

**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)  
July 27, 2011**

**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 2.02 Results of Operations and Financial Condition**

On July 27, 2011, the Company issued a press release to stockholders and other interested parties regarding financial results for the second quarter ended July 2, 2011. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The information in this Current Report on Form 8-K and the Exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

Exhibit No.    Description

99.1            Press release of Sturm, Ruger & Company, Inc., dated July 27, 2011, reporting the financial results for the second quarter ended July 2, 2011.

**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,  
Principal Accounting Officer,  
Vice President, Treasurer and  
Chief Financial Officer

Dated: July 27, 2011



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

SOUTHPORT, CONNECTICUT 06890 U.S.A.

FOR IMMEDIATE RELEASE

## STURM, RUGER & COMPANY, INC. REPORTS SECOND QUARTER 2011 EARNINGS OF 57¢ PER SHARE AND DECLARES DIVIDEND OF 14.2¢ PER SHARE

SOUTHPORT, CONNECTICUT, July 27, 2011--Sturm, Ruger & Company, Inc. (NYSE-RGR), announced today that for the second quarter 2011, the Company reported net sales of \$79.6 million and earnings of 57¢ per share, compared with net sales of \$64.4 million and earnings of 43¢ per share in 2010.

For the six months ended July 2, 2011, net sales were \$155.1 million and earnings were \$1.00 per share. For the corresponding period in 2010, net sales were \$132.7 million and earnings were 86¢ per share.

The Company also announced today that its Board of Directors voted to declare a quarterly dividend of 14.2¢ per share on the Company's issued and outstanding shares of common stock. This cash dividend will be paid on August 26, 2011 to stockholders of record as of August 12, 2011.

Chief Executive Officer Michael O. Fifer made the following comments related to the Company's results:

- The Company launched the new SR1911 pistol, the new Single-Ten revolver, and the new SR40c pistol in the second quarter of 2011. New product introductions are a strong driver of demand and represented \$26.7 million or 34% of sales in the second quarter of 2011.
- Demand for our products remained strong in the second quarter of 2011. The estimated sell-through of the Company's products from the independent distributors to retailers in the second quarter of 2011 increased by approximately 24% from the second quarter of 2010. National

Instant Criminal Background Check System (“NICS”) background checks (as adjusted by the National Shooting Sports Foundation) increased 13% during this period.

- The incoming order rate in the second quarter of 2011 increased 90% from the second quarter of 2010.
- Cash provided by operating activities was \$32.4 million for the six months ended July 2, 2011. At July 2, 2011, our cash and equivalents and short-term investments totaled \$76.5 million. Our current ratio is 3.2 to 1 and we have no debt.
- During the first half of 2011, capital expenditures totaled \$7.7 million, much of it related to tooling and equipment for new products. We expect to invest approximately \$15 million for capital expenditures during 2011.
- At July 2, 2011, stockholders’ equity was \$128.7 million, which equates to a book value of \$6.81 per share, of which \$4.05 per share was cash and equivalents and short-term investments.
- During the first half of 2011, we returned \$4.8 million to our shareholders through:
  1. The payment of \$2.8 million of dividends, and
  2. The repurchase of 133,400 shares of our common stock in the open market at an average price of \$14.94 per share, for a total of \$2.0 million.
- As of the end of the second quarter of 2011, \$8.0 million remains available for future stock repurchases.
- In May, the Company announced the Ruger Million Gun Challenge to benefit the National Rifle Association. Ruger will donate \$1 to the NRA for every Ruger firearm sold from April 2011 through March 2012, with the goal of selling one million Ruger firearms and donating \$1 million to the NRA. Ruger made its first Million Gun Challenge donation of \$279,600 in July.

Today, the Company filed its Quarterly Report on Form 10-Q for the second quarter of 2011. The financial statements included in this Quarterly Report on Form 10-Q are attached to this press release.

The Quarterly Report on Form 10-Q is available on the SEC website at [www.sec.gov](http://www.sec.gov) and the Ruger website at [www.ruger.com/corporate](http://www.ruger.com/corporate). Investors are urged to read the complete Form 10-Q to ensure that they have adequate information to make informed investment judgments.

### About Sturm, Ruger

Sturm, Ruger was founded in 1949 and is one of the nation's leading manufacturers of high-quality firearms for the commercial sporting market. Sturm, Ruger is headquartered in Southport, CT, with manufacturing facilities located in Newport, NH and Prescott, AZ.

*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, the impact of future firearms control and environmental legislation, and accounting estimates, any one or more of which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to publish revised forward-looking statements to reflect events or circumstances after the date such forward-looking statements are made or to reflect the occurrence of subsequent unanticipated events.*

STURM, RUGER & COMPANY, INC.

Condensed Balance Sheets (Unaudited)  
*(Dollars in thousands, except share data)*

|   | July 2,<br>2011 | December 31,<br>2010 |
|---|-----------------|----------------------|
| <b>Assets</b>                             |                 |                      |
| Current Assets                            |                 |                      |
| Cash and cash equivalents                 | \$12,038        | \$ 5,132             |
| Short-term investments                    | 64,493          | 52,493               |
| Trade receivables, net                    | 31,857          | 31,565               |
| Gross inventories                         | 42,291          | 48,820               |
| Less LIFO reserve                         | (37,101)        | (37,448)             |
| Less excess and obsolescence reserve      | (1,141)         | (1,545)              |
| Net inventories                           | 4,049           | 9,827                |
| Deferred income taxes                     | 5,013           | 4,780                |
| Prepaid expenses and other current assets | 801             | 1,427                |
| Total Current Assets                      | 118,251         | 105,224              |
| Property, plant and equipment             | 156,896         | 150,379              |
| Less allowances for depreciation          | (112,118)       | (107,458)            |
| Net property, plant and equipment         | 44,778          | 42,921               |
| Deferred income taxes                     | 4,099           | 5,443                |
| Other assets                              | 8,209           | 4,173                |
| Total Assets                              | \$175,337       | \$157,761            |

STURM, RUGER & COMPANY, INC.

Condensed Balance Sheets (Unaudited) (Continued)  
*(Dollars in thousands, except share data)*

|  | July 2,<br>2011  | December 31,<br>2010 |
|--|------------------|----------------------|
| <b>Liabilities and Stockholders' Equity</b>  |                  |                      |
| Current Liabilities  |                  |                      |
| Trade accounts payable and accrued expenses  | \$ 18,966        | \$ 16,492            |
| Product liability  | 741              | 449                  |
| Employee compensation and benefits   | 10,343           | 10,923               |
| Workers' compensation  | 4,716            | 4,893                |
| Income taxes payable   | 2,081            | 582                  |
| <b>Total Current Liabilities</b>   | <b>36,847</b>    | <b>33,339</b>        |
| Accrued pension liability  | 9,355            | 9,369                |
| Product liability accrual  | 415              | 573                  |
| Contingent liabilities   | --               | --                   |
| Stockholders' Equity   |                  |                      |
| Common Stock, non-voting, par value \$1:<br>Authorized shares 50,000; none issued  | --               | --                   |
| Common Stock, par value \$1:<br>Authorized shares – 40,000,000<br>2011 – 23,209,472 issued,<br>18,910,038 outstanding<br>2010 – 23,003,285 issued,<br>18,837,251 outstanding | 23,209           | 23,003               |
| Additional paid-in capital   | 9,934            | 9,885                |
| Retained earnings  | 153,109          | 137,125              |
| Less: Treasury stock – at cost<br>2011 – 4,299,434 shares<br>2010 – 4,166,034 shares   | (37,884)         | (35,885)             |
| Accumulated other comprehensive loss   | (19,648)         | (19,648)             |
| <b>Total Stockholders' Equity</b>  | <b>128,720</b>   | <b>114,480</b>       |
| <b>Total Liabilities and Stockholders' Equity</b>  | <b>\$175,337</b> | <b>\$157,761</b>     |

STURM, RUGER & COMPANY, INC.

Condensed Statements of Income (Unaudited)

*(Dollars in thousands, except per share data)*

|                                  | Three Months Ended |              | Six Months Ended |              |
|----------------------------------|--------------------|--------------|------------------|--------------|
|                                  | July 2, 2011       | July 3, 2010 | July 2, 2011     | July 3, 2010 |
| Net firearms sales               | \$78,471           | \$63,621     | \$152,912        | \$130,891    |
| Net castings sales               | 1,151              | 768          | 2,151            | 1,775        |
| Total net sales                  | 79,622             | 64,389       | 155,063          | 132,666      |
| Cost of products sold            | 51,157             | 42,649       | 102,604          | 87,794       |
| Gross profit                     | 28,465             | 21,740       | 52,459           | 44,872       |
| Operating expenses:              |                    |              |                  |              |
| Selling                          | 6,468              | 5,118        | 13,380           | 11,017       |
| General and administrative       | 4,935              | 3,984        | 9,560            | 7,919        |
| Other operating expenses, net    | -                  | -            | -                | 398          |
| Total operating expenses         | 11,403             | 9,102        | 22,940           | 19,334       |
| Operating income                 | 17,062             | 12,638       | 29,519           | 25,538       |
| Other income:                    |                    |              |                  |              |
| Interest (expense) income, net   | (13)               | (24)         | (33)             | (57)         |
| Other income, net                | 114                | 174          | 290              | 301          |
| Total other income, net          | 101                | 150          | 257              | 244          |
| Income before income taxes       | 17,163             | 12,788       | 29,776           | 25,782       |
| Income taxes                     | 6,350              | 4,604        | 11,017           | 9,281        |
| Net income                       | \$10,813           | \$ 8,184     | \$18,759         | \$16,501     |
| Basic earnings per share         | \$0.57             | \$0.43       | \$1.00           | \$0.86       |
| Fully diluted earnings per share | \$0.56             | \$0.42       | \$0.99           | \$0.85       |
| Cash dividends per share         | \$0.097            | \$0.093      | \$0.147          | \$0.153      |



STURM, RUGER & COMPANY, INC.

Condensed Statements of Cash Flows (Unaudited)

*(Dollars in thousands)*

|   | Six Months Ended |              |
|---|------------------|--------------|
|   | July 2, 2011     | July 3, 2010 |
| Operating Activities  |                  |              |
| Net income  | \$18,759         | \$ 16,501    |
| Adjustments to reconcile net income to cash provided by operating activities: |                  |              |
| Depreciation  | 5,860            | 4,419        |
| Slow moving inventory valuation adjustment                                    | (176)            | (314)        |
| Stock-based compensation  | 1,247            | 908          |
| Loss (Gain) on sale of assets   | (7)              | 10           |
| Deferred income taxes   | 1,111            | 1,920        |
| Changes in operating assets and liabilities:                                  |                  |              |
| Trade receivables   | (292)            | 2,666        |
| Inventories   | 5,954            | 1,061        |
| Trade accounts payable and accrued expenses                                   | 2,298            | (2,946)      |
| Employee compensation and benefits  | (580)            | (4,334)      |
| Product liability   | 135              | (896)        |
| Prepaid expenses, other assets and other liabilities                          | (3,434)          | 1,296        |
| Income taxes payable  | 1,499            | (1,160)      |
| Cash provided by operating activities   | 32,374           | 19,131       |
| Investing Activities  |                  |              |
| Property, plant and equipment additions                                       | (7,719)          | (12,598)     |
| Proceeds from sale of assets  | 16               | 16           |
| Purchases of short-term investments   | (47,496)         | (76,977)     |
| Proceeds from maturities of short-term investments                            | 35,496           | 74,736       |
| Cash used for investing activities  | (19,703)         | (14,823)     |
| Financing Activities  |                  |              |
| Tax benefit from exercise of stock options                                    | 1,441            | 698          |
| Repurchase of common stock  | (1,999)          | -            |
| Payment of employee withholding tax related to share-based compensation       | (2,432)          | (1,367)      |
| Dividends paid  | (2,775)          | (2,940)      |
| Cash used for financing activities  | (5,765)          | (3,609)      |
| Increase in cash and cash equivalents   | 6,906            | 699          |
| Cash and cash equivalents at beginning of period                              | 5,132            | 5,008        |
| Cash and cash equivalents at end of period                                    | \$12,038         | \$ 5,707     |