

**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 23, 2008**

**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 8.01 Other Events.**

The Company is furnishing its presentation delivered at its 2008 Annual Meeting on Wednesday, April 23, 2008 (the “Annual Meeting Presentation”). 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/corporate/](http://www.ruger.com/corporate/). 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>
99.1	The Annual Meeting Presentation, delivered at the Company’s Annual Meeting of shareholders on April 23, 2008.

## **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 23, 2008



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

**Annual Meeting**

**April 23, 2008**



**RUGER®**

ARMS MAKERS FOR RESPONSIBLE CITIZENS®

# Caution – Forward Looking Statements

---



Statements made in the course of this meeting that state the Company's or Management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's SEC filings, including but not limited to the Company's reports on Form 10-K for the year ended December 31, 2007 and Form 10-Q for the quarter ended March 29, 2008. Copies of these documents may be obtained by contacting the Company or the SEC or on the Company website at [www.ruger.com/Corporate/](http://www.ruger.com/Corporate/) or the SEC website at [www.sec.gov](http://www.sec.gov). Furthermore, the Company disclaims all responsibility to update forward-looking statements.

# Communications Policy

---



## Investment Community Communications Policy Effective April 11, 2008

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. Written questions are welcome and may be submitted throughout the year and will be addressed, if appropriate, in the MD&A section of the next quarterly filing.
2. No financial forecasts or earnings guidance will be given.
3. We anticipate implementing quarterly conference calls in 2009.
4. We will present at appropriate investor forums, but only during the 4-weeks immediately after a quarterly filing. A current posting of those forums can be found at [www.ruger.com/Corporate/S-Forums.html](http://www.ruger.com/Corporate/S-Forums.html) .

# 2008 Investor Forums

---



Tuesday, April 29, 2008: New York City  
Contact: Eric May, Sandgrain Securities

Thursday, May 1, 2008: Little Rock, Arkansas  
Contact: Paul Swinand, Stephens, Inc.

Monday, May 5, 2008: Boston  
Contact: Eric May, Sandgrain Securities

Tuesday, May 6, 2008: Chicago  
Contact: Eric May, Sandgrain Securities

Monday, May 12, 2008: New York  
Contact: Jim Barrett, C. L. King

Tuesday, May 13, 2008: Boston  
Contact: Jim Barrett, C. L. King





# Investment Highlights

---

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

**NYSE: RGR**

**Shares Outstanding: 20.4 Million**

**Price: \$7.64 (4/18/08)**

**Market Capitalization: \$154 Million**

# Company Profile

---



- Trailing 12 Months Sales of \$150.4 million (period ending 03/29/2008)
- Manufacturing Facilities in Newport, NH & Prescott, AZ
- Corporate Office in Southport, CT
- 1,117 Non-Union Employees
- Investment Castings – sell to 25 other Firearms Manufacturers
- Firearms Products:

## Rifles

Single Shot  
Autoloading  
Bolt Action

## Pistols

Rimfire  
Centerfire

## Revolvers

Single Action  
Double Action

## Shotguns

Over & Under

- 2-Step Distribution: sell to 15 wholesale distributors
- 292 Catalog SKUs

# Management Team

---



Michael Fifer

Chief Executive Officer and Director

With Ruger for 1-1/2 years – Age 51

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
- U. S. Navy Nuclear Power School
- MBA from the Harvard Business School

# Management Team

---



Stephen Sanetti

President, General Counsel, and Director

Resigning effective May 1 to become CEO of the  
National Shooting Sports Foundation (NSSF)

# Management Team

---



Tom Dineen

Chief Financial Officer, Treasurer

With Ruger for 11 years – Age 39

Former Audit Manager at KPMG LLP

- BS in Accounting from Boston College

# Management Team

---



Chris Killoy

Vice President of Sales & Marketing

With Ruger for 2-1/2 years – Age 49

19 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

---



## Mark Lang Group Vice President

Joined Ruger in February – Age 51

Former President of Custom Products Division,  
Mueller Industries (NYSE: MLI)

Former manufacturing executive with Thomas & Betts,  
Black & Decker, General Electric

- BS in Environmental Engineering from Florida State
- MS in Industrial Engineering from University of Tennessee
- Graduate of GE Manufacturing Management Program

# Management Team

---



Tom Sullivan

Vice President of Newport Operations

With Ruger for 1-3/4 years – Age 48

Former Manufacturing Executive at IMI Norgren, Rexnord, and TRW Automotive. Tom has extensive experience in manufacturing, supply chain, 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 University of Chicago



# Management Team

---



Steve Maynard

Vice President Lean Business Development

With Ruger for 1 year – Age 53

Former VP of Engineering and CIO of Wiremold

- BS in Engineering from Worcester Polytechnic Institute
- MBA from the Rensselaer Polytechnic Institute

# Management Team

---



Jeff Barger

Exec. Director of Corporate Development

With Ruger since September – Age 51

Former VP Corporate Development of Dynatech. Experienced entrepreneur.

- BA in Economics and BS in Political Science from Denison

# Management Team

---



## Leslie Gasper Corporate Secretary

With Ruger for 34 years – Age 39 and holding...

- Associate of Arts from Fairfield University

# Product Demand

---



- Ruger Brand Strength
  - Rugged, reliable firearms products priced at a good value to consumers
- Markets Ruger participates in:
  - Sporting firearms for hunting, target shooting, and plinking
  - Striker-fired pistols (SR9) – Launched October 18, 2007
  - Compact carry pistols (LCP) – Launched February 2, 2008
- Higher growth markets Ruger has not participated in:
  - Compact carry revolvers
  - AR-15 style rifles

# Product Demand



	2008	2007			
	Q1	Q4	Q3	Q2	Q1
<b>Bookings</b>					
Orders Received	\$73.8	\$32.8	\$25.4	\$39.1	\$58.9
Units Ordered	260,100	113,100	80,900	115,300	175,700
Average Unit Value of Bookings	\$257	\$262	\$284	\$307	\$303

	2008	2007			
	Q1	Q4	Q3	Q2	Q1
<b>Shipments</b>					
Firearms Revenue	\$40.7	\$31.7	\$29.3	\$39.6	\$43.6
Units Shipped	137,700	111,900	98,600	129,600	141,700
Average Sell Price	\$296	\$283	\$297	\$305	\$308

	2008	2007			
	Q1	Q4	Q3	Q2	Q1
<b>Backlog</b>					
Ending Backlog	\$40.7	\$17.9	\$16.2	\$23.3	\$27.9
Units in Backlog	157,100	36,500	35,700	53,400	68,300
Average Unit Value of Backlog	\$234	\$444	\$411	\$395	\$370

Orders Received, Firearms Revenue, and Ending Backlog in millions



# Product Demand

- Aggressive new product development
- Line extensions in existing firearms category and niche special runs and limited editions
- New opportunities for licensing and accessory sales
- Increasing the size of the field sales force
- Partnerships

**NRA**  
Mini-14 Rifle

NRA Mini-14® Rifle | M-14/20C-NRA  
223 Rem. | Blued Alloy Finish | Hogue® OverMolded™ Stock

This special limited edition Mini-14 will raise money for the NRA Institute for Legislative Action and features a blued finish 15-1/8" barrel in a Patented stock Hogue® OverMolded™ stock. It also has a special NRA crest in the serial number and a NRA gold-tone logo medallion in the grip cap. This special rifle is chambered for 223 Remington and ships with two 20-round magazines. These rifles will only be produced in 2008.

"We are extremely pleased to be partnering with the NRA on this special project Mini-14 to support the Institute for Legislative Action," said Ruger President Stephen L. Sanetti. "It is very important that we, as an industry and as individuals, support the efforts of the I.L.A. as they work to protect our Second Amendment rights. A portion of the sales from each rifle will go to the NRA-I.L.A. to support their ongoing efforts. This project is also made possible through the support of Hogue Stocks, one of our key vendors, and through our distributors."

The Ruger® Mini-14® series of rifles has been extremely popular since first introduced in 1974. Long considered simple, rugged, and reliable, these rifles have proven so popular around the woods, farm, and ranch that they earned the nickname "Ranch Rifle," which is the name Ruger now uses to describe all Mini-14 rifles that come from the factory with integral scope mounting features.

Patented Hogue® OverMolded™ stocks are constructed by molding a super strong and rigid fiberglass reinforced insert or "skeleton" that precisely fits the firearms action. The stock is then "OverMolded" with an exclusive rubber compound. This provides the ultimate in shooting comfort, is non-slip in adverse weather and creates a super quiet finish while working in wooded or brushy country.

Established in 1975, the Institute for Legislative Action (I.L.A.) is the legislative arm of the National Rifle Association of America. I.L.A. is committed to preserving the right of all law-abiding individuals to purchase, possess and use firearms for legitimate purposes as guaranteed by the Second Amendment to the U.S. Constitution.

**NRA Gold-tone Medallion in Grip Cap**  
**Hogue® OverMolded™ Stock**  
**Two .223 Rem. 20-round Magazines**  
**16-1/8" Barrel with Blued Finish**

RUGER / 1 LACEY PLACE / SOUTHPORT, CT 06890 / WWW.RUGER.COM

THE RUGER LCP. WHEN AND WHERE YOU NEED IT.

LEGENDARY **RUGER RELIABILITY**  
**IN A SMALL PACKAGE.**

Introducing the New Ruger® LCP™, a .380 Auto from the industry leader in rugged, reliable firearms. From backup firearms for law enforcement to licensed carry for personal protection, the LCP™ is perfect for both male and female shooters. The ultralight LCP™ was designed with the shooter in mind, so it is as affordable as it is comfortable. The New Ruger® LCP™, another great product from one of America's Leading Firearms Manufacturers.

**THE NEW RUGER LCP :**

Caliber:	.380 Auto	Trigger Pull Length:	.5"
Catalog Number:	LCP	Slide Finish:	Blued
Capacity:	6+1	Slide Material:	Through-Hardened Steel
Barrel:	2.75" Steel	Frame Material:	High-Performance Glass-Filled Nylon
Weight:	8.40 oz.	Includes:	Soft Case Dirt Blower External Locking Device Retention Release
Overall Length:	5.16"	MSRP:	\$330.00
Overall Height:	3.8"		
Overall Width:	.820"		
Trigger Pull Weight:	9 lbs.		

VISIT [WWW.RUGER.COM/LCP/](http://WWW.RUGER.COM/LCP/) FOR MORE INFORMATION ON THE LCP™

**RUGER**

**RUGGED. RELIABLE. READY. RUGER.**

[WWW.RUGER.COM/LCP/](http://WWW.RUGER.COM/LCP/)

**It's a Damn Fine Gun.**

**The John Wayne Centennial Vaquero.**  
A reflection of 100 years of the finest American values. Inspired by a legend who told it like it was. Conceived on America's most popular single action .45. Designed by an American master engraver. Available at America's Finest Stocking Dealers.

For a list of TALO wholesalers visit [www.talohc.com](http://www.talohc.com).

**RUGER** 100 YEARS

© 2008 Ruger. All rights reserved. Ruger, the Ruger logo, and the John Wayne Centennial Vaquero are registered trademarks of Ruger Corporation. The John Wayne Centennial Vaquero is a registered trademark of Ruger Corporation. All rights reserved. Ruger, the Ruger logo, and the John Wayne Centennial Vaquero are registered trademarks of Ruger Corporation. All rights reserved.

# Product Demand

---



New Products in 2007 and Q1 2008:

- Hawkeye Bolt Action Rifles including .375 Ruger
- Mini-14 Target Rifle
- SR9
- SP101 in .327 Federal Magnum
- Charger pistol
- Ruger Compact Magnums in .300 RCM and .338 RCM
- NRA Mini-14
- LCP





# Product Demand



## Ruger SR9





# Product Demand

---



## 22 Charger Pistol



# Product Demand



## Ruger LCP



# Product Demand



## New style of product launches





# Product Demand



Formerly Gun List THE WORLD'S FOREMOST GUN AUTHORITY

**GUNS** WIN A FREE **KIMBER TEAM MATCH II .45 ACP!** RIGHTS WATCH! pg. 60  
17 SHOT 9MM! RUGER'S RELIABLE SR9 PISTOL PERFECTION!

**GUN Digest** THE MAGAZINE  
SR9! YOUR FIRST LOOK AT RUGER'S NEW PISTOL!

**HANDGUNS** 25+ NEW GUNS FOR '08  
RUGER SR9 EXCLUSIVE 15,000-ROUND TORTURE TEST  
GUN TESTS IN THIS ISSUE  
STI OFF DUTY LES BAER COMBAT

**Gun Week** The New Informing Gunowners Since 1966  
Ruger's New SR9 Pistol

**RUGER** BUYER'S GUIDE AND CATALOG  
ALL NEW! SR9™

**SHOOTER'S GUIDE 2008** PREMIER ISSUE! THE HOTTEST GEAR NOW!  
RIFLES! 2008'S BEST NEW MODELS REVEALED!  
SHOTGUNS! EXPERTS PICK THE YEAR'S BEST NEW SCATTERGUNS!  
HANDGUNS! RUGER'S NEW SR9 LEADS THE PACK!  
PLUS OPTICS, LASERS, AMMO, KNIVES AND ACCESSORIES!

**SHOOTING Illustrated** February 2008  
NRA Home-Defense Tactics: Surviving The Fatal Funnel  
Inside SHOT Show The Hottest Gear for 2008  
Surprise Strike Ruger SR9  
Perfect Storm First Look at Beretta's Px4 .45  
The New Model 70 Better Than Ever?

**GUNS & AMMO** 50 YEARS 2008  
EXCLUSIVE! Ruger's Ultra-Slim SR9  
1000 Round TEST  
Wide-Body Whack! BROAD MEPLAT  
Bullets on Safari  
VAN ZWOLL SHOOTS The .300 RCM  
Empire Builder: Britain's Martini-Henry

M77® Hawkeye®  
Mini-14® Target Rifle

The 9 mm SR9 is Ruger's first carbon-fiber pistol.



# Product Demand



FEBRUARY 2008

## Special Handgun Is

# SHOOTING

Engaging Articles For Active Shooters

TIME

Move Over  
There's A  
Magnum In

### 4" Redhawk

**.32**  
Feder  
Magn

Springfield's New Night Light  
World's Deadliest Bullet Turns 60  
Simpson's Favorite .358 Win. Loads

**.375 H&H—**  
All The Cartridge You Need

Sako's New 85

www.shootingtimes.com

BROWNING'S 'SILVER' AUTO SHOTGUN

ROCK RIVER'S BASIC CARRY .45

# GUN WORLD

FOR LAPD'S ELITE:  
KIMBER'S 'SIS' PISTOLS

RUGER'S 'PACKING' .44 MAGNUM

## REDHAWK

FIRE AND ICE!  
WINTER BIATHLON

TACTICAL:  
ADVANCED AK-47s FROM ROMANIA

MARCH 2008 • VOLUME 49, NO. 3

www.gunworld.com

KEL-TEC'S .223 AUTO PISTOL



# Product Demand



## New Print Approach



**SP101**

You can never be too prepared.

**Fixed Sights**  
Full-sized fixed sights make targeting easy.

**Solid Steel Frame**  
Solid steel frame with no side-plate inserts at the reliability and durability of a Ruger.

**The Ruger® SP101®**  
ASP-121X  
.357 Magnum

**Rubber Grip**  
Cast-inlaid rubber grip with no exposed metal in the back strap is ergonomic and comfortable.

**Cylinder Design**  
Patented triple-locking cylinder design locks the cylinder to the frame at the front, rear and bottom for added strength.

**Easy Maintenance**  
Easy to maintain, with no special tools required, for no hassle maintenance.

Design  
Design  
Design  
Design

...een this easy.  
... female shooter. Its small frame and  
...mbered in .357 Magnum, the SP101®

**RUGER**  
AUGUST MARKER FOR RESPONSIBLE CITIZENSHIP™

VISIT WWW.RUGER.COM

**NEW COLLECTOR'S EDITION**

**2008 RUGER**  
BUYER'S GUIDE AND CATALOG

**ALL NEW! SR9**  
SLIMLINE NINE

**EXCLUSIVE REVIEWS**  
PLUS A FULL COLOR 42 PAGE CATALOG

**17+1 ROUNDS!**

**M77® Hawkeye®**

**Mini-14® Target Rifle**

**\$7.99 US**  
DISPLAY UNTIL MARCH 21, 2008

www.ruger.com

0 19992 30314 1

# Product Demand



## New Web Approach

The screenshot displays the Ruger Auction website interface. At the top, the logo reads "RUGER AUCTION" with a "Click here to register" link. A navigation bar includes links for Home, Auction Overview, Payment Procedures & Fees, Site Usage Agreement, and Sign In. The main content area is titled "Currently for Auction:" and features a large image of a "Ruger Security Six Double Action Revolver in 9mm". Below the main image is a grid of eight smaller thumbnail images showing various views of the revolver, including the front, side, and the original wooden box. The website is surrounded by vertical banners on the left and right sides, including one for "DOW with" and another for "WINT".

# Product Demand



## Television

**RUGER** ARMS MAKERS FOR RESPONSIBLE CITIZENS® Site Search by Google Go

Firearms Product Service News & Resources On-line Store

RUGER'S ADVENTURES on VERSUS™ **VERSUS VS**

### 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.

**VERSUS VS**

RUGER'S ADVENTURES  
EPISODES:

**Colorado Elk**  
Join us as we hunt elk at Keyah Grande in Durango, Colorado with Steve Le Blanc, an artistic bronze sculptor.  
Watch Episode Preview [»](#)

**Texas Whitetail**  
In this jaw-dropping episode, watch former Mrs. Nebraska 2003, Olivia Angelloz, blast away the competition as she hunts a Texas whitetail for the very first time!  
Watch Episode Preview [»](#)

th of  
names



# Product Demand



## Partnerships

- InterMedia
- Hornady
- Federal Ammunition
- Down Range TV
- Hogue
- NRA
- Crimson Trace
- Burris
- Big Rock



# Product Demand

---



## New Licensing Partnership

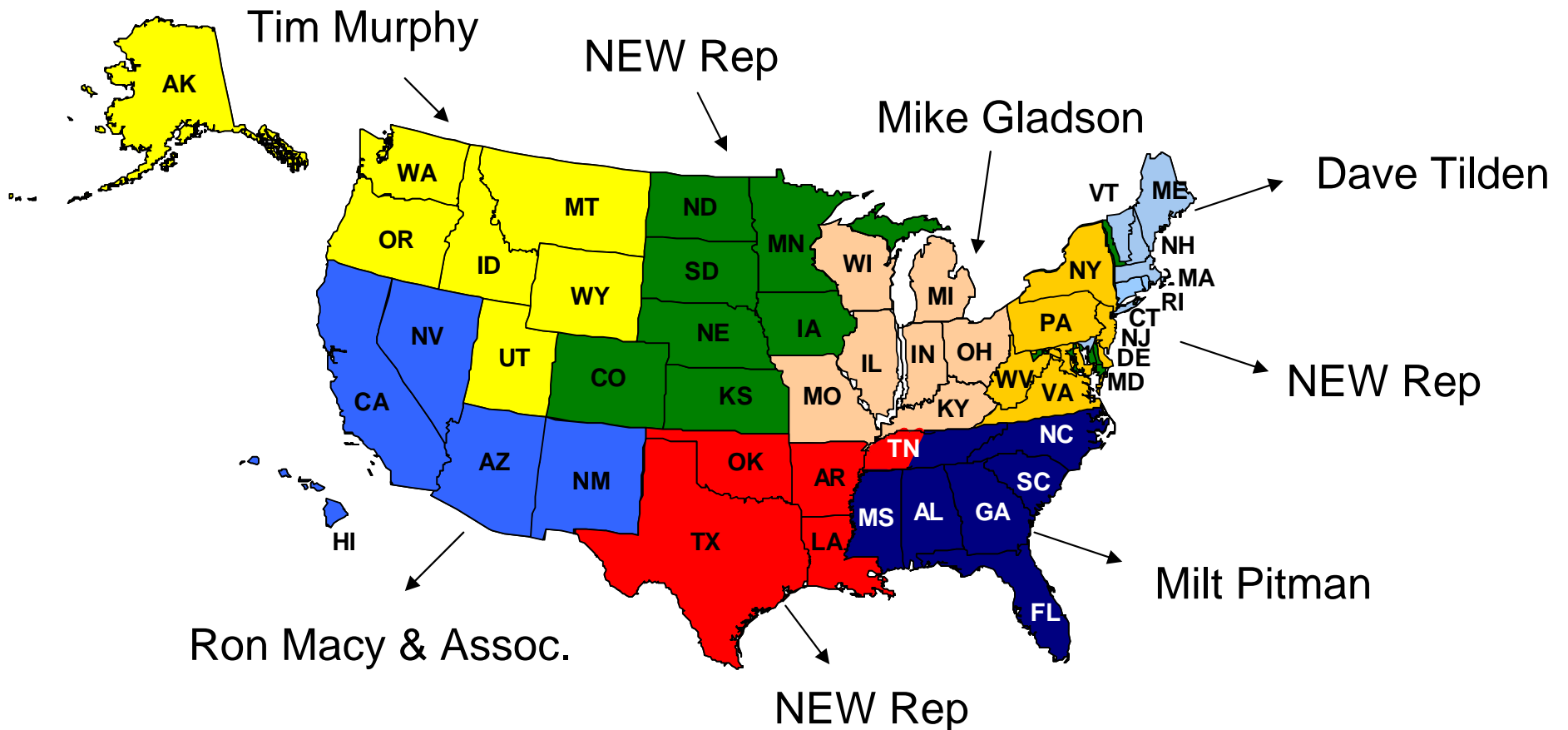
- UMAREX



# Product Demand



Co-Op Advertising  
Retail Training  
Increased Sales Team





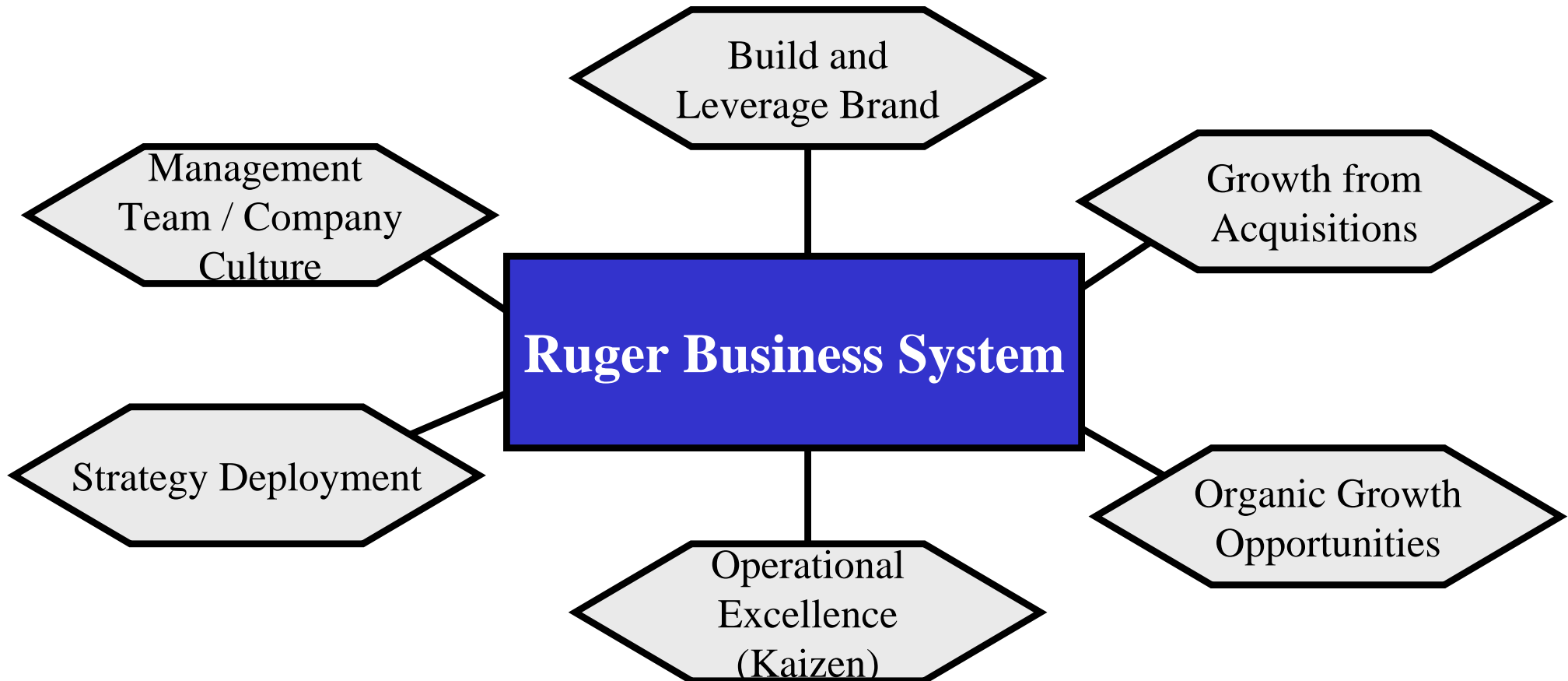
# Ruger Business System

---

- 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 our customers at the lowest possible cost.

**Ruger Business System**

# Ruger Business System



# Ruger Business System

---



- Bill Ruger, Sr. set the direction for the Company for 50+ years
- New management team
  - First priority – fix the base business
  - Clean up the balance sheet
  - 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 specific initiatives for the upcoming year

# Ruger Business System

---



## Breakthrough Objectives:

- 100% Customer Service, 100% Fill, On-Time
  - 2 hours for catalog SKUs
  - Promised lead time for special make-up SKUs
- 20% Productivity Improvement Each Year
- 20% Operating Profit
- 12x Inventory Turns
- 50% Reduction in Scrap/Rework Each Year
- Double In Size Every 3-5 Years
- 33% of Sales from Products Launched in Past 2 Years
  
- Reduce Product Development Time: Derivative-3 months;  
Platform-6 months; Breakthrough-12 months



# Caution – Forward Looking Statements

---



Statements made in the course of this meeting that state the Company's or Management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's SEC filings, including but not limited to the Company's reports on Form 10-K for the year ended December 31, 2007 and Form 10-Q for the quarter ended March 29, 2008. Copies of these documents may be obtained by contacting the Company or the SEC or on the Company website at [www.ruger.com/corporate/](http://www.ruger.com/corporate/) or the SEC website at [www.sec.gov](http://www.sec.gov). Furthermore, the Company disclaims all responsibility to update forward-looking statements.



# Ruger Business System

---



## 2008 Strategy Deployment:

- Increase product demand
- Execute new product plan
- Seek complimentary acquisitions
- Re-engineer existing product lines
- Increase production capacity to fill existing orders and build safety stock inventory of finished goods
- Continue lean transformation
- Get out of the Dorr building
- Reduce cost of goods sold



# Ruger Business System

---

2008 Strategy Deployment (continued):

- Reduce breakeven point
- Eliminate need for 3 out of 4 quarterly physical inventories per year
- Upgrade information systems
- Start to develop a learning culture
- Develop a culture of safety awareness

# Product Manufacturing

---



In Late 2006, started going lean (adopting a Toyota-style production system):

- Relentless, ongoing effort to eliminate waste
- Implementation of single-piece flow cells and pull systems
- Reduction of inventory
- Required:
  - Complete cultural change
  - Change from piece rate to hourly pay system
  - Change from one annual order to frequent orders on demand at distributor convenience
  - Major re-layout of the operations to accommodate flow cells rather than movement of large batches of inventory
  - Significant engineering resources

# Product Manufacturing

---



## 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**

# Product Manufacturing

---



## 10/22 Receiver Before Kaizen





# Product Manufacturing



## 10/22 Receiver After Kaizen



# Product Manufacturing



## 10/22 Receiver Kaizen Results

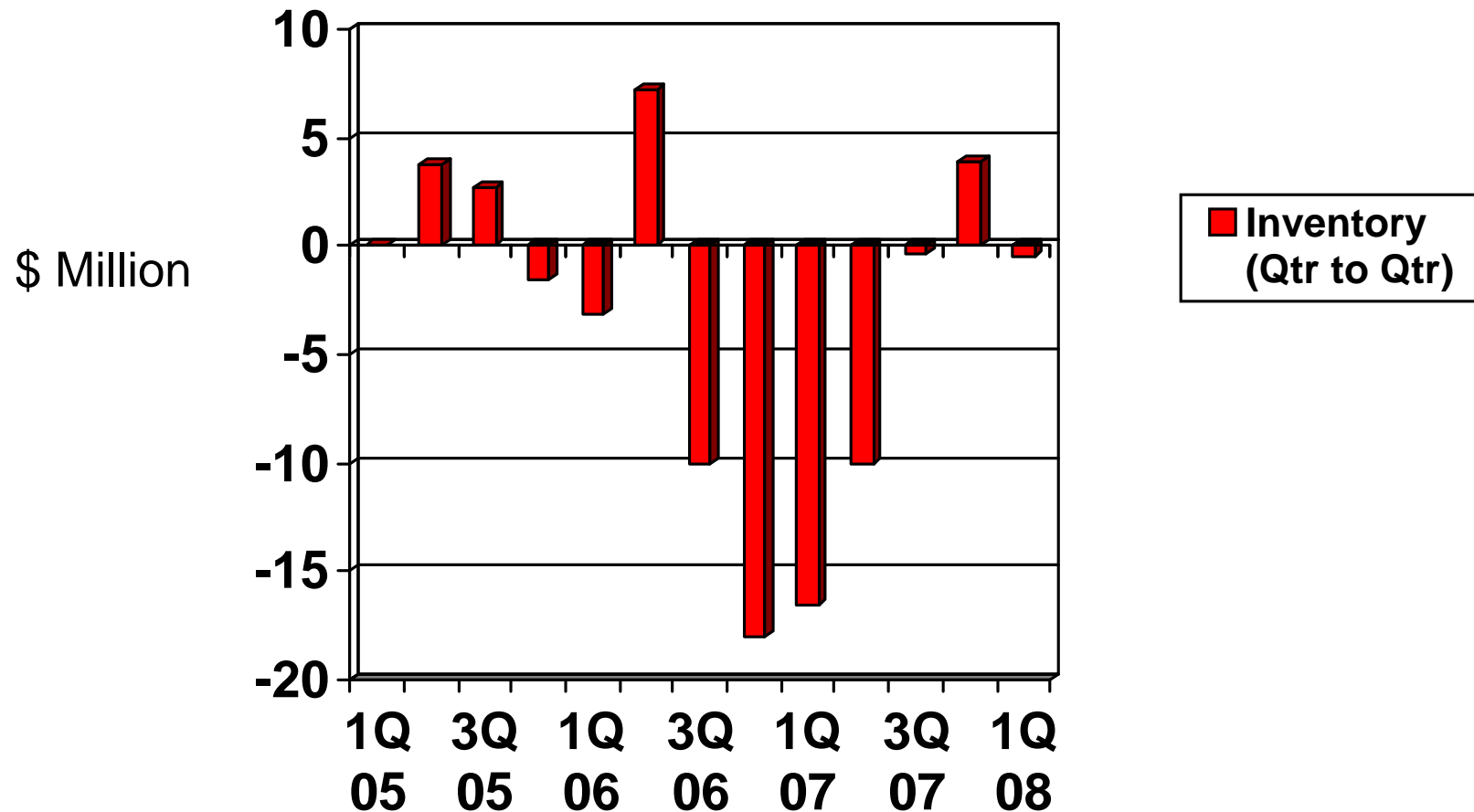
	Before	After	Improvement
Floor Space	737 sq. ft.	433 sq. ft.	41% reduction
Part travel distance	1,469 ft.	62 ft.	96% reduction
WIP Inventory	15,623	4,590	70% reduction
Production Output	750	800	7% increase
# of Operators	7	6	14% reduction
Productivity (pcs/hr)	11.1	16.7	50% increase



# Product Manufacturing

## Improved Material Management

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



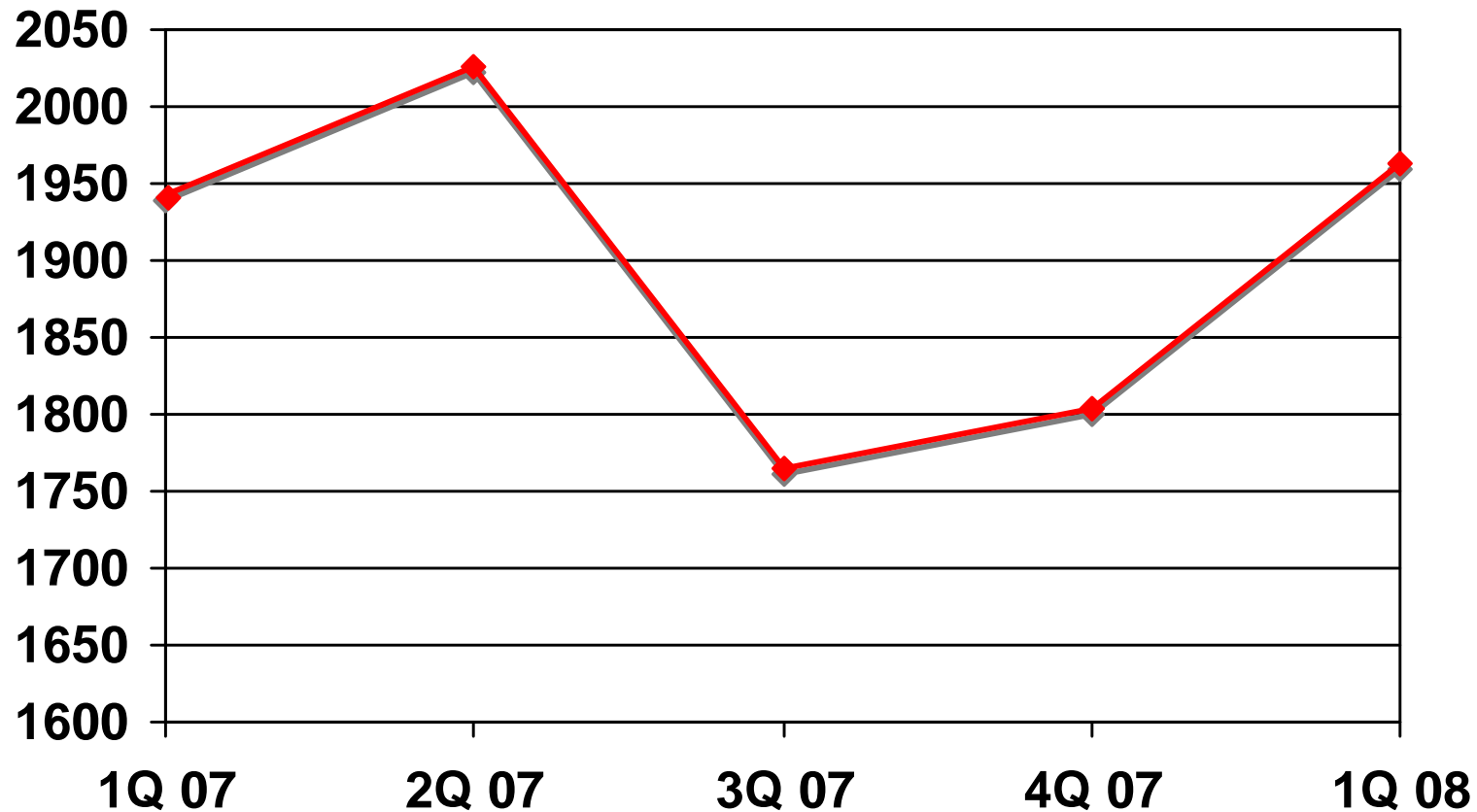
\$23.1 million of inventory reduction in 2007





## Average Daily Production of Firearms

- Steady improvement in Q1 2008 compared to Q2 and Q3





# Corporate Governance

---



## 2007 Changes

- Chairman of the Board shall be an independent Director, and an independent Director shall be Lead Director in the absence of the Chairman
- Executive session of the independent Directors shall be held in conjunction with each regularly scheduled Board meeting
- Amended 2007 Stock Incentive Plan to clarify that options may never be re-priced
- Any stock option or restricted stock awards shall only be granted on the 4<sup>th</sup> business day following the filing of a 10-Q or 10-K



# Corporate Governance

---

- Majority of stock options are subject to performance-based vesting
- Multiple bonus plans consolidated down to one, performance-based program for all participants
- For all officers, the performance-based bonus program is partially paid in deferred stock with 3-year vesting and 1-year mandatory post-vesting holding period
- Shifted retirement benefits from defined-benefit plans to 401(k) defined-contribution plan



# Investor Communications

---

## Value-relevant Information

- Product Demand
- Product Manufacturing
- Earnings
- Balance Sheet
- Significant Events
- Transparency



# Enhanced Transparency

---

- **Financial Statements**

- Added LIFO and E&O reserve detail to balance sheet
- Full cash flow statement included in Form 10-Q

- **Management's Discussion and Analysis (MD&A)**

- Simplified wording to make it easier to read
- Unit Data Table
- Orders received and ending backlog table
- Detailed discussion of orders received and production
- Detailed gross margin table
- Detailed discussion of accounting charges including:
  - LIFO, E&O, Product Liability, Overhead Rate Change
- Discussion of E&O Reserve Methodology



# Enhanced Transparency

---

- **Form 10-K**

- Conformed litigation and legislation disclosures with introductory parenthetical
- Accounts receivable table for top customers
- Sales table for top customers

- **Q3 Shareholders Letter**

- Special circumstances triggered need for prompt, enhanced communications
- Detailed review of value-relevant information, including internal analyses

# Gross Margin



## Consolidated Operating Results

Consolidated	2008 Q1		2007 Q4		2007 Q3		2007 Q2		2007 Q1	
<b>Net Sales</b>	\$ 42,506	100%	\$ 34,058	100%	\$ 31,864	100%	\$ 42,107	100%	\$ 48,456	100%
Total Cost of Products sold, based on LIFO and overhead rate adjustments to inventory, product liability, and product recall	30,819	72.5%	30,667	90.0%	25,463	79.9%	31,479	74.8%	35,561	73.4%
<b>Performance gross margin</b>	<b>11,686</b>	<b>27.5%</b>	<b>3,391</b>	<b>10.0%</b>	<b>6,400</b>	<b>20.1%</b>	<b>10,628</b>	<b>25.2%</b>	<b>12,896</b>	<b>26.6%</b>
LIFO expense (income)	98	0.2%	1,729	5.1%	(237)	-0.7%	(6,144)	-14.6%	(4,423)	-9.1%
O/H rate adjustments to inventory	(464)	-1.1%	(3,583)	-10.5%	760	2.4%	2,827	6.7%	1,399	2.9%
Product Liability	189	0.4%	231	0.7%	283	0.9%	817	1.9%	356	0.7%
Product recall expense	1,208	2.8%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>Gross margin</b>	<b>\$ 10,655</b>	<b>25.1%</b>	<b>\$ 5,013</b>	<b>14.7%</b>	<b>\$ 5,595</b>	<b>17.6%</b>	<b>\$ 13,128</b>	<b>31.2%</b>	<b>\$ 15,563</b>	<b>32.1%</b>



# Operating Performance



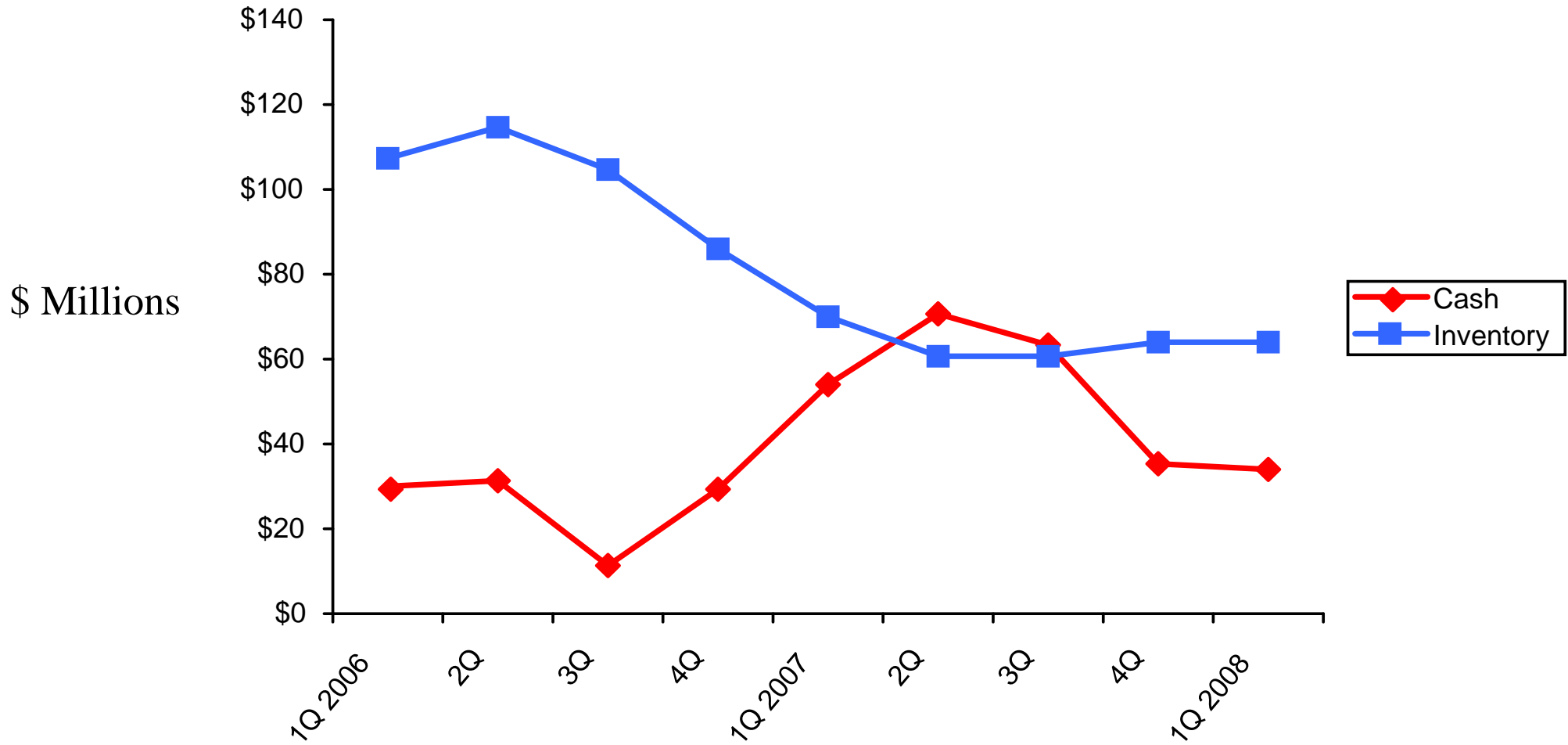
<b>Analysis of Short-term Underlying Operating Performance (All data in 000s except unit data)</b>					
	<b>2008</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Units Ordered	260,084	113,072	80,927	115,312	175,729
Units Produced	124,316	104,902	100,781	131,999	127,237
Units Shipped	137,689	111,857	98,590	129,649	141,736
Daily shipments	2,257	1,929	1,700	2,058	2,250
Reported operating income	\$ 2,326	\$ (2,387)	\$ (2,566)	\$ 6,049	\$ 7,915
Adjustments to analyze underlying operating performance					
LIFO	98	1,730	(238)	(6,143)	(4,423)
O/H rate	(464)	(3,582)	760	2,826	1,400
Severances	707	92	132	190	1,038
E&O reserve	(418)	261	(122)	(443)	(1,025)
Pension curtailment	-	-	1,143	-	-
Asset impairment	-	1,775	489	-	-
Recorded product liability	189	231	282	817	356
SR-9 Retrofit Expense	1,208	-	-	-	-
Total adjustments	1,320	507	2,446	(2,753)	(2,654)
Underlying Operating Performance Comparison	\$ 3,646	\$ (1,880)	\$ (120)	\$ 3,296	\$ 5,261
Underlying Operating Performance Per Day	\$ 60	\$ (32)	\$ (2)	\$ 53	\$ 84

# Cash Flow



	2008	2007			
	Q1	Q4	Q3	Q2	Q1
<b>Cash from Operations</b>					
Operating profit as reported	2,374	(2,387)	(2,565)	6,048	7,915
Less non-cash (income) expense:					
Depreciation	1,117	1,246	1,018	1,017	1,091
LIFO (Income) Expense	98	1,730	(237)	(6,144)	(4,423)
O/H Rate Change (Income) Expense	(464)	(3,583)	760	2,827	1,400
E&O (accrual) reversal	(418)	261	(122)	(443)	(1,025)
Pension Curtailment	-	-	1,143	-	-
Asset impairment	-	1,775	489	-	-
FAS 123(R) cost	104	199	115	106	76
<b>Pre-tax cash from operating profit</b>	<b>2,811</b>	<b>(759)</b>	<b>601</b>	<b>3,411</b>	<b>5,034</b>
<b>Pre-tax cash from Other income</b>					
Cash proceeds from sale of non manufacturing assets	-	-	57	5,106	7,379
Interest Income	163	508	772	746	448
Other income	(195)	31	51	(111)	(108)
<b>Pre-tax cash from Other income</b>	<b>(32)</b>	<b>539</b>	<b>880</b>	<b>5,741</b>	<b>7,719</b>
<b>Income Taxes</b>	<b>(890)</b>	<b>1,376</b>	<b>1,124</b>	<b>(3,435)</b>	<b>(5,396)</b>
<b>Cash used for capital expenditures</b>	<b>(1,932)</b>	<b>(1,340)</b>	<b>(1,824)</b>	<b>(564)</b>	<b>(740)</b>
<b>Cash from balance sheet changes</b>					
(Increase) decrease in accounts receivable	(2,506)	(570)	(1,607)	3,712	836
(Increase) decrease in inventory (net of adjustments above)	818	(224)	(312)	6,853	13,791
(Increase) decrease in prepaids and other assets	(58)	(6,118)	(2,419)	452	245
(Increase) decrease in deferred income taxes	(420)	(2,233)	2,825	972	908
Increase (decrease) in payables and other liabilities	(69)	1,913	(1,647)	(518)	(1,381)
Increase (decrease) in product liability	(99)	(90)	(90)	523	(151)
Increase (decrease) in income taxes	1,007	(447)	(3,412)	(642)	3,858
Tax withholdings on exercise of stock options	-	-	(1,126)	-	-
<b>Cash generated from balance sheet</b>	<b>(1,327)</b>	<b>(7,769)</b>	<b>(7,788)</b>	<b>11,352</b>	<b>18,106</b>
<b>Net cash generated for shareholders</b>	<b>(1,370)</b>	<b>(7,953)</b>	<b>(7,007)</b>	<b>16,505</b>	<b>24,723</b>
<b>Repurchase and retirement of common stock</b>	<b>-</b>	<b>(20,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Inventory and Cash Balance



# Cash Position

---



March 29, 2008 Cash Balance

\$35.2 million

## Possible Uses of Cash

- Acquisitions
- Stock Buyback
- 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
- Recent, Exciting New Product Launches
- Strong Balance Sheet: Well positioned to take advantage of business opportunities as they arise
- Improving Fundamentals

**NYSE: RGR**

**Shares Outstanding: 20.4 Million**

**Price: \$7.64 (4/18/08)**

**Market Capitalization: \$154 Million**

# Questions?

---



# Caution – Forward Looking Statements

---



Statements made in the course of this meeting that state the Company's or Management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's SEC filings, including but not limited to the Company's reports on Form 10-K for the year ended December 31, 2007 and Form 10-Q for the quarter ended March 29, 2008. Copies of these documents may be obtained by contacting the Company or the SEC or on the Company website at [www.ruger.com/Corporate/](http://www.ruger.com/Corporate/) or the SEC website at [www.sec.gov](http://www.sec.gov). Furthermore, the Company disclaims all responsibility to update forward-looking statements.



**RUGER®**

**ARMS MAKERS FOR RESPONSIBLE CITIZENS®**