SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from_______________ to _______________

Commission file number 0-4776

STURM, RUGER & COMPANY, INC.
(Exact name of registrant as specified in its charter)

Delaware	06-0633559
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
Lacey Place, Southport, Connecticut	06490
(Address of principal executive offices)	(Zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days. Yes __X__ No _____

The number of shares outstanding of the issuer's common stock as of October 31, 2002: Common Stock, $1 par value - 26,910,720.

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CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)

	September 30, 2002 (Unaudited)	December 31, 2001 (Note)
Assets		
Current Assets		
Cash and cash equivalents	$ 3,644	$ 3,838
Short-term investments	58,715	63,957
Trade receivables, less allowances for doubtful accounts ($484 and $1,061) and discounts ($373 and $1,145)	18,630	15,121
Inventories:		
Finished products	14,478	12,333
Materials and products in process	32,386	37,460
	46,864	49,793
Deferred income taxes	7,712	7,922
Prepaid expenses and other current assets	2,306	1,566
Total current assets	137,871	142,197
Property, plant and equipment	153,337	151,487
Less allowances for depreciation	(120,063)	(114,535)
	33,274	36,952
Deferred income taxes	2,797	3,567
Other assets	22,193	21,662
	$196,135	$204,378

PART I. FINANCIAL INFORMATION
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STURM, RUGER & COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)

	September 30, 2002 (Unaudited)	December 31, 2001 (Note)
Liabilities and Stockholders' Equity		
Current Liabilities		
Trade accounts payable and accrued expenses	$ 7,219	$ 6,893
Product liability	4,000	4,000
Employee compensation	11,181	10,705
Workers' compensation	4,634	4,620
Income taxes	1,105	704
Total current liabilities	28,139	26,922
Deferred income taxes	4,677	4,654
Product liability accrual	6,311	8,462
Contingent liabilities --Note 7	--	--
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		
Issued and outstanding - 26,910,700	26,911	26,911
Additional paid-in capital	2,509	2,492
Retained earnings	127,744	135,093
Accumulated other comprehensive income	(156)	(156)
	157,008	164,340
	$196,135	$204,378

Note:

The balance sheet at December 31, 2001 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to condensed consolidated financial statements.

STURM, RUGER & COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Firearms sales	$32,210	$35,609	$108,366	$100,989
Castings sales	5,830	5,529	17,898	21,681
Net sales	38,040	41,138	126,264	122,670
Cost of products sold	31,115	32,946	97,114	95,292
Gross profit	6,925	8,192	29,150	27,378
Expenses:				
Selling	3,696	3,076	11,111	10,781
General and administrative	1,504	1,326	4,720	5,001
	5,200	4,402	15,831	15,782
	1,725	3,790	13,319	11,596
Other income-net	545	624	1,367	2,586
Income before income taxes	2,270	4,414	14,686	14,182
Income taxes	910	1,730	5,889	5,559
Net income	$ 1,360	$ 2,684	$ 8,797	$ 8,623
Earnings per share				
Basic	$0.05	$0.10	$0.33	$0.32
Diluted	$0.05	$0.10	$0.33	$0.32
Cash dividends per share	$0.20	$0.20	$0.60	$0.60
Average shares outstanding				
Basic	26,911	26,911	26,911	26,911
Diluted	27,093	26,911	27,062	26,911

See notes to condensed consolidated financial staten

STURM, RUGER & COMPANY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in thousands)

	Nine Months Ended September 30, 2002	2001
Cash Provided By Operating Activities	$12,560	$4,298
Investing Activities		
Property, plant and equipment additions	(1,850)	(3,116)
Purchases of short-term investments	(112,060)	(112,131)
Proceeds from maturities of short-term investments	117,302	126,115
Cash provided by investing activities	3,392	10,868
Financing Activities		
Dividends paid	(16,146)	(16,146)
Cash used in financing activities	(16,146)	(16,146)
Decrease in cash and cash equivalents	(194)	(980)
Cash and cash equivalents at beginning of period	3,838	4,073
Cash and cash equivalents at end of period	$ 3,644	$ 3,093

See notes to condensed consolidated financial statements.

STURM, RUGER & COMPANY, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

September 30, 2002

NOTE 1--Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation of the results of the interim periods. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results to be expected for the full year ending December 31, 2002. For further information refer to the consolidated financial statements and footnotes thereto included in the Sturm, Ruger & Company, Inc. Annual Report on Form 10-K for the year ended December 31, 2001.

NOTE 2--Significant Accounting Policies

Organization: Sturm, Ruger & Company, Inc. ("Company") is principally engaged in the design, manufacture, and sale of firearms and investment castings. The Company's design and manufacturing operations are located in the United States. Substantially all sales are domestic. The Company's firearms are sold through a select number of independent wholesale distributors to the sporting and law enforcement markets. Investment castings are sold either directly to or through manufacturers' representatives to companies in a wide variety of industries.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Certain prior year balances have been reclassified to conform with current year presentation.

NOTE 3--Inventories

Inventories are valued using the last-in, first-out (LIFO) method. An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs existing at that time. Accordingly, interim LIFO calculations must necessarily be based on management's estimates of expected year-end inventory levels and costs. Because these are subject to many forces beyond management's control, interim results are subject to the final year-end LIFO inventory valuation. During 2002, inventory quantities have been reduced. This reduction may result in a liquidation of LIFO inventory quantities carried at lower costs prevailing in prior years as compared with the current cost of purchases. Although a reduction in inventory levels is expected to remain through year-end, the effect of a liquidation cannot be quantified at the present time. If a liquidation does occur in 2002, management believes that the impact would not be material to the financial statements.

NOTE 4--Income Taxes

The Company's effective tax rate differs from the statutory tax rate principally as a result of state income taxes. Total income tax payments during the nine months ended September 30, 2002 and 2001 were $5.1 million and $1.7 million, respectively.

NOTE 5-- Basic and Diluted Earnings Per Share

Basic earnings per share is based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the impact of options outstanding using the treasury stock method, when applicable. This resulted in diluted weighted-average shares outstanding for the three and nine months ended September 30, 2002 and 2001 of 27,093,000 and 26,911,000, and 27,062,000 and 26,911,000, respectively.

NOTE 6--Comprehensive Income

As there were no non-owner changes in equity during the first nine months of 2002 and 2001, total comprehensive income equals net income for the three and nine months ended September 30, 2002 and 2001, or $1.4 million and $2.7 million, and $8.8 million and $8.6 million, respectively.

NOTE 7--Contingent Liabilities

As of September 30, 2002, the Company is a defendant in approximately 28 lawsuits involving its products and is aware of certain other such claims. These lawsuits and claims fall into two categories:

(i) those that claim damages from the Company related to allegedly defective product design which stem from a specific incident. These lawsuits and claims are based principally on the theory of "strict liability" but also may be based on negligence, breach of warranty, and other legal theories, and

(ii) those brought by cities, municipalities, counties, associations, individuals and one state Attorney General against numerous firearms manufacturers, distributors and dealers seeking to recover damages allegedly arising out of the misuse of firearms by third parties in the commission of homicides, suicides and other shootings involving juveniles and adults. The complaints by municipalities seek damages, among other things, for the costs of medical care, police and emergency services, public health services, and the maintenance of courts, prisons, and other services. In certain instances, the plaintiffs seek to recover for decreases in property values and loss of business within the city due to criminal violence. In addition, nuisance abatement and/or injunctive relief is sought to change the design, manufacture, marketing and distribution practices of the various defendants. These suits allege, among other claims, strict liability or negligence in the design of products, public nuisance, negligent entrustment, negligent distribution, deceptive or fraudulent advertising, violation of consumer protection statutes and conspiracy or concert of action theories. None of these cases allege a specific injury to a specific individual as a result of the misuse or use of any of the Company's products.

In many of these cases punitive damages, as well as compensatory damages, are demanded. Management believes that, in every case, the allegations are unfounded, and that the shootings and any results therefrom were due to negligence or misuse of the firearms by third-parties or the claimant, and that there should be no recovery against the Company. Defenses further exist to the suits brought by cities, municipalities, counties, and the Attorney General based, among other reasons, on established state law precluding recovery by municipalities for essential government services, the remoteness of the claims, the types of damages sought to be recovered, and limitations on the extraterritorial authority which may be exerted by a city, municipality, county or state under state and federal law, including State and Federal Constitutions.

The only case against the Company alleging liability for criminal shootings by third-parties to ever be permitted to go before a jury, Hamilton, *et. al.* v. Accu-tek, *et. al.*, resulted in a defense verdict in favor of the Company on February 11, 1999. In that case, numerous firearms manufacturers and distributors had been sued, alleging damages as a result of alleged negligent sales practices and "industry-wide" liability. The Company and its marketing and distribution practices were exonerated from any claims of negligence in each of the seven cases decided by the jury. The Court upheld the verdict of the jury and dismissed each case as to the Company in its later opinion. The three defendants found liable filed a notice of appeal from the Court's decision. On August 16, 2000, the U.S. 2nd Circuit Court of Appeals certified certain questions to the Appellate Division of the New York State Supreme Court for resolution. On April 26, 2001, the Appellate Division of the New York State Supreme Court responded to the U.S. 2nd Circuit Court of Appeals' certified questions. The questions involved whether firearms manufacturers have a legal duty to prevent criminal misuses of their lawfully-sold products and whether any liability of the firearms manufacturers should be apportioned by a market share theory. The New York State Appellate Division answered both questions in the negative. On August 30, 2001, the United States Court of Appeals for the 2nd Circuit vacated and remanded the case with instructions for the trial court to enter a final judgment of dismissal. The trial court finally dismissed the case on its merits on September 17, 2001.

Of the lawsuits brought by municipalities or a state Attorney General, 10 have been dismissed as a matter of law. Six of those cases are concluded (Atlanta – dismissal by intermediate Appellate Court, no further appeal; Bridgeport – dismissal affirmed by Connecticut Supreme Court; County of Camden – dismissal affirmed by Third Circuit Court of Appeals; Miami – dismissal affirmed by intermediate Appellate Court, Florida Supreme Court declined review; New Orleans – dismissed by Louisiana Supreme Court, United States Supreme Court declined review; and Philadelphia – Third Circuit Court of Appeals affirmed dismissal, no further appeal). On June 12, 2002, the Ohio Supreme Court voted 4-3 to reverse the dismissals of the Cincinnati case by the trial and appellate courts and remanded the case to the trial court for discovery proceedings. On September 20, 2002, the Indiana Court of Appeals affirmed the dismissal of the Gary case by the trial court and plaintiffs have filed a request for appeal to the Indiana Supreme Court. The remainder (Chicago and New York State) are on appeal from their complete dismissal. An 11th case, Boston, was voluntarily dismissed with prejudice by the City at the close of fact discovery and is now concluded.

Of the remaining cases in which the Company has been served with process, two (Detroit/Wayne County and Newark) are on appeal from partial dismissal, two (Cleveland and New York City) are stayed, three (Camden City, St. Louis and Washington, DC) have pending motions to dismiss at the trial level, one (Wilmington) has a pending motion for summary judgment, one (the consolidated California case) is proceeding with discovery following dismissal of certain damage claims, and one (Jersey City) was filed on the same day that the Boston suit was dismissed but has not seen any significant activity.

Legislation has been passed in approximately 30 states precluding suits of the type brought by the municipalities mentioned above.

Aggregate claimed amounts presently exceed product liability accruals and applicable insurance coverage. For claims made after July 10, 1994, compensatory and punitive damage insurance coverage is provided, in states where permitted, coverage is provided for losses exceeding $2.0 million per claim, or an aggregate maximum loss of $6.0 million. For claims made after July 10, 1997, coverage is provided for annual losses exceeding $2.0 million per claim, or an aggregate maximum loss of $5.5 million annually. For claims made after July 10, 2000, coverage is provided for annual losses exceeding $5.0 million per claim, or an aggregate maximum loss of $10.0 million annually, except for certain new claims which might be brought by governments or municipalities after July 10, 2000, which are excluded from coverage.

On March 17, 2000, Smith & Wesson announced that it had reached a settlement to conclude some of the municipal lawsuits with various governmental entities. On March 30, 2000, the Office of the Connecticut Attorney General began an investigation of certain alleged "anticompetitive practices in the firearms industry." On April 17, 2000 the State of Maryland's Attorney General also made similar inquiries as to the Company. On August 9, 2000, the U.S. Federal Trade Commission also filed such a civil investigative demand regarding the Smith & Wesson settlement. During April 2002, after the city of Boston voluntarily withdrew its case with prejudice as to all remaining defendants, Boston moved jointly with Smith & Wesson to dissolve their consent decree settlement, which motion the court accepted. The Company has not engaged in any improper conduct and has cooperated with these investigations.

Provision is made for product liability claims based upon many factors related to the severity of the alleged injury and potential liability exposure, based upon prior claim experience. Because our experience in defending these lawsuits and claims is that unfavorable outcomes are typically not probable or estimable, only in rare cases is an accrual established for such costs. In most cases, an accrual is established only for estimated legal defense costs. Product liability accruals are periodically reviewed to reflect then-current estimates of possible liabilities and expenses incurred to date and reasonably anticipated in the future. Threatened product liability claims are reflected in our product liability accrual on the same basis as actual claims; i.e., an accrual is made for reasonably anticipated possible liability and claims-handling expenses on an ongoing basis.

A range of reasonably possible loss relating to unfavorable outcomes can not be made. However, in the product liability cases in which a dollar amount of damages is claimed, the amount of damages claimed, which totaled $837 million at September 30, 2002, is set forth as an indication of possible maximum liability that the Company might be required to incur in these cases (regardless of the likelihood or reasonable probability of any or all of this amount being awarded to claimants) as a result of adverse judgments that are sustained on appeal.

Product liability claim payments are made when appropriate if, as, and when claimants and the Company reach agreement upon an amount to finally resolve all claims. Legal costs are paid as the lawsuits and claims develop, the timing of which may vary greatly from case to case. A time schedule can not be determined in advance with any reliability concerning when payments will be made in any given case.

While it is not possible to forecast the outcome of litigation or the timing of costs, in the opinion of management, after consultation with special and corporate counsel, it is not probable and is unlikely that litigation, including punitive damage claims, will have a material adverse effect on the financial position of the Company, but may have a material impact on the Company's financial results for a particular period.

The Company has reported all cases instituted against it through June 30, 2002 and the results of those cases, where terminated, to the S.E.C. on its previous Form 10-K and 10-Q reports, to which reference is hereby made.

NOTE 8--Operating Segment Information

The Company has two reportable segments: firearms and investment castings. The firearms segment manufactures and sells rifles, pistols, revolvers, and shotguns principally to a select number of independent wholesale distributors primarily located in the United States. The investment castings segment consists of two operating divisions which manufacture and sell titanium and steel investment castings. Selected operating segment financial information follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Net Sales				
Firearms	$32,210	$35,609	$108,366	$100,989
Castings				
Unaffiliated	5,830	5,529	17,898	21,681
Intersegment	3,968	5,240	13,268	23,455
	9,798	10,769	31,166	45,136
Eliminations	(3,968)	(5,240)	(13,268)	(23,455)
	$38,040	$41,138	$126,264	$122,670
Income Before Income Taxes				
Firearms	$3,856	$4,764	$19,921	$12,462
Castings	(2,059)	(894)	(6,400)	(587)
Corporate	473	544	1,165	2,307
	$2,270	$4,414	$14,686	$14,182

	September 30, 2002	December 31, 2001
Identifiable Assets		
Firearms	$ 78,393	$ 78,774
Castings	23,217	27,351
Corporate	94,525	98,253
	$196,135	$204,378

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The Company achieved consolidated net sales of $38.0 million and $126.3 million for the three and nine months ended September 30, 2002, respectively. This represents a decrease of 7.5% from third quarter sales in 2001 of $41.1 million and an increase of 2.9% from net sales of $122.7 million for the nine months ended September 30, 2001.

Firearms segment net sales decreased by $3.4 million or 9.5% in the third quarter of 2002 to $32.2 million from $35.6 million in the third quarter of the prior year. For the nine months ended September 30, 2002, firearms segment net sales increased by $7.4 million or 7.3% to $108.4 million, compared to the corresponding 2001 period. Firearms unit shipments decreased 14.5% for the three month period and increased 5.2% for the nine month period ended September 30, 2002 from the comparable 2001 periods. The unit decrease for the quarter ended September 30, 2002 reflects an overall softness in demand compared with unusually strong demand in the third quarter of 2001. The increase for the nine month period ended September 30, 2002 reflects increased demand during the first half of 2002 for pistols, rifles, and single action revolvers. In 2002, the Company instituted a sales incentive program for its distributors which allows them to earn rebates of up to 1.5% if certain annual overall sales targets are achieved. This program replaces a similar sales incentive program in 2001 which allowed rebates of up to 5% if certain annual overall sales targets were achieved. On August 1, 2002, a consumer-driven sales incentive program for certain hunting rifles and revolvers commenced.

Casting segment net sales increased by $0.3 million or 5.4% to $5.8 million in the three months ended September 30, 2002 from $5.5 million in the third quarter of 2001. For the nine months ended September 30, 2002, casting segment net sales decreased $3.8 million or 17.4% to $17.9 million. The reduction in casting segment sales for the nine months ended September 30, 2002 from the comparable 2001 period was due to an apparent weakened demand for both steel and titanium castings. The Company anticipates that total casting segment sales in 2002 may be below the level achieved in 2001. The Company continues to actively pursue other casting business opportunities.

Consolidated cost of products sold for the third quarter of 2002 and the nine months ended September 30, 2002 was $31.1 million and $97.1 million compared to $32.9 million and $95.3 million in the corresponding 2001 periods, respectively, representing a decrease of 5.6% for the quarter and an increase of 1.9% for the nine month period. The decrease for the quarter reflects the decrease in firearms sales, partially offset by the increase in castings sales. Conversely, the increase for the nine month period was primarily attributable to increased firearms sales, partially offset by a decline in casting segment sales.

For the third quarter of 2002, gross profit as a percent of net sales decreased to 18.2% from 19.9% in the third quarter of 2001. Gross profit as a percentage of net sales increased to 23.1% for the nine month period ended September 30, 2002 from 22.3% for the nine month period ended September 30, 2001. Margin erosion in the quarter ended September 30, 2002 was primarily caused by reduced firearms sales and the deterioration of castings margins. The improvement for the nine month period ended September 30, 2002 is attributable to increased firearm sales and the reversal of an overaccrual related to a pistol rebate program that ended December 31, 2001, partially offset by the deterioration of castings margins caused in part by declining castings sales.

Selling, general and administrative expenses increased $0.8 million to $5.2 million for the quarter ended September 30, 2002 compared with the prior year period principally reflecting increased national advertising expenditures. Selling, general and administrative expenses remained consistent for the nine months ended September 30, 2002 and 2001.

Other income-net decreased by $0.1 million and $1.2 million in the quarter and nine months ended September 30, 2002, respectively, compared to the corresponding 2001 periods. The decrease for both periods in 2002 is due to decreased earnings on short-term investments as a result of declining interest rates and reduced principal.

The effective income tax rate of 40.1% in the third quarter and nine months ended September 30, 2002 increased slightly from the income tax rate of 39.2% in the corresponding periods in 2001.

As a result of the foregoing factors, consolidated net income for the three and nine months ended September 30, 2002 decreased to $1.4 million and increased to $8.8 million, respectively, from $2.7 million and $8.6 million for the three and nine months ended September 30, 2001, respectively.

Financial Condition

At September 30, 2002, the Company had cash, cash equivalents and short-term investments of $62.4 million, working capital of $109.7 million and a current ratio of 4.9 to 1.

Cash provided by operating activities was $12.6 million and $4.3 million for the nine months ended September 30, 2002 and 2001, respectively. The increase in cash provided in 2002 is principally a result of the increase in inventories in 2001 compared to the decrease in inventories in 2002.

The Company follows an industry-wide practice of offering a "dating plan" to its firearms customers on selected products, which allows the purchasing distributor to buy the products commencing in December, the start of the Company's marketing year, and pay for them on extended terms. Discounts are offered for early payment. The dating plan provides a revolving payment plan under which payments for all shipments made during the period December through February must be made by April 30. Generally, shipments made in subsequent months must be paid within approximately 90 days. Dating plan receivable balances were $9.3 million at September 30, 2002 compared to $8.3 million at September 30, 2001. The Company has reserved the right to discontinue the dating plan at any time and has been able to finance this dating plan from internally generated funds provided by operating activities.

Capital expenditures during the nine months ended September 30, 2002 totaled $1.8 million. For the past two years capital expenditures averaged approximately $1.1 million per quarter. For the fourth quarter of 2002, the Company expects to spend approximately $2 million on capital expenditures to upgrade and modernize manufacturing equipment. The Company finances, and intends to continue to finance, all of these activities with funds provided by operations.

For the nine months ended September 30, 2002 dividends paid totaled $16.1 million. This amount reflects the regular quarterly dividend of $.20 per share paid in March, June and September 2002. On October 24, 2002 the Company declared a regular quarterly dividend of $.20 per share payable on December 15, 2002. Future dividends depend on many factors, including internal estimates of future performance and the Company's need for funds.

Historically, the Company has not required external financing. Based on its cash flow and unencumbered assets, the Company believes it has the ability to raise substantial amounts of short-term or long-term debt. The Company does not anticipate any need for external financing through 2002.

In conjunction with the sale of its Uni-Cast division in June 2000, the Company extended credit to the purchaser in the form of a note and a line of credit, both of which are collateralized by certain of the assets of Uni-Cast. During July 2002, the Company established an additional collateralized line of credit for the purchaser and, as of September 30, 2002, the total amount due from the purchaser was $2.2 million. The Company purchases aluminum castings used in the manufacture of certain models of pistols exclusively from Uni-Cast.

The sale, purchase, ownership, and use of firearms are subject to thousands of federal, state and local governmental regulations. The basic federal laws are the National Firearms Act, the Federal Firearms Act, and the Gun Control Act of 1968. These laws generally prohibit the private ownership of fully automatic weapons and place certain restrictions on the interstate sale of firearms unless certain licenses are obtained. The Company does not manufacture fully automatic weapons, other than for the law enforcement market, and holds all necessary licenses under these federal laws. From time to time, congressional committees review proposed bills relating to the regulation of firearms. These proposed bills generally seek either to restrict or ban the sale and, in some cases, the ownership of various types of firearms. Several states currently have laws in effect similar to the aforementioned legislation.

Until November 30, 1998, the "Brady Law" mandated a nationwide five-day waiting period and background check prior to the purchase of a handgun. As of November 30, 1998, the National Instant Check System, which applies to both handguns and long guns, replaced the five-day waiting period. The Company believes that the "Brady Law" has not had a significant effect on the Company's sales of firearms, nor does it anticipate any impact on sales in the future. The "Crime Bill" took effect on September 13, 1994, but none of the Company's products were banned as so-called "assault weapons." To the contrary, all the Company's then-manufactured commercially-sold long guns were exempted by name as "legitimate sporting firearms." The Company remains strongly opposed to laws which would restrict the rights of law-abiding citizens to lawfully acquire firearms. The Company believes that the lawful private ownership of firearms is guaranteed by the Second Amendment to the United States Constitution (a position adopted by the U.S. Court of Appeals for the 5th Circuit in the case of U.S. v. Emerson on October 16, 2001) and that the widespread private ownership of firearms in the United States will continue. However, there can be no assurance that the regulation of firearms will not become more restrictive in the future and that any such restriction would not have a material adverse effect on the business of the Company.

The Company is a defendant in numerous lawsuits involving its products and is aware of certain other such claims. The Company has expended significant amounts of financial resources and management time in connection with product liability litigation. Management believes that, in every case, the allegations are unfounded, and that the shootings and any results therefrom were due to negligence or misuse of the firearms by third-parties or the claimant, and that there should be no recovery against the Company. Defenses further exist to the suits brought by cities, municipalities, counties, and a state attorney general based, among other reasons, on established state law precluding recovery by municipalities for essential government services, the remoteness of the claims, the types of damages sought to be recovered, and limitations on the extraterritorial authority which may be exerted by a city, municipality, county or state under state and federal law, including State and Federal Constitutions.

The only case against the Company alleging liability for criminal shootings by third-parties to ever be permitted to go before a jury, Hamilton, *et. al.* v. Accu-tek, *et. al.*, resulted in a defense verdict in favor of the Company on February 11, 1999. In that case, numerous firearms manufacturers and distributors had been sued, alleging damages as a result of alleged negligent sales practices and "industry-wide" liability. The Company and its marketing and distribution practices were exonerated from any claims of negligence in each of the seven cases decided by the jury. The Court upheld the verdict of the jury and dismissed each case as to the Company in its later opinion. The three defendants found liable filed a notice of appeal from the Court's decision. On August 16, 2000, the U.S. 2nd Circuit Court of Appeals certified certain questions to the Appellate Division of the New York State Supreme Court for resolution. On April 26, 2001, the Appellate Division of the New York State Supreme Court responded to the U.S. 2nd Circuit Court of Appeals' certified questions. The questions involved whether firearms manufacturers have a legal duty to prevent criminal misuses of their lawfully-sold products and whether any liability of the firearms manufacturers should be apportioned by a market share theory. The New York State Appellate Division answered both questions in the negative. On August 30, 2001, the United States Court of Appeals for the 2nd Circuit vacated and remanded the case with instructions for the trial court to enter a final judgment of dismissal. The trial court finally dismissed the case on its merits on September 17, 2001.

Of the lawsuits brought by municipalities or a state Attorney General, 10 have been dismissed as a matter of law. Six of those cases are concluded (Atlanta – dismissal by intermediate Appellate Court, no further appeal; Bridgeport – dismissal affirmed by Connecticut Supreme Court; County of Camden – dismissal affirmed by Third Circuit Court of Appeals; Miami – dismissal affirmed by intermediate Appellate Court, Florida Supreme Court declined review; New Orleans – dismissed by Louisiana Supreme Court, United States Supreme Court declined review; and Philadelphia – Third Circuit Court of Appeals affirmed dismissal, no further appeal). On June 12, 2002, the Ohio Supreme Court voted 4-3 to reverse the dismissals of the Cincinnati case by the trial and appellate courts and remanded the case to the trial court for discovery proceedings. On September 20, 2002, the Indiana Court of Appeals affirmed the dismissal of the Gary case by the trial court and plaintiffs have filed a request for appeal to the Indiana Supreme Court. The remainder (Chicago and New York State) are on appeal from their complete dismissal. An 11th case, Boston, was voluntarily dismissed with prejudice by the City at the close of fact discovery and is now concluded.

Of the remaining cases in which the Company has been served with process, two (Detroit/Wayne County and Newark) are on appeal from partial dismissal, two (Cleveland and New York City) are stayed, three (Camden City, St. Louis and Washington, DC) have pending motions to dismiss at the trial level, one (Wilmington) has a pending motion for summary judgment, and one (the consolidated California case) is proceeding with discovery following dismissal of certain damage claims.

Legislation has been passed in approximately 30 states precluding suits of the type brought by the municipalities mentioned above.

The Company's management reviews every lawsuit and claim at the outset and is in contact with independent and corporate counsel on an ongoing basis. The provision for product liability claims is based upon many factors, which vary for each case. These factors include the type of claim, nature and extent of injuries, historical settlement ranges, jurisdiction where filed, and advice of counsel. An accrual is established for each lawsuit and claim, when appropriate, based on the nature of each such lawsuit or claim.

Amounts are charged to product liability expense in the period in which the Company becomes aware that a claim or, in some instances a threat of claim, has been made when potential losses or costs of defense can be reasonably estimated. Such amounts are determined based on the Company's experience in defending similar claims. Occasionally, charges are made for claims made in prior periods because the cumulative actual costs incurred for that claim, or reasonably expected to be incurred in the future, exceed amounts already provided. Likewise credits may be taken if cumulative actual costs incurred for that claim, or reasonably expected to be incurred in the future, are less than amounts previously provided.

While it is not possible to forecast the outcome of litigation or the timing of costs, in the opinion of management, after consultation with independent and corporate counsel, it is not probable and is unlikely that litigation, including punitive damage claims, will have a material adverse effect on the financial position of the Company, but may have a material impact on the Company's financial results for a particular period.

In the normal course of its manufacturing operations, the Company is subject to occasional governmental proceedings and orders pertaining to waste disposal, air emissions and water discharges into the environment. The Company believes that it is generally in compliance with applicable environmental regulations and the outcome of such proceedings and orders will not have a material adverse effect on its business.

The Company expects to realize its deferred tax assets through tax deductions against future taxable income or carry back against taxes previously paid.

Inflation's effect on the Company's operations is most immediately felt in cost of products sold because the Company values inventory on the LIFO basis. Generally under this method, the cost of products sold reported in the financial statements approximates current costs, and thus, reduces distortion in reported income which would result from the slower recognition of increased costs when other methods are used. The use of historical cost depreciation has a beneficial effect on cost of products sold. The Company has been affected by inflation in line with the general economy.

Subsequent to the passage of the Sarbanes-Oxley Act of 2002, the Company extended approximately $35,000 of credit to an officer of the Company. This extension of credit may have been in violation of the Sarbanes-Oxley Act of 2002. In recognition of this potential violation, this officer subsequently repaid this balance to the Company.

Forward-Looking Statements and Projections

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, a state attorney 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to changes in prevailing market interest rates affecting the return on its investments but does not consider this interest rate market risk exposure to be material to its financial condition or results of operations. The Company invests primarily in United States Treasury instruments with short-term (less than one year) maturities. The carrying amount of these investments approximates fair value due to the short-term maturities. Under its current policies, the Company does not use derivative financial instruments, derivative commodity instruments or other financial instruments to manage its exposure to changes in interest rates or commodity prices.

ITEM 4. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and President, Chief Operating Officer and Treasurer have both concluded, based on their evaluation within 90 days of the filing date of this report, that the Company's disclosure controls and procedures are adequately designed to ensure that the information the Company is required to disclose in its reports filed or submitted by the Company under the Securities Exchange Act of 1934, as amended, has been recorded, processed, summarized and reported on a timely basis. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls and there have been no corrective actions taken with regard to significant deficiencies and material weaknesses subsequent to the date of such evaluation by the officers.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The nature of the legal proceedings against the Company is discussed in Note 7 to the condensed consolidated financial statements included in this Form 10-Q report, which is incorporated herein by reference.

The Company has reported all cases instituted against it through June 30, 2002, and the results of those cases, where terminated, to the S.E.C. on its previous Form 10-K and 10-Q reports, to which reference is hereby made.

One previously-reported case was formally instituted against the Company during the three months ended September 30, 2002, which involved significant demands for compensatory and/or punitive damages and in which the Company has been served with process;

City of Jersey City v. Company, *et. al.* (NJ) in the Superior Court of New Jersey Law Division, Hudson County. The Company learned of this complaint on March 27, 2002, but was not served until September 19, 2002. The complaint alleges that the defendants have created a public nuisance to the City of Jersey City because of their allegedly negligent marketing and distribution practices. Plaintiffs seek injunctive relief, compensatory and punitive damages, plus other costs to be determined by the Court.

During the three months ending September 30, 2002, no previously-reported cases were settled.

On September 20, 2002, the Indiana Court of Appeals affirmed the dismissal of the previously-reported City of Gary (IN) lawsuit on all counts as to all manufacturers. A request for leave to appeal has been filed with the Indiana Supreme Court.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

- 99.1 Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 99.2 Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) The Company filed a Current Report on Form 8-K relating to the death of William B. Ruger, Company Founder and Chairman Emeritus, on July 10, 2002.

STURM, RUGER & COMPANY, INC.

FORM 10-Q FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002

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 thereunto duly authorized.

STURM, RUGER & COMPANY, INC.

Date: November 4, 2002

S/ERLE G. BLANCHARD
Erle G. Blanchard
Principal Financial and Accounting
Officer, President, Chief Operating
Officer and Treasurer

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William B. Ruger, Jr., Chief Executive Officer of Sturm, Ruger & Company, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sturm, Ruger & Company, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have;

   a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c. presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on the required evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 4, 2002

S/WILLIAM B. RUGER, JR.
William B. Ruger, Jr.
Chief Executive Officer

See also the certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, which are also attached to this report as Exhibits 99.1 and 99.2.

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Erle G. Blanchard, President, Chief Operating Officer and Treasurer of Sturm, Ruger & Company, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sturm, Ruger & Company, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have;

   a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c. presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on the required evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 4, 2002

S/ERLE G. BLANCHARD
Erle G. Blanchard
President, Chief Operating Officer
and Treasurer

See also the certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, which are also attached to this report as Exhibits 99.1 and 99.2.

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sturm, Ruger & Company, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William B. Ruger, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

S/WILLIAM B. RUGER, JR.
William B. Ruger, Jr.
Chief Executive Officer
November 4, 2002

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sturm, Ruger & Company, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Erle G. Blanchard, President, Chief Operating Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

S/ERLE G. BLANCHARD
Erle G. Blanchard
President, Chief Operating Officer
and Treasurer
November 4, 2002