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STURM, RUGER & COMPANY, INC. REPORTS

SECOND QUARTER EARNINGS

SOUTHPORT, CONNECTICUT, July 23, 2001--Sturm, Ruger & Company, Inc. (NYSE-RGR), today reported second quarter net sales of \$37.7 million compared to \$48.9 million in the second quarter of 2000. Net income for the quarter ended June 30, 2001 totaled \$1.8 million or \$0.07 per share versus \$5.9 million or \$0.22 per share in the comparable quarter of 2000.

For the six months ended June 30, 2001, net sales were \$81.5 million and net income was \$5.9 million or \$0.22 per share. For the corresponding period in 2000, net sales were \$108.8 million and net income was \$15.0 million or \$0.56 per share.

Chairman William B. Ruger, Jr. commented on the results, "While the 26% decline in firearm sales during the first half of the year reflects continued subdued demand in the overall firearms market, we are now focused on plans for 2002, including several new or improved firearms products. I am encouraged by the continuing success of our new products for 2001, including the Ruger Deerfield Carbine, the Ruger Super Redhawk Revolver chambered for the new .480 Ruger cartridge, and the Ruger Compact M77 Mark II rifle.

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“The investment castings segment continues to suffer from sluggish economic conditions as sales decreased by 28% and 20% for the second quarter and six months ended June 30, 2001, respectively. We continue to believe in the potential growth for the titanium investment castings market through diversification of our customer base and expansion into new industries.

“In light of what we believe is a temporary market downturn, it is important to note that our financial strength, as evidenced by our robust, debt-free balance sheet, provides the stability which enables us to make the best decisions for the long-term success of the Company.”

The Company has not been served with any additional municipal lawsuits for the fourth consecutive quarter. During the quarter ended June 30, 2001, the Louisiana Supreme Court dismissed the New Orleans (LA) case, the first such municipal lawsuit to be dismissed by a state supreme court.

Senior Executive Vice President and General Counsel Stephen L. Sanetti remarked on the Company’s litigation status, “The tide continues to turn in our favor. The absence of any new municipal lawsuits in the last year is a testament to both the ill-founded and legally baseless theories on which these suits are based and our successful efforts to ensure that courts throughout this country appropriately apply established law. Also, firearms accidents continue to decline to record lows, due at least in part to firearms industry safety efforts and the tireless efforts of firearms safety instructors across the nation.”

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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.

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 June 30				Six Months Ended June 30			
	2001	%	2000	%	2001	%	2000	%
Firearms sales	\$29,543	78.4	\$37,594	76.8	\$65,380	80.2	\$88,689	81.5
Castings sales	8,125	21.6	11,341	23.2	16,152	19.8	20,135	18.5
Net sales	37,668	100.0	48,935	100.0	81,532	100.0	108,824	100.0
Cost of products sold	30,449	80.8	36,376	74.3	62,346	76.5	77,813	71.5
Gross profit	7,219	19.2	12,559	25.7	19,186	23.5	31,011	28.5
Expenses:								
Selling	3,439	9.2	3,274	6.7	7,705	9.5	6,922	6.4
General and administrative	1,706	4.5	1,531	3.1	3,675	4.5	2,949	2.7
	5,145	13.7	4,805	9.8	11,380	14.0	9,871	9.1
Operating income	2,074	5.5	7,754	15.9	7,806	9.5	21,140	19.4
Other income-net	895	2.4	1,992	4.0	1,962	2.4	3,451	3.2
Income before income taxes	2,969	7.9	9,746	19.9	9,768	11.9	24,591	22.6
Income taxes	1,164	3.1	3,821	7.8	3,829	4.6	9,640	8.9
Net Income	<u>\$1,805</u>	<u>4.8</u>	<u>\$5,925</u>	<u>12.1</u>	<u>\$5,939</u>	<u>7.3</u>	<u>\$14,951</u>	<u>13.7</u>
Basic and diluted earnings per share	\$0.07		\$0.22		\$0.22		\$0.56	
Cash dividends per share	\$0.20		\$0.20		\$0.40		\$0.40	
Average shares outstanding	26,911		26,911		26,911		26,911	

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

	June 30 2001
Assets	
Cash and cash equivalents	\$4,275
Short-term investments	55,603
Trade receivables, net	12,846
Inventories	64,104
Deferred income taxes	7,098
Prepaid expenses and other assets	2,653
Total current assets	146,579
Property, plant and equipment	153,838
Less depreciation	(112,026)
	41,812
Deferred income taxes	1,302
Other assets	18,171
Total	\$207,864
Liabilities and Stockholders' Equity	
Trade accounts payable and accrued expenses	\$6,677
Product safety modifications	449
Product liability	3,000
Employee compensation	12,305
Workers' compensation	5,023
Income taxes	1,371
Total current liabilities	28,825
Product liability accrual	11,468
Stockholders' equity	167,571
Total	\$207,864

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