



STURM, RUGER & CO., INC.

SOUTHPORT, CONNECTICUT 06890 U.S.A.

FOR IMMEDIATE RELEASE

STURM, RUGER & COMPANY, INC. REPORTS SECOND QUARTER 2008 RESULTS AND FILES QUARTERLY REPORT ON FORM 10-Q

SOUTHPORT, CONNECTICUT, July 23, 2008 - Sturm, Ruger & Company, Inc. (NYSE-RGR) today filed its Quarterly Report on Form 10-Q for the second quarter of 2008, which has been posted and is available on the SEC website at www.sec.gov and the Ruger website at www.ruger.com/corporate/. The financial statements included in this Quarterly Report on Form 10-Q are attached to this press release. However, 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 including lawsuits filed by mayors, attorneys general and other governmental entities and membership organizations, the impact of future firearms control and environmental legislation, and accounting estimates, any one or more of which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to publish revised forward-looking statements to reflect events or circumstances after the date such forward-looking statements are made or to reflect the occurrence of subsequent unanticipated events.

STURM, RUGER & COMPANY, INC.

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

	June 28, 2008	December 31, 2007
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,105	\$ 5,106
Short-term investments	24,647	30,504
Trade receivables, net	13,611	15,636
Gross inventories	67,301	64,330
Less LIFO reserve	(46,006)	(46,890)
Less excess and obsolescence reserve	(3,414)	(4,143)
Net inventories	17,881	13,297
Deferred income taxes	5,867	5,878
Prepaid expenses and other current assets	4,013	3,091
Total current assets	72,124	73,512
Property, plant and equipment	123,144	126,496
Less allowances for depreciation	(99,610)	(104,418)
Net property, plant and equipment	23,534	22,078
Deferred income taxes	3,589	3,626
Other assets	2,830	2,666
Total Assets	\$102,077	\$101,882

STURM, RUGER & COMPANY, INC.

June 28, 2008

December 31, 2007

Liabilities and Stockholders' Equity

Current Liabilities		
Trade accounts payable and accrued expenses	\$ 7,309	\$ 8,102
Product liability	1,083	1,208
Employee compensation and benefits	4,439	4,860
Workers' compensation	5,267	5,667
Income taxes payable	1,613	411
Total current liabilities	19,711	20,248
Accrued pension liability	2,730	4,840
Product liability accrual	627	725
Contingent liabilities – Note 8	--	--
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; 22,798,732 issued and		
20,582,737 outstanding	22,799	22,788
Additional paid-in capital	2,231	1,836
Retained earnings	87,368	84,834
Less: Treasury stock – 2,215,995 shares, at cost	(20,000)	(20,000)
Accumulated other comprehensive loss	(13,389)	(13,389)
Total Stockholders' Equity	79,009	76,069
Total Liabilities and Stockholders' Equity	\$102,077	\$101,882

STURM, RUGER & COMPANY, INC.

Condensed Statements of Income (Unaudited)

(Dollars in thousands, except per share data)

	Second Quarter		First Half	
	2008	2007	2008	2007
Net firearms sales	\$36,839	\$39,567	\$76,869	\$83,237
Net castings sales	1,825	2,540	4,301	7,327
Total net sales	38,664	42,107	81,170	90,564
Cost of products sold	30,169	28,979	62,020	61,872
Gross profit	8,495	13,128	19,150	28,692
Expenses:				
Selling	4,098	3,557	8,486	6,894
General and administrative	2,968	3,523	6,909	7,835
Other operating expenses (income), net	(54)	(1,780)	(54)	(1,917)
Total expenses	7,012	5,300	15,341	12,812
Operating income	1,483	7,828	3,809	15,880
Other income:				
Gain on sale of real estate	-	-	-	5,168
Interest income	118	746	280	1,194
Other income (expense), net	144	(8)	(1)	(219)
Total other income, net	262	738	279	6,143
Income before income taxes	1,745	8,566	4,088	22,023
Income taxes	663	3,435	1,554	8,831
Net income	\$ 1,082	\$ 5,131	\$ 2,534	\$ 13,192
Earnings per share				
Basic	<u>\$0.05</u>	<u>\$0.23</u>	<u>\$0.12</u>	<u>\$0.58</u>
Diluted	<u>\$0.05</u>	<u>\$0.22</u>	<u>\$0.12</u>	<u>\$0.57</u>
Average shares outstanding				
Basic	<u>20,576</u>	<u>22,658</u>	<u>20,576</u>	<u>22,649</u>
Diluted	<u>20,609</u>	<u>23,068</u>	<u>20,626</u>	<u>22,951</u>

STURM, RUGER & COMPANY, INC.

Condensed Statements of Cash Flows (Unaudited)

(Dollars in thousands)

	Six Month Ended	
	June 28, 2008	June 30, 2007
Operating Activities		
Net income	\$2,534	\$13,192
Adjustments to reconcile net income to cash (used for) provided by operating activities:		
Depreciation	2,390	2,108
Gain on sale of assets	(54)	(7,085)
Deferred income taxes	48	1,880
Changes in operating assets and liabilities:		
Trade receivables	2,025	4,548
Inventories	(4,584)	12,836
Trade accounts payable and accrued expenses	(1,614)	(1,899)
Product liability	(223)	372
Prepaid expenses, other assets and other liabilities	(2,790)	879
Income taxes	1,202	3,216
Cash (used for) provided by operating activities	(1,066)	30,047
Investing Activities		
Property, plant and equipment additions	(3,846)	(1,304)
Proceeds from the sale of assets	54	12,485
Purchases of short-term investments	(15,843)	(44,096)
Proceeds from maturities of short-term investments	21,700	2,000
Cash provided by (used for) investing activities	2,065	(30,915)
Increase (Decrease) in cash and cash equivalents	999	(868)
Cash and cash equivalents at beginning of period	5,106	7,316
Cash and cash equivalents at end of period	\$6,105	\$ 6,448