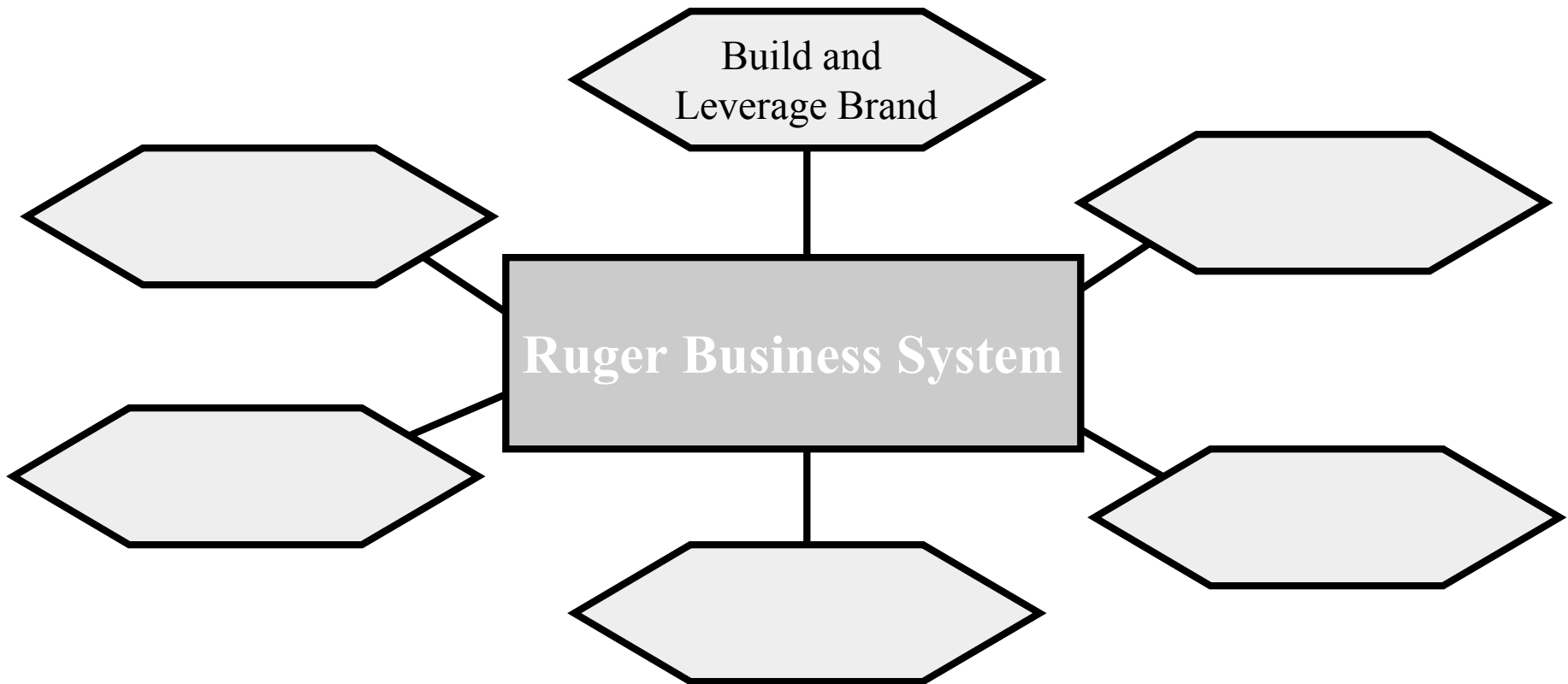
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Matched Set  
50<sup>th</sup> Anniversary Blackhawks

# Ruger Business System



# Ruger Business System



# Build and Leverage Brand

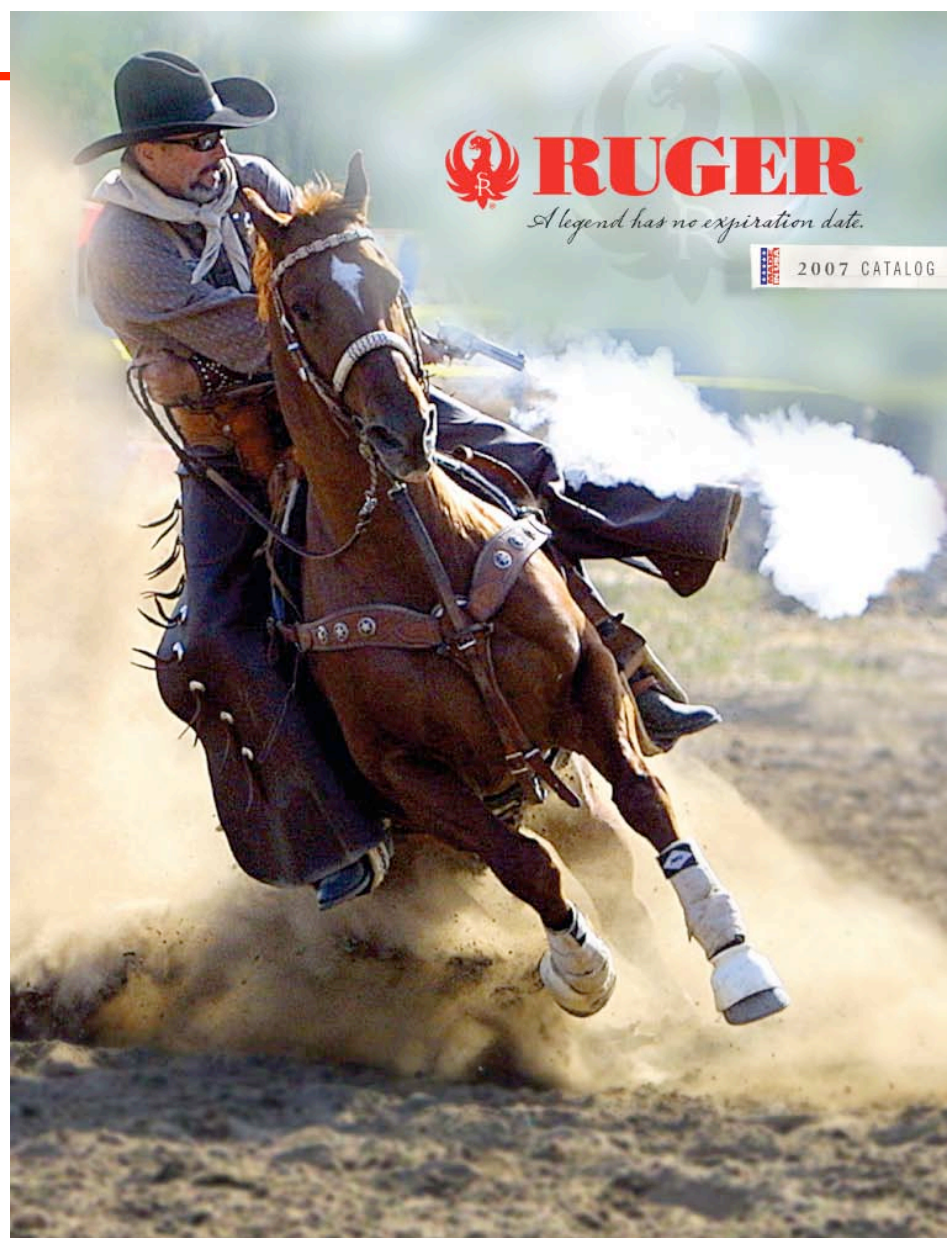


**STURM, RUGER & CO., INC.**

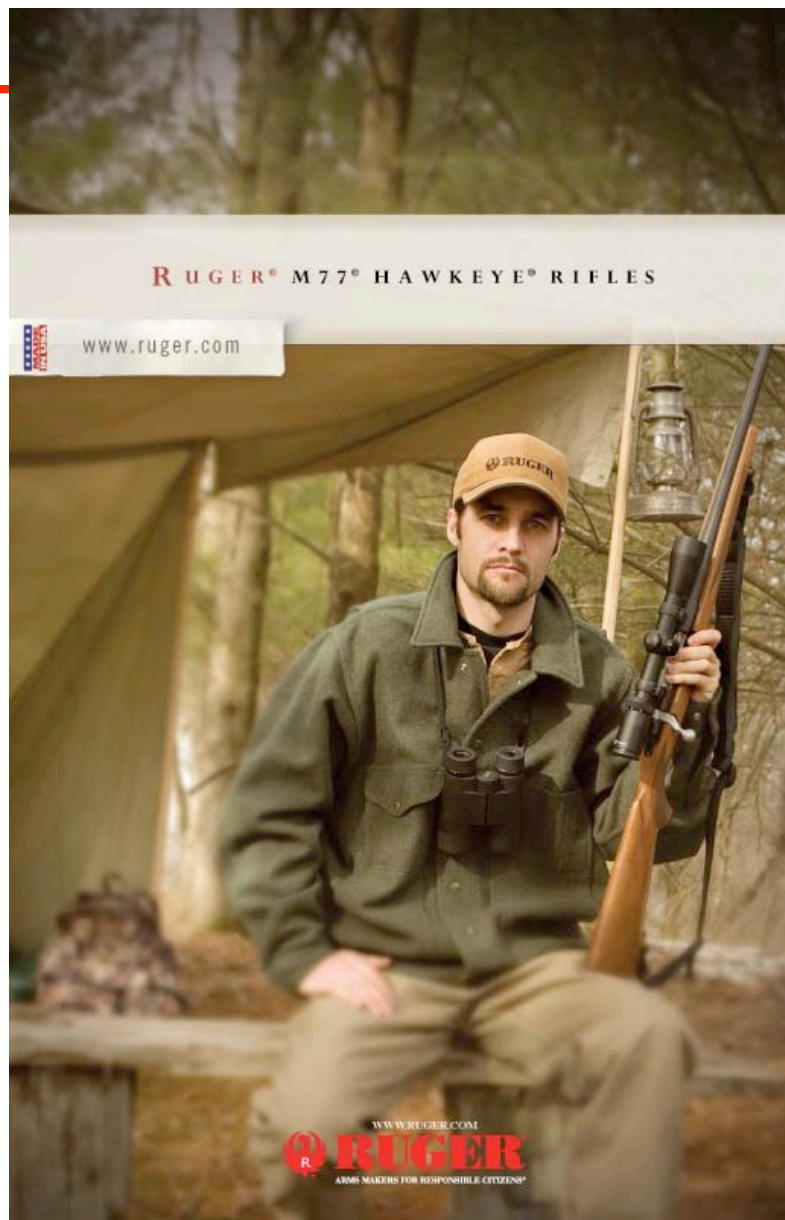


**RUGER®**





2007 Catalog - New Look and Feel



New Marketing Pieces

# Build and Leverage Brand





**RUGER** CORPORATE SITE CASTING SITE


Site Search by Google Go

Firearms Product Service News & Resources On-line Store

**M77® Hawkeye®**  
Bolt Action Rifle - Four Models to Choose From  
Shown in All-Weather® and Standard  
[click to learn more](#)

**WHAT'S NEW:**  
**IN THE CROSSHAIRS:**  
 These links are some of the most highly visited pages. See why they have become so popular.

**NEW PRODUCTS:**  
 Learn more about these new Ruger firearm products that are now available.

**FEATURED AREAS:**  
 Check out these new and exciting Featured Areas of the Ruger website.

**NEW FOR 2007 - M77® Hawkeye® - Four Models to Choose From**

ARMS MAKERS FOR RESPONSIBLE CITIZENS®

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New Website

# Build and Leverage Brand



**RUGER** ARMS MAKERS FOR RESPONSIBLE CITIZENS®

Site Search by Google

Firearms

Product Service

News & Resources

On-line Store

RUGER'S ADVENTURES on VERSUS™



## Ruger's Adventures on VERSUS™



Ruger's Adventures on VERSUS™ celebrates the world's best hunting by taking viewers along on some of the planet's finest big game and bird hunting adventures. From the peaks of the Rockies to the tundra of Patagonia, this series showcases the drama and excitement that is the hallmark of the hunting life.

Along the way, viewers meet hunting experts... from guides and professional hunters to industry insiders... who will share a wealth of information to help viewers become better hunters. Regular departments on hunting strategies, sporting history and classic names in hunting will round out this fast-paced, action-filled series.

Selected episodes of Ruger's Adventures are shown below. Visit VERSUS™ at [www.versus.tv](http://www.versus.tv) for an up-to-date schedule.





# Build and Leverage Brand

 **RUGER** [www.rugerphoto.com](http://www.rugerphoto.com)

 Ruger invites you to take your best shot...



and share your favorite Ruger photos.

 [VISIT WWW.RUGER.COM](http://WWW.RUGER.COM) ▶

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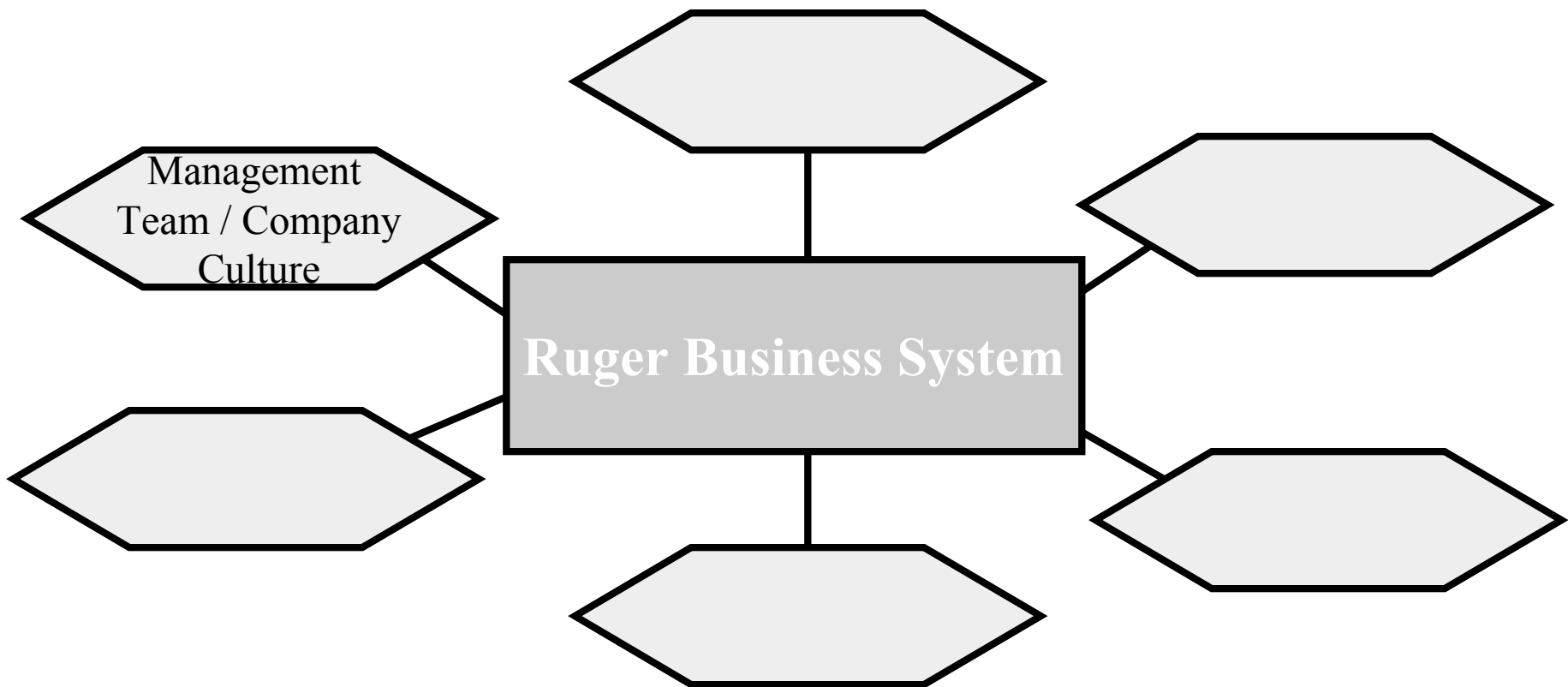


# Build and Leverage Brand

- Licensing Initiatives
- Apparel and Accessories
- Editorial Placement

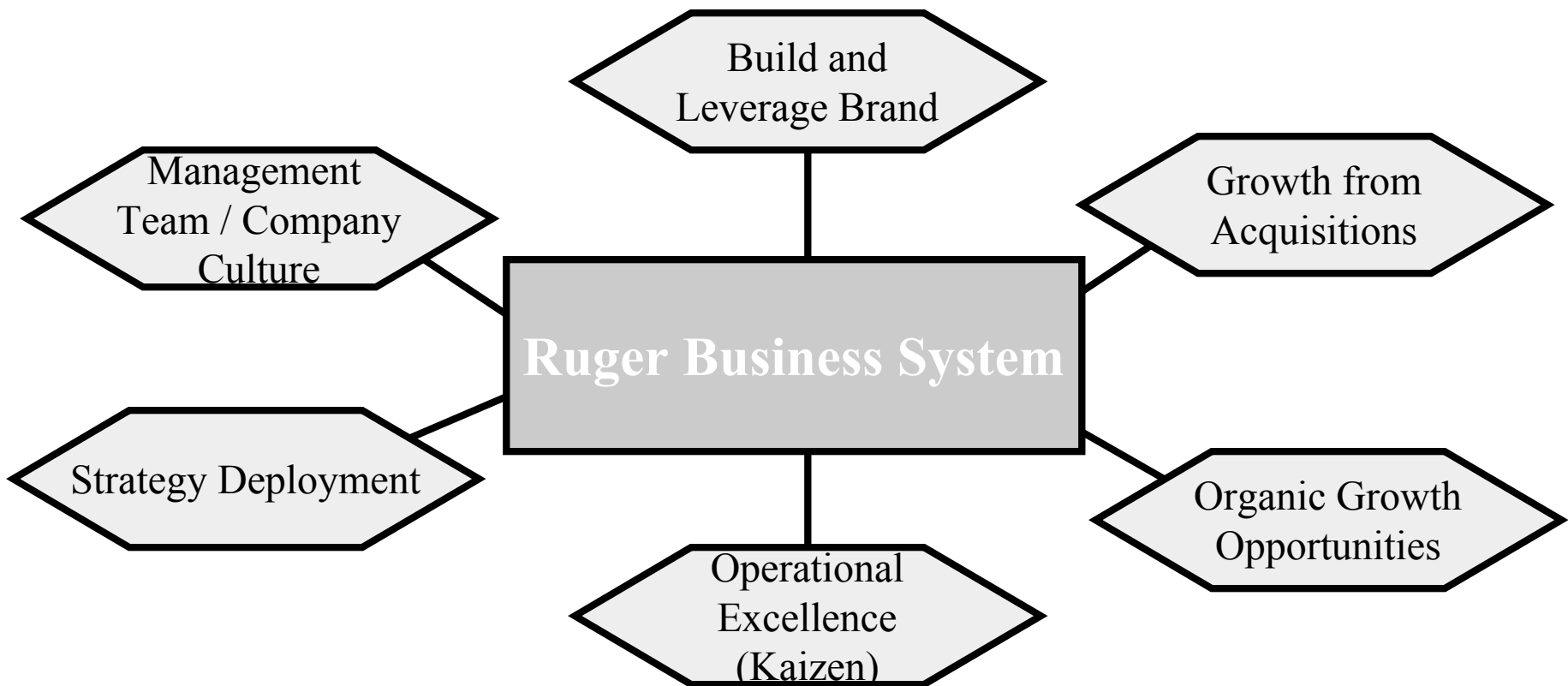


# Ruger Business System





# Ruger Business System







# **Enhanced Financial Reporting**

- **Financial Statements**
  - **Balance Sheet**
    - **Added LIFO and E&O reserve detail**
  - **Full cash flow statement included in Form 10-Q**
  
- **Management's Discussion and Analysis (MD&A)**
  - **Simplified wording to make it easier to read**
  - **Detailed gross margin table**
  - **Detailed discussion of accounting charges including:**
    - **LIFO, E&O, Product Liability, Overhead Rate Change**
  - **Backlog in 10-Q**
  - **Discussion of E&O Reserve Methodology**



# **Enhanced Financial Reporting**

- **Form 10-K**
  - **Conformed litigation and legislation disclosures w/ introductory parenthetical (2 places in the 10-Q and 3 places on the 10-K)**
  - **Accounts receivable table for top 4 customers**
  - **Sales table for top 4 customers**



# Impact of Q1 Inventory Reduction

## Balance Sheet Impact

Inventory Reduction      \$16.5 million

Operating Cash Flow      \$17.3 million\*

\*Does not include \$7.3 million from asset sales

## Income Statement Impact

<u>First Quarter</u>	<u>Pine Tree</u>
External Sales	- 7%
Internal Sales	- <u>68%</u>
Total Sales	- 46%

Favorable reduction in firearm WIP requires deliberate underutilization of the foundry, resulting in an expected, unfavorable impact on short-term earnings.



# Financial Metrics

	First Quarter				Trailing 12 Months			
	2007		2006		March 2007		March 2006	
Revenues								
Firearms	\$ 43,669	90%	\$ 40,825	86%	\$ 141,954	84%	\$ 134,530	85%
Castings	4,787	10%	6,602	14%	\$ 26,695	16%	\$ 23,359	15%
Total	<u>\$ 48,456</u>	100%	<u>\$ 47,427</u>	100%	<u>\$ 168,649</u>	100%	<u>\$ 157,889</u>	100%
Gross margin	\$ 15,563	32%	\$ 10,023	21%	\$ 29,406	17%	\$ 24,554	16%
Operating profit	\$ 7,915	16%	\$ 2,296	5%	\$ 5,339	3%	\$ (2,509)	-2%
EBITDA	\$ 14,547	30%	\$ 3,539	7%	\$ 16,703	10%	\$ 2,876	2%
Cash flow from operations (a)	\$ 18,083	37%	\$ 4,743	10%	\$ 43,559	26%	\$ 5,288	3%
Sales per employee	\$ 184		\$ 155		\$ 160		\$ 129	
Inventory Turns	1.85		1.38		1.96		1.23	
Share price	\$ 13.45		\$ 7.98		\$ 13.45		\$ 7.98	
Market capitalization	\$304,495		\$214,750		\$ 304,495		\$ 214,750	
EBITDA trading multiple	5.2		15.2		18.2		N/M	
(a) Does not include cash generated from the sale of non-operating assets of \$7,300 in March of 2007.								



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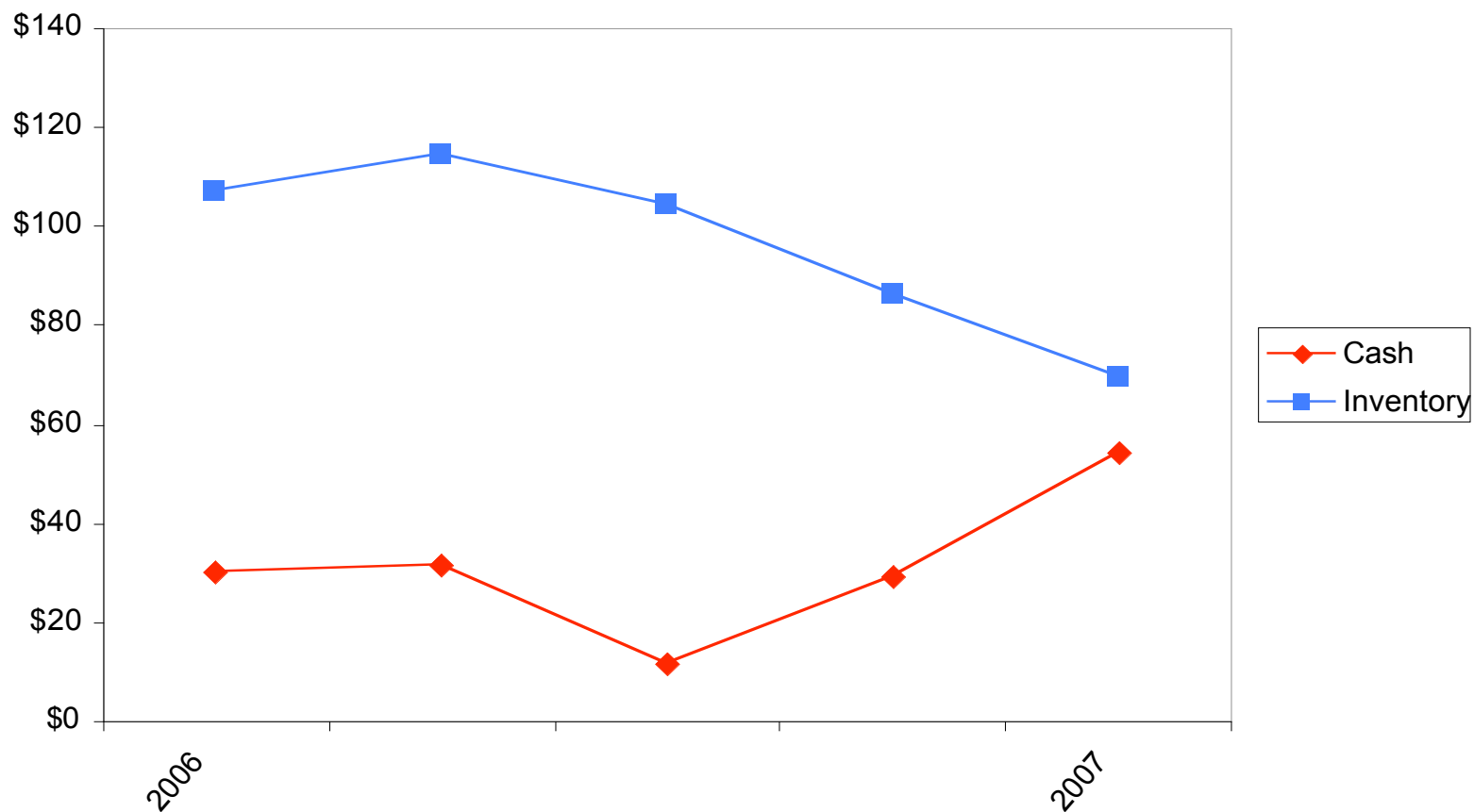
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# Inventory Balance

(Dollars in millions)





# Cash Position

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March 31, 2007 Cash Balance

\$54.1 million

## Possible Uses of Cash

- Acquisitions
- Stock Buyback
- Special Dividend
- Regular Quarterly Dividend

The Company will use its cash to generate shareholder value, or it will be returned to the shareholders.



# Investment Highlights

- Leading Firearms Brand
- Experienced, Dynamic Board of Directors
- Strong Management Team
- Strong Market Position in Rifles, Revolvers and Pistols
- Strong Balance Sheet: Well positioned to take advantage of business opportunities as they arise
- Improving Earnings

**NYSE: RGR**

**Shares Outstanding: 22.6 Million**

**Price: \$12.05 (4/23/07)**

**Market Capitalization: \$273 Million**



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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, 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.



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