

STURM, RUGER & CO., INC.

Annual Meeting

April 29, 2009



4/29/09

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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, 2008 and Form 10-Q for the fiscal quarter ended April 4, 2009. Copies of these documents may be obtained by contacting the Company or the SEC or on the Company website at www.ruger.com/corporate/ or the SEC website at www.sec.gov. Furthermore, the Company disclaims all responsibility to update forward-looking statements.



Investment Highlights

- Celebrating 60 years as one of the world's Leading Firearms Brand
- Experienced and Engaged 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: 19.0 Million

Price: \$ 10.82 (4/23/09)

Market Capitalization: \$205 Million

Company Profile



- Trailing 12 Months Sales of \$202.5 million (period ending 04/4/2009)
- Manufacturing Facilities in Newport, NH & Prescott, AZ
- Corporate Office in Southport, CT
- 1,147 Non-Union Employees
- Investment Castings – sell to 20 other Firearms Manufacturers
- Firearms Products:

Rifles

Single Shot
Autoloading
Bolt Action

Pistols

Rimfire
Centerfire

Revolvers

Single Action
Double Action

Shotguns

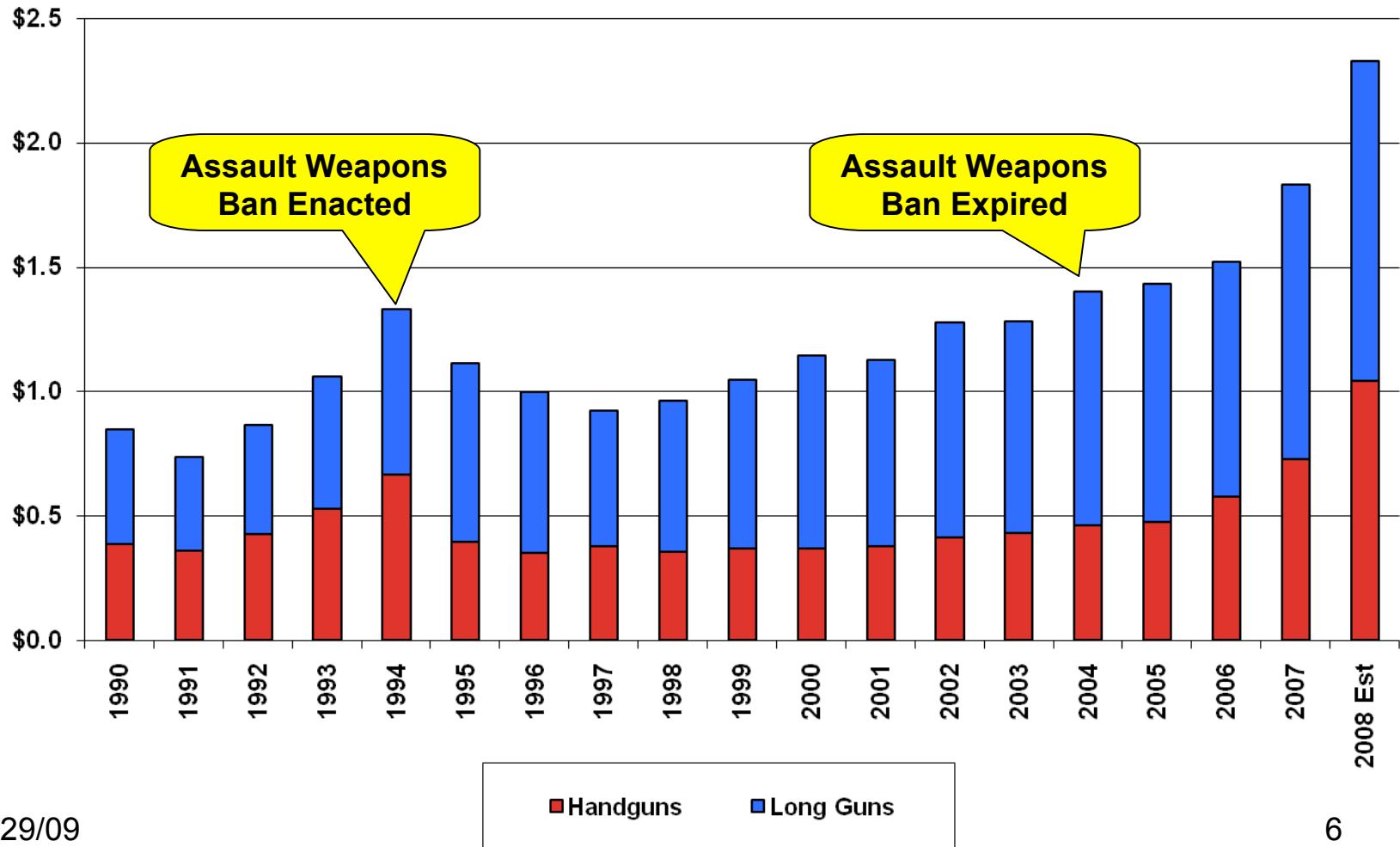
Over & Under

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



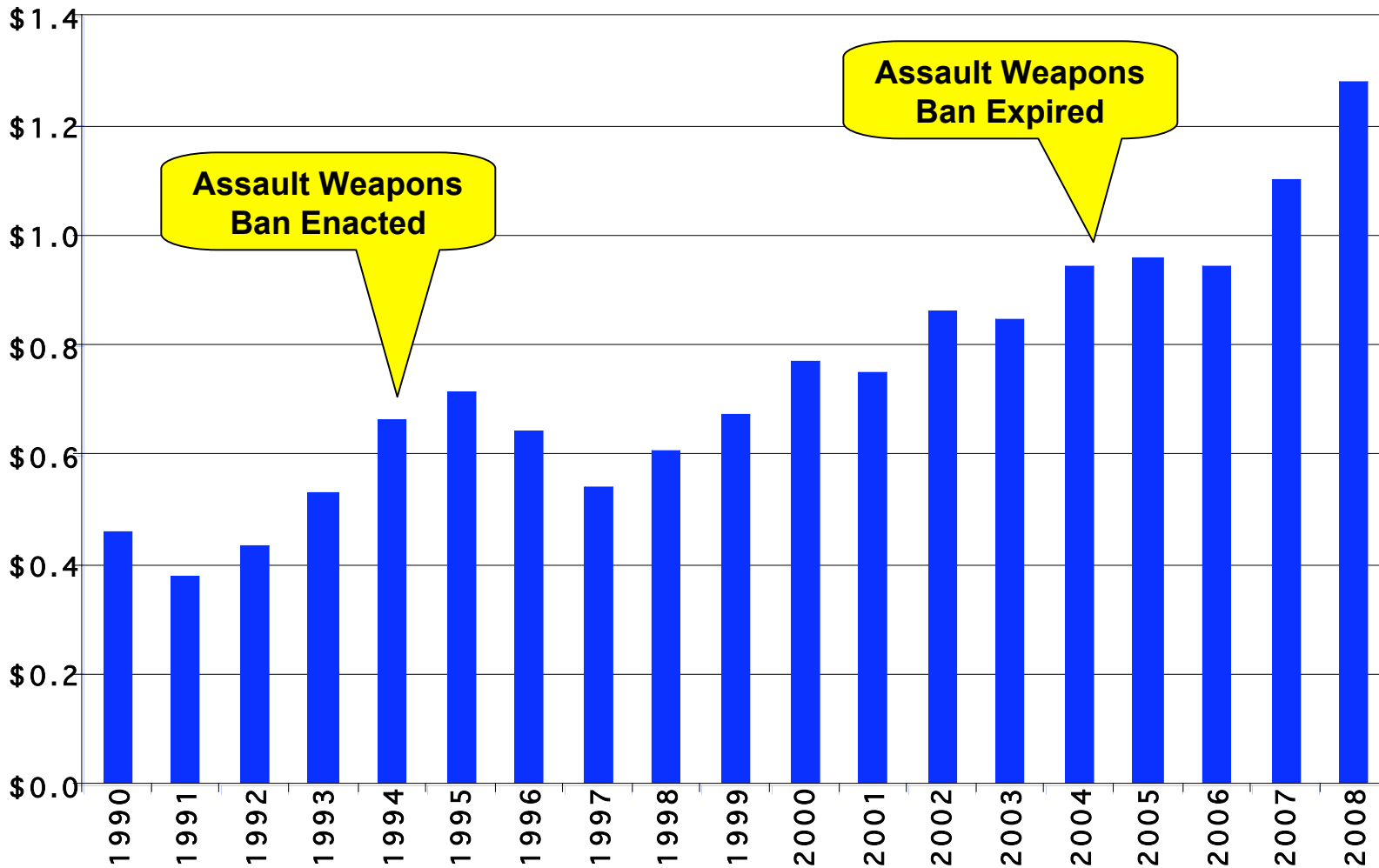
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- Market Conditions
 - Financial & Operational Highlights
 - Liquidity and Dividend

US Firearms Market (\$ Billion)

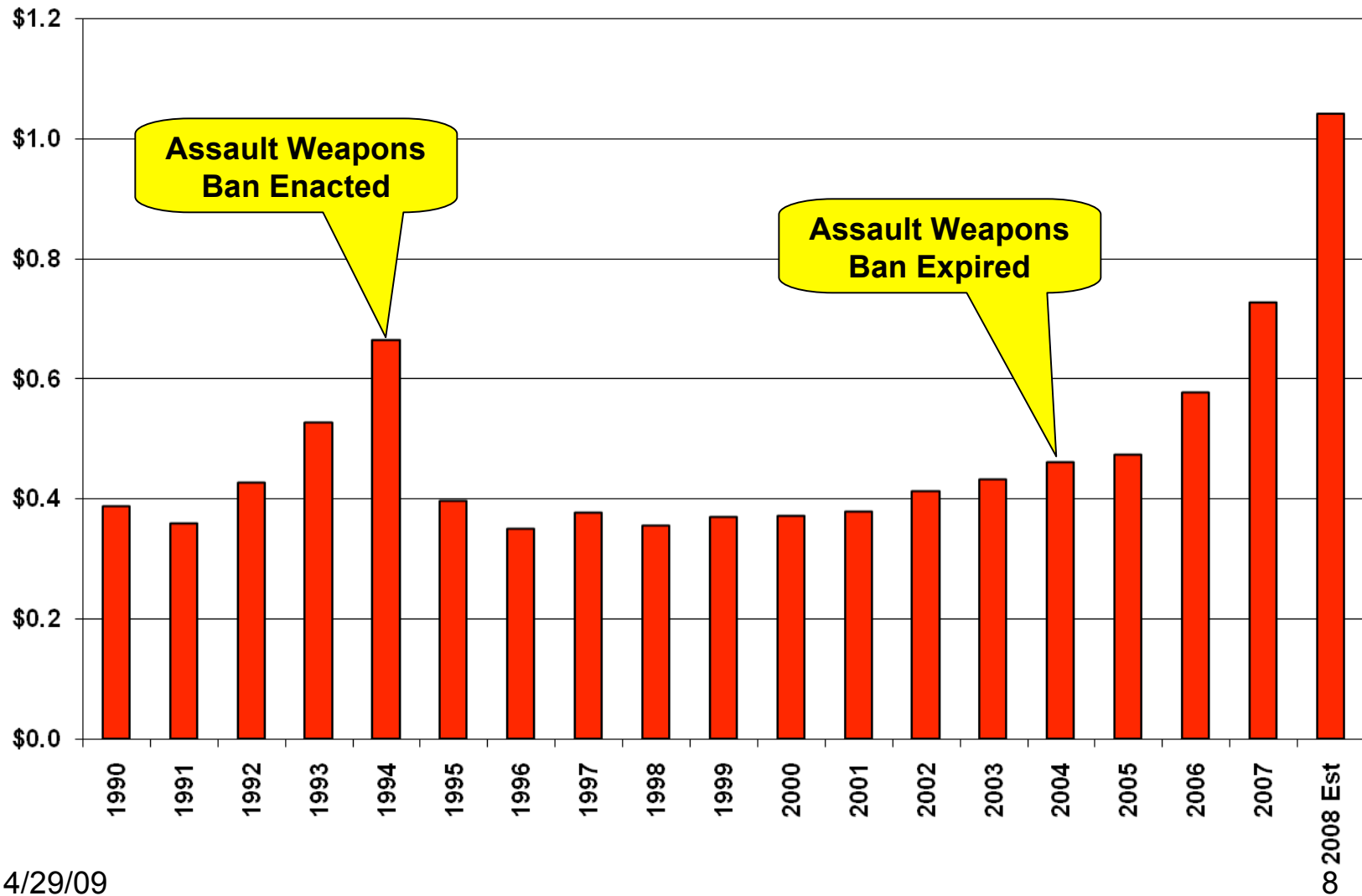


4/29/09

US Long Gun Market (\$ Billion)



US Handgun Market (\$ Billion)



4/29/09

Market Share Movement

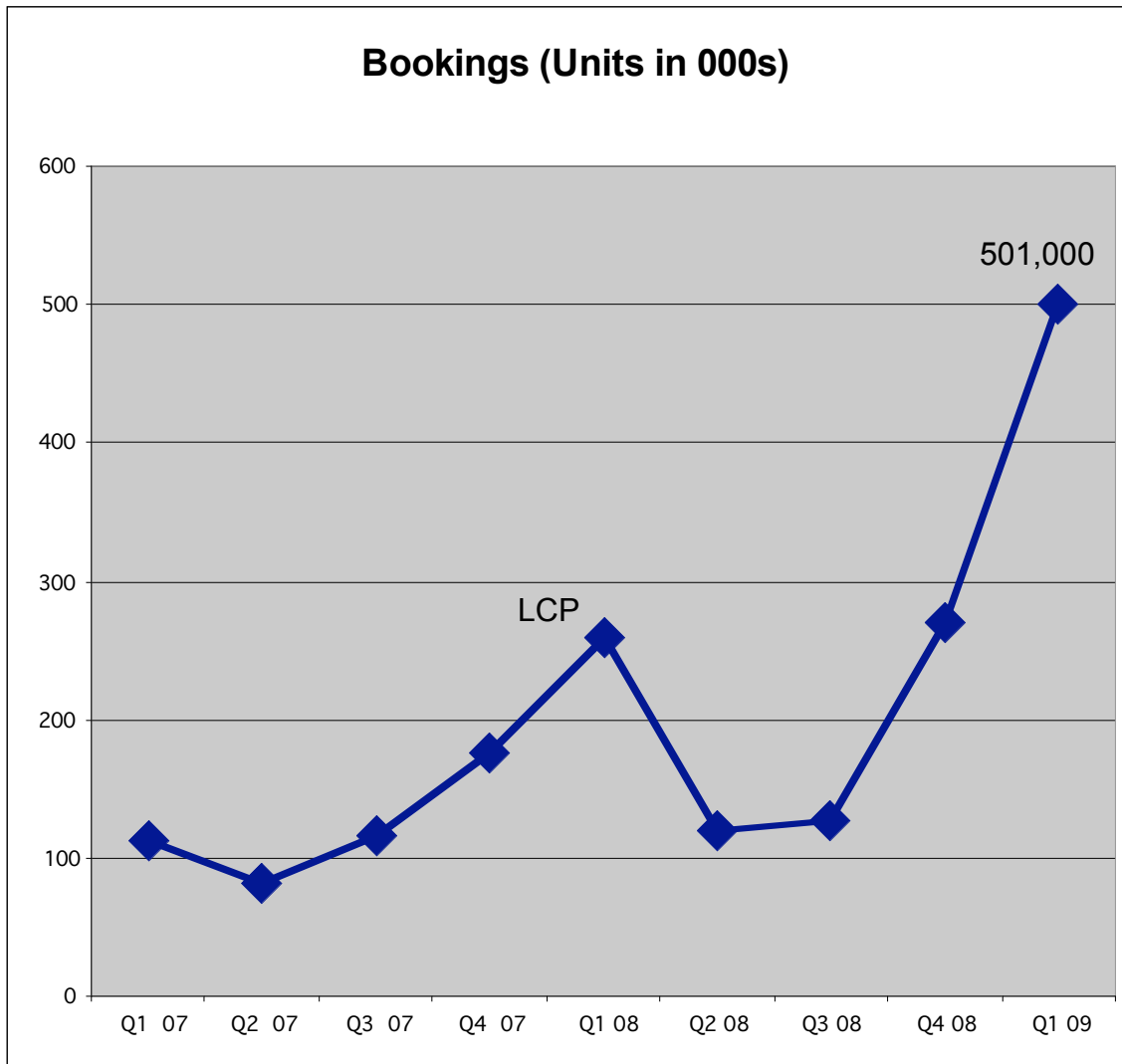


| Product Category | Market Share Est. |
|----------------------------|--------------------------|
| Single Action Revolvers | Maintained |
| Double Action Revolvers | Lost* |
| Rimfire Pistols | Maintained |
| Centerfire Full Size (SR9) | Lost* |
| Centerfire Compact (LCP) | Gained |
| Mini-14 Rifles | Maintained |
| Hunting Rifles | Maintained |
| Rimfire Rifles | Gained |
| AR-15 Platform Rifles | Lost** |

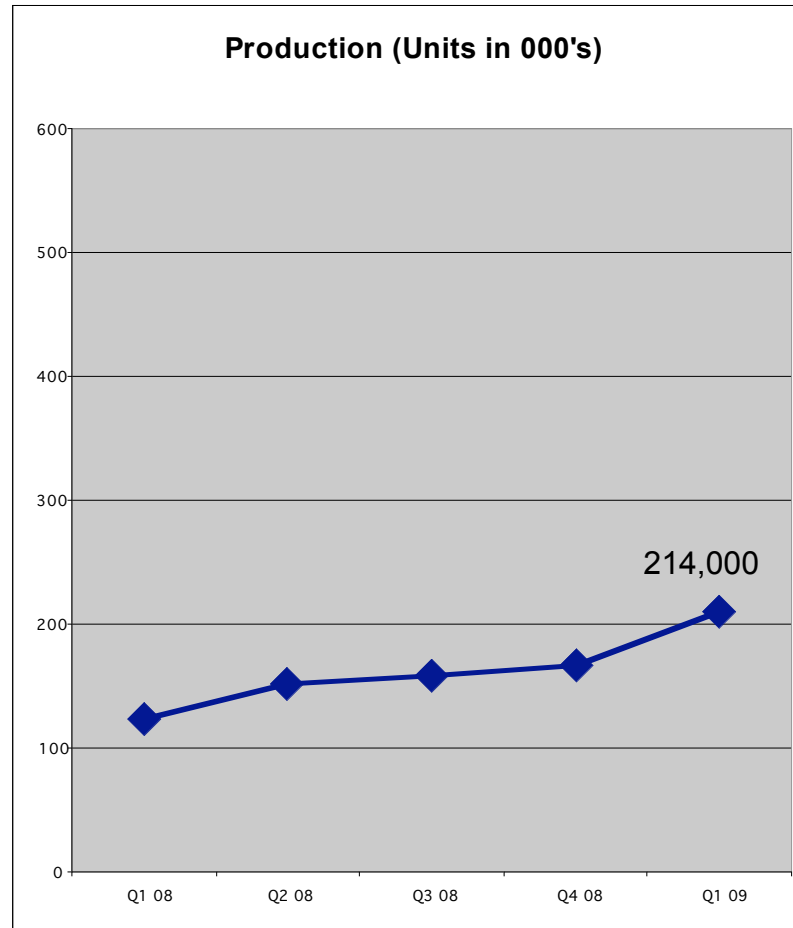
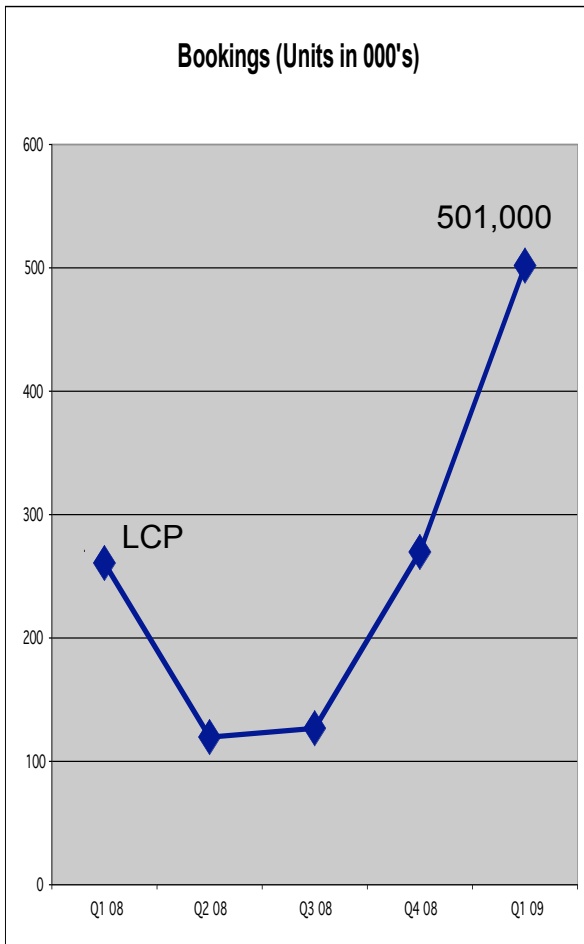
* Lost Share due to inability to keep pace with demand.

** Did not participate in growing market segment

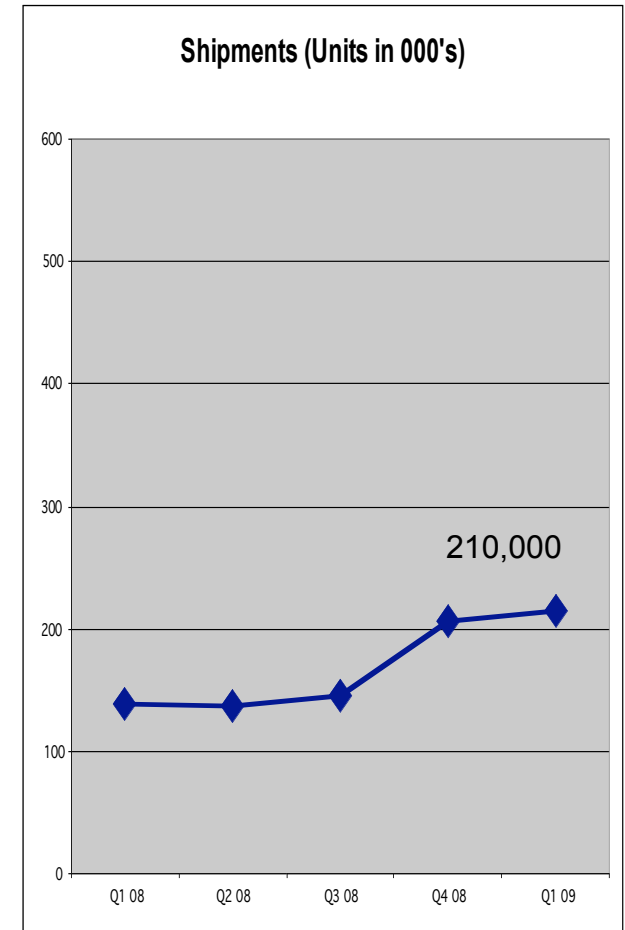
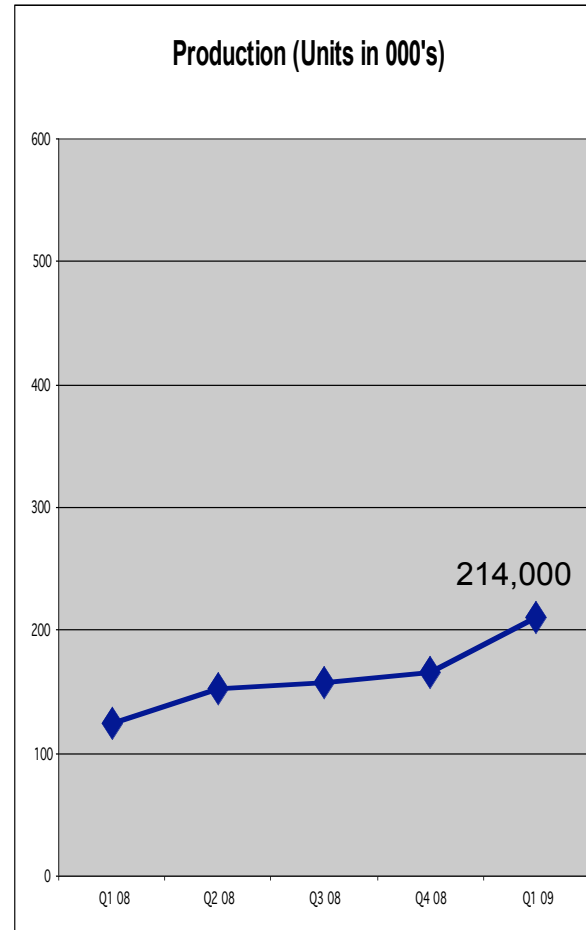
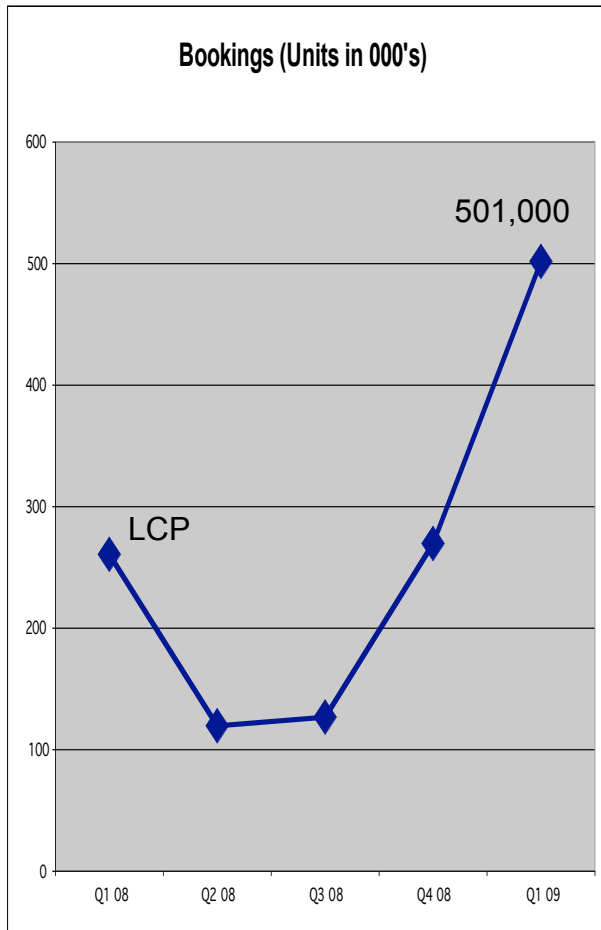
Quarterly Unit Data Summary



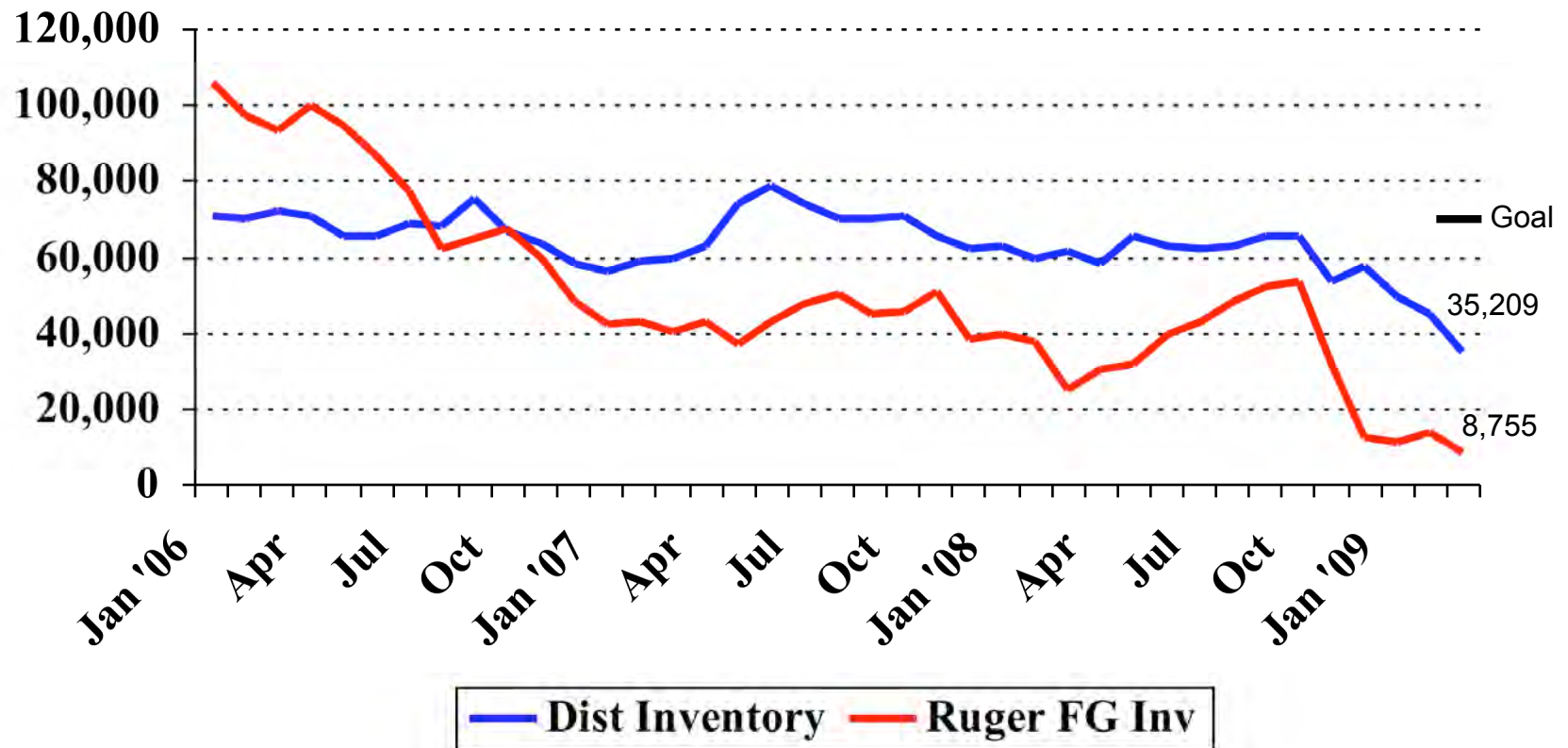
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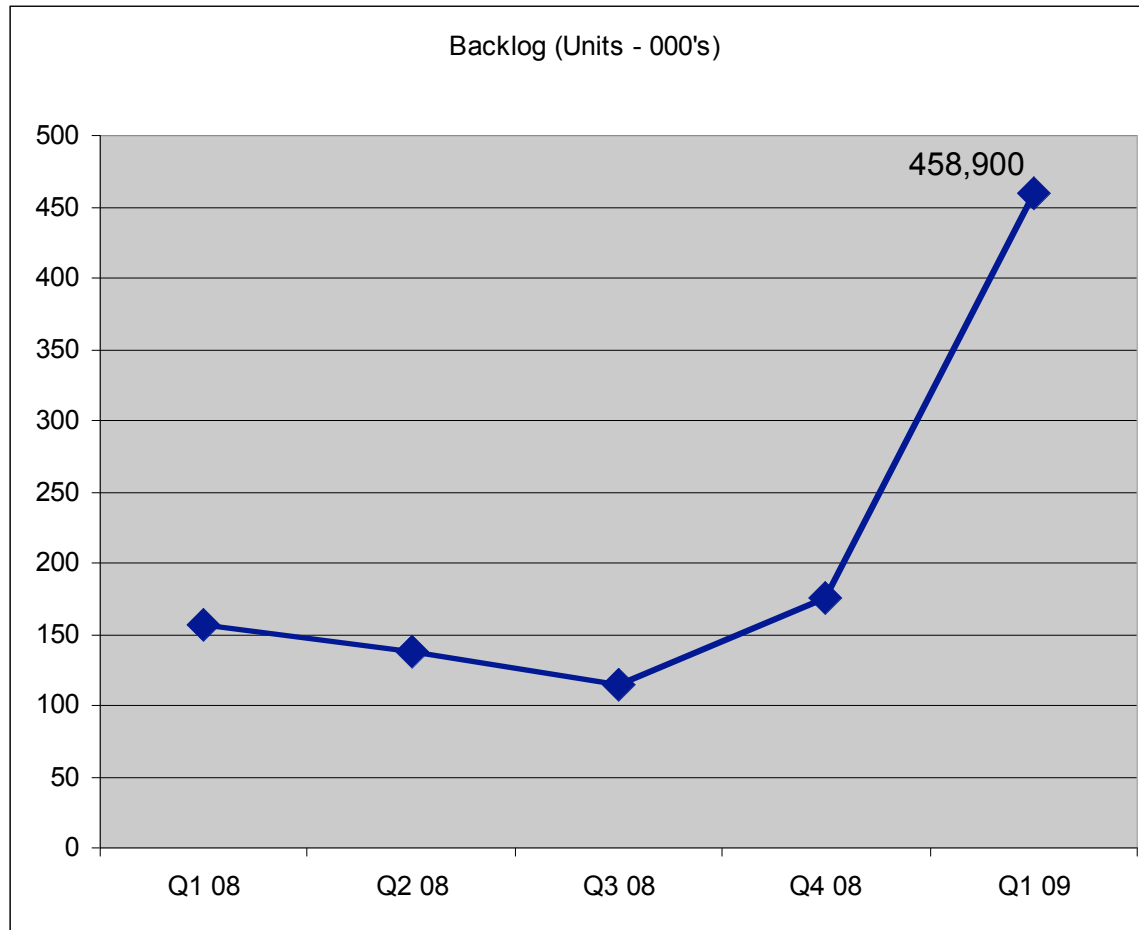
Quarterly Unit Data Summary



Finished Goods Inventory (3/09) Units



Quarterly Unit Data Summary

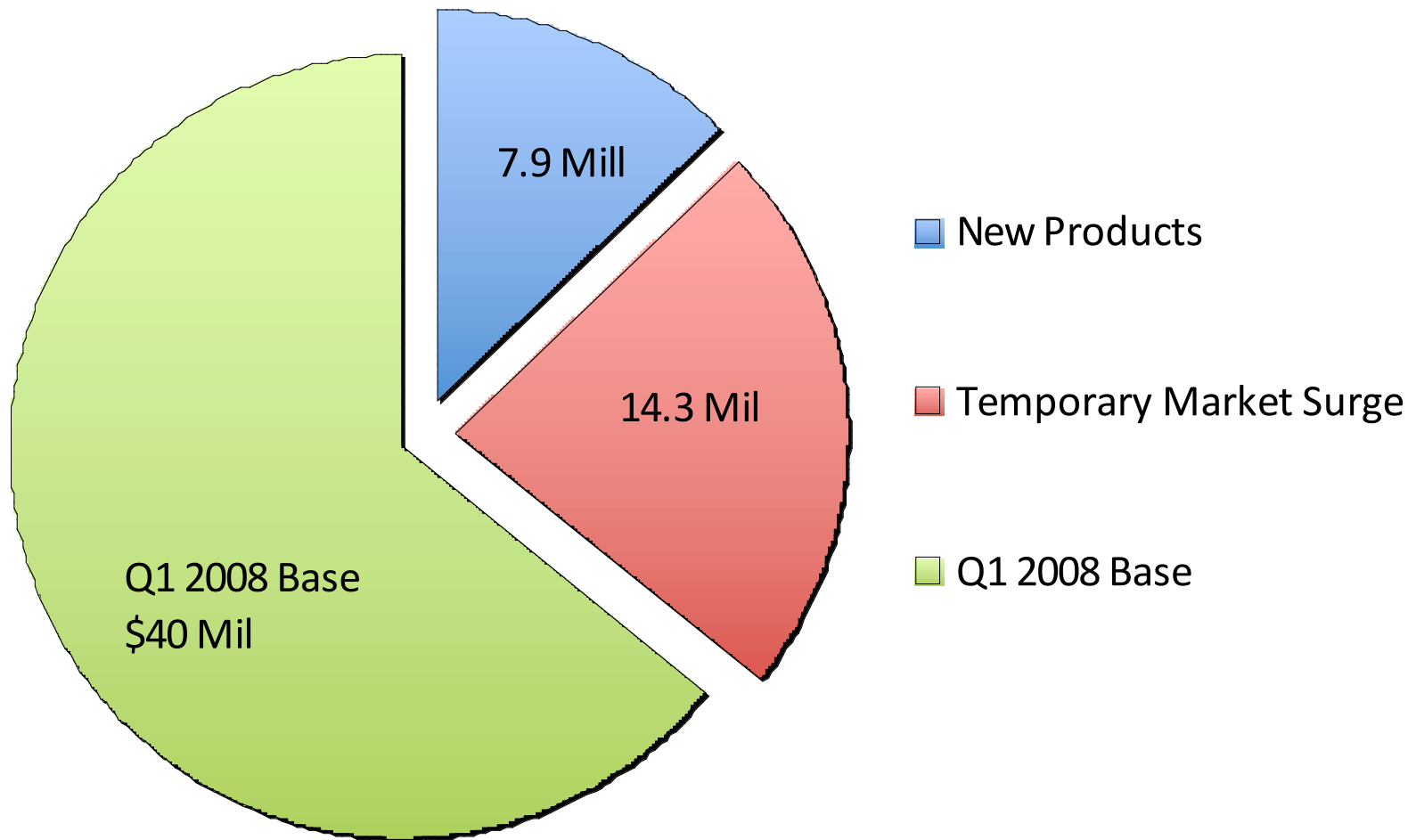


Backlog

Q1 2008 to Q1 2009



Q1 2009 Sales ~ \$62.2 Million



Product Demand



| Bookings | <u>2009</u> | <u>2008</u> | | | |
|---------------------------------|-------------|-------------|---------|---------|---------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Orders Received | \$154.3 | \$86.1 | \$33.5 | \$37.0 | \$73.8 |
| Units Ordered | 501,000 | 270,400 | 125,700 | 120,300 | 260,100 |
| Average Sales Price of Bookings | \$297 | \$269 | \$242 | \$245 | \$257 |

Product Demand



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| Shipments | <u>2009</u> | <u>2008</u> | | | |
|--------------------|-------------|-------------|---------|---------|---------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Firearms Revenue | \$60.5 | \$57.2 | \$40.3 | \$36.9 | \$40.2 |
| Units Shipped | 213,700 | 208,100 | 146,000 | 136,700 | 135,700 |
| Average Sell Price | \$283 | \$275 | \$276 | \$270 | \$296 |

Product Demand



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| Backlog | <u>2009</u> | <u>2008</u> | | | |
|--------------------------------|-------------|-------------|---------|---------|---------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Ending Backlog | \$136.3 | \$47.8 | \$27.9 | \$33.7 | \$40.7 |
| Units in Backlog | 458,900 | 175,900 | 115,300 | 137,700 | 157,100 |
| Average Sales Price of Backlog | \$297 | \$269 | \$242 | \$245 | \$234 |

Legal Issues



Municipal Lawsuits

- ***New York City***
 - Appeal to the U.S. Supreme Court denied – Case is over
- ***Washington, D.C.***
 - Appeal to the U.S. Supreme Court denied – Case is over
- ***Gary, Indiana*** - Still Active
 - Filed in Sept 1999
 - Last remaining “municipal” lawsuit of 32 filed
 - Being pushed by the Brady Center to Prevent Handgun Violence
 - On January 13, 2009, Indiana Supreme Court denied our appeal and sent the case back to trial court for trial – Trial Date TBD



Financial & Operational Highlights

Consolidated Operating Results



| | 2009 | | 2008 | | |
|-----------------------|----------|----------|----------|----------|----------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Revenues | \$63,529 | \$58,491 | \$41,822 | \$38,664 | \$42,506 |
| Reported Gross Margin | \$19,526 | \$16,745 | \$6,858 | \$8,495 | \$10,655 |
| Operating Profit | \$9,434 | \$9,349 | \$379 | \$1,483 | \$2,326 |
| | 15% | 16% | 1% | 4% | 5% |
| EPS | 30 ¢ | 28 ¢ | 2 ¢ | 5 ¢ | 7 ¢ |

Comparison of Underlying Performance



| | 2009 | | 2008 | | |
|---------------------------|----------|---------|---------|---------|---------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Reported operating income | \$9,434 | \$9,349 | \$379 | \$1,483 | \$2,326 |
| Adjustments | | | | | |
| LIFO | (249) | (3,024) | 1,578 | 2,130 | 98 |
| Overhead Rate | 689 | 90 | 47 | (1,062) | (464) |
| Direct Labor Rate | 169 | 60 | 568 | (1,879) | - |
| Severances | - | - | - | - | 707 |
| Excess & Obsolete | | | | | |
| Inventory Reserve | (92) | 215 | 32 | 666 | (418) |
| Frozen Defined - Benefit | | | | | |
| pension curtailment | 500 | (745) | - | - | - |
| Product Recalls | 579 | 26 | 2,268 | - | 1,208 |
| Total adjustments | 1,596 | (3,378) | 4,493 | (145) | 1,131 |
| Underlying Performance | \$11,030 | \$5,971 | \$4,872 | \$1,338 | \$3,457 |
| | 17% | 10% | 12% | 3% | 8% |



Manufacturing Progress

- Ruger is in its third year of our lean transformation
 - The plants are cleaner
 - We've made a lot of progress modernizing the operations
 - More than half the product is being produced in cells
 - Just starting the inventory pull implementation
 - Productivity is steadily improving
 - Inventory continues to drop

Lean Video

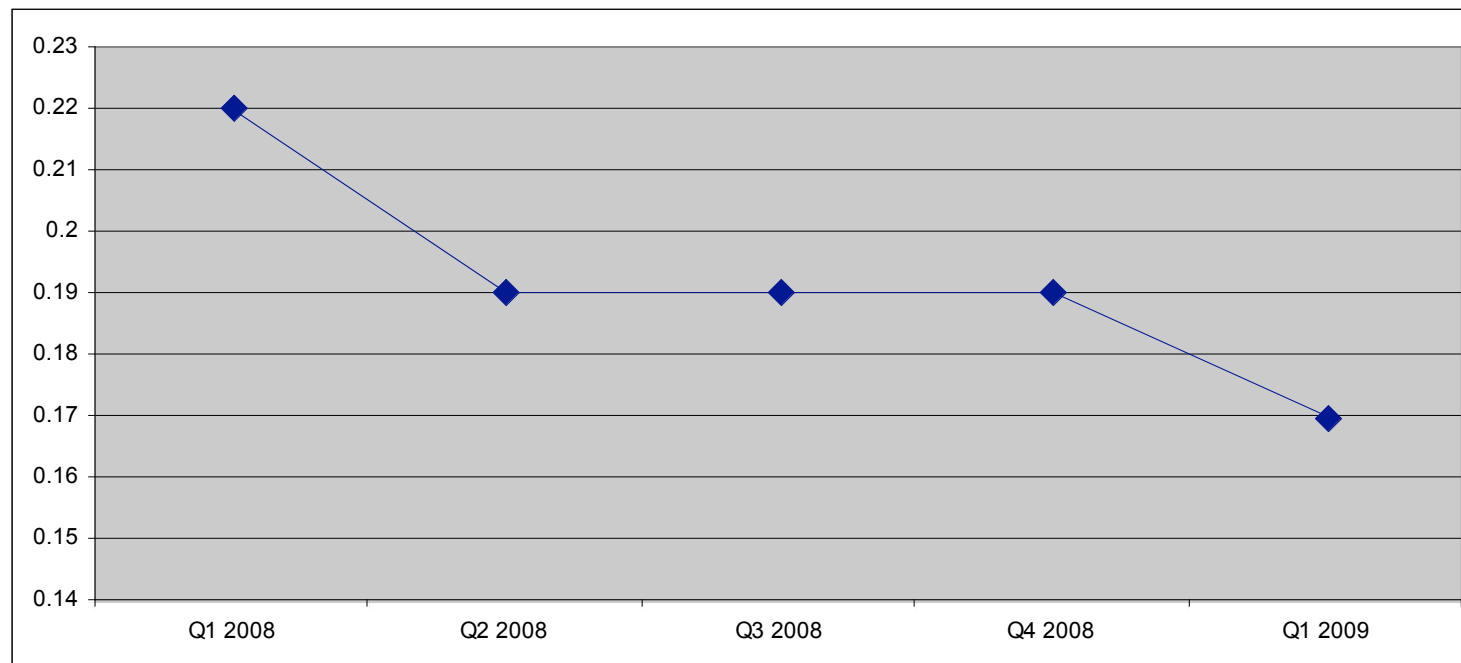


Newport Lean Operations

Improved Productivity



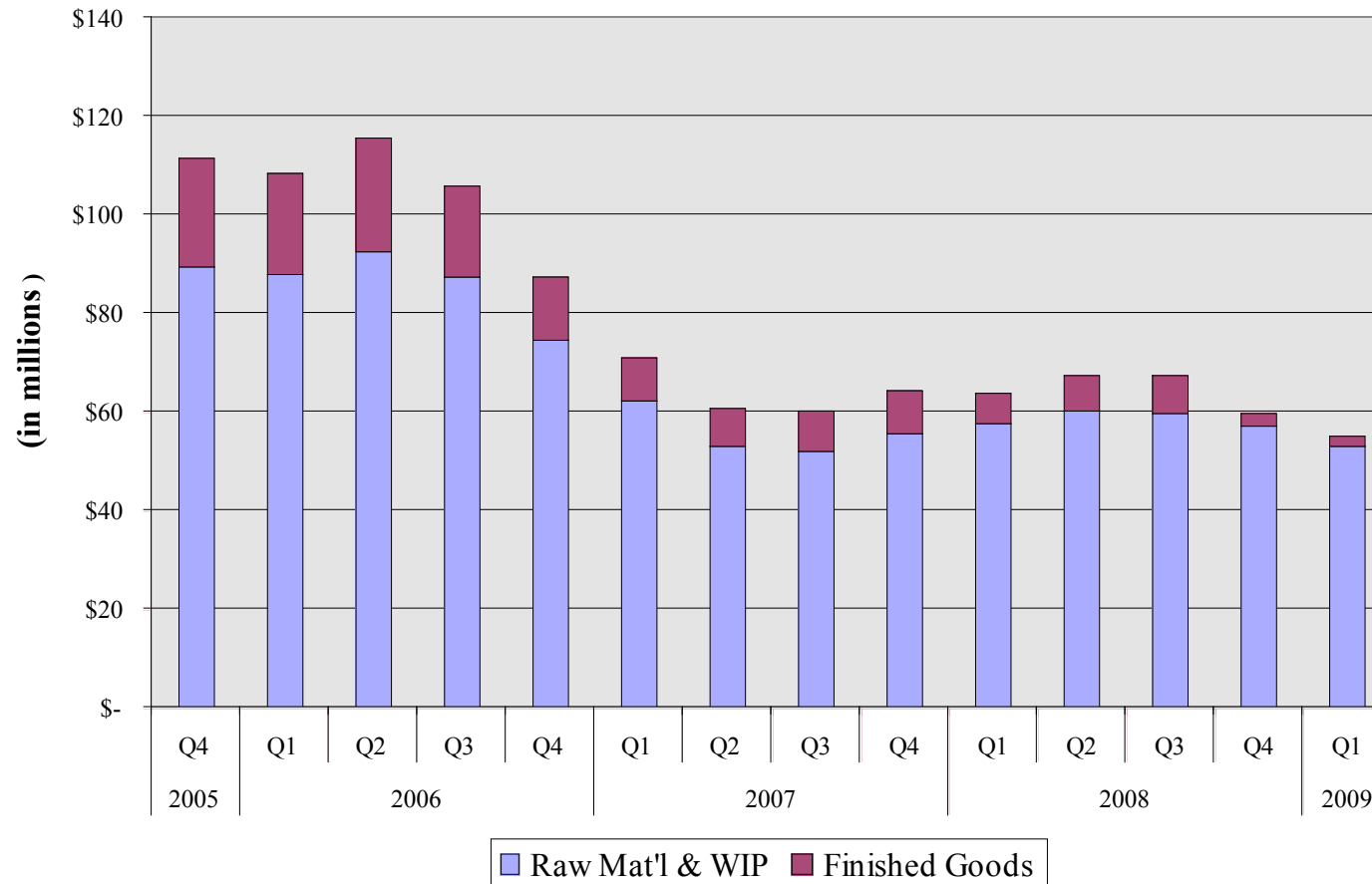
Manufacturing Wages as a percent of Sales Value of Production



Inventory Reduction



Inventory

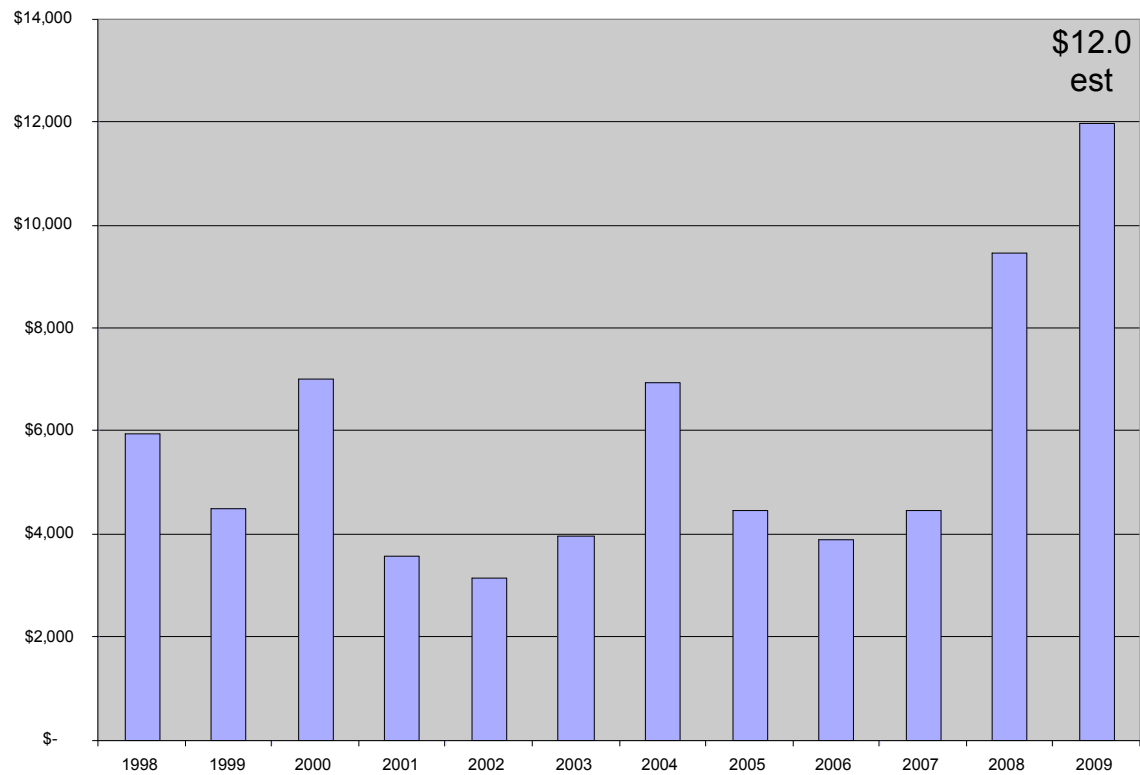


Investment & Capital Expenditures



- 2008 CAPEX Breakdown:
 - Approximately 1/3 for New Products
 - Approximately 1/3 for Capacity Expansion
 - Approximately 1/3 for Maintenance & Modernization

Capital Expenditures



4/29/09



New Product Development

- Product Plan established and reviewed quarterly
- Using “Voice of the Customer” Surveys for new platforms
- Tollgate process being used throughout projects
- Project Management Training for all Project Leaders
- Developing a Learning Culture
 - Lunch and Learn Sessions bi-weekly
 - Engineering Internship Program
 - Chief Engineering positions filled for each product line
- Recognition for internal inventions

Highlighted New Products in 2008 & Q1 2009



- Two New Platform Products
- 70 New Product Derivatives (Line Extensions)
- 47 Distributor Specials

THE **RUGER**® LCP™



WHEN AND WHERE YOU NEED IT.

THE RUGER® LCR



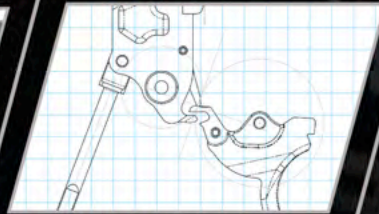
LIGHTWEIGHT COMPACT

REVOLVER

THE EVOLUTION OF THE REVOLVER.  RUGER®



**Monolithic
Aluminum
Frame**



**Patent Pending
Friction
Reducing Cam**

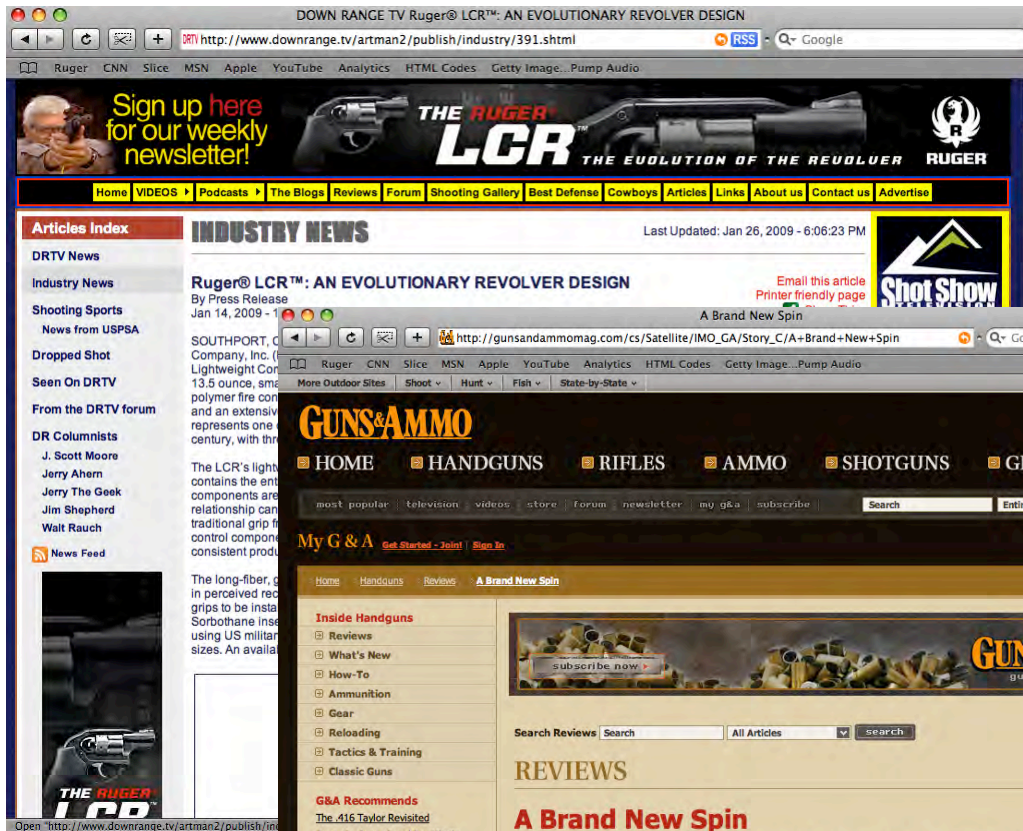


**Patent Pending
Polymer
Fire Control
Housing**



**High-Strength
40 Series
Stainless Steel
Cylinder**

LCR Launch - Web



- 99,000 Email Blasts Sent
- 17,500 Google Hits



- 71,900 Yahoo Hits
- 12,500 MSN Hits
- 56 Online Forums
- Banner Ads

4/29/09

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SHOT Show Media Day (200 Writers)



4/29/09




LCR Launch - Print

.370 S&W: Federal's Magnum HAMMER
www.gunsandammomag.com

GUNS & AMMO

EXCLUSIVE!
Ruger's Revolutionary
LCR
First-Ever
Polymer
Frame
Revolver!



Ballistic Delights:
Anarchist's Special:
■ Browning Pocket 1900
Hot Magnum Reloads:
■ Maxing Out The .270 WSM

Field And Carry:
Beyond The 870!
■ Remington's NEW 887 Pump
Skelton In Love:
■ Kimber Gold Combat II

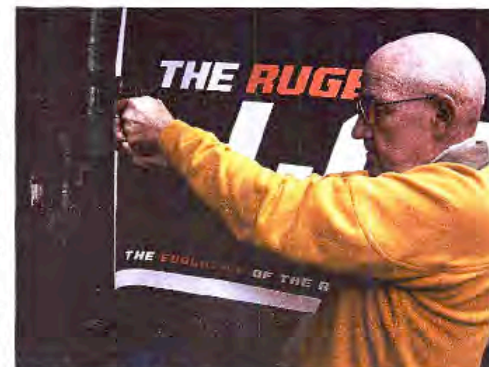
RU
RE
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MARCH 2009

INNER WORKINGS

The heart of the LCR design, of course, is the polymer lower frame assembly, which Ruger calls the "Fire Control Housing." Sideplate free, it is constructed of a high-intensity proprietary composition glass-filled polymer, and contains all the revolver's operating parts: trigger mechanism, hammer/scar mechanism, cylinder-rotation mechanism, and cylinder locking bolt system. In a sense, the design marks a point of origin from the original Ruger Security Six design, which like the subsequent GP (XL Red Hawk, and SP101) featured a modular steel trigger assembly; this could be removed as a unit from the bottom of the sideplate-free upper frame. In these earlier designs, however, the hammer mechanism was contained in the upper frame. In the LCR everything is contained within the polymer lower unit.

The interface between the aluminum cylinder frame assembly and the lower-frame fire control housing functions as a "trapped-V-block," which is reinforced by the deflection of recoil. The two attachment points consist of a small black stainless torx-head cross screw and captive nut at the top of the frame behind the fixed-notch rear sight, and a larger torx-head attachment screw at the lower front of the combined frame assemblies, which serves both to attach the aluminum cylinder frame to the polymer lower frame and to hold the crane/cylinder assembly into the cylinder frame. The screw is secured by a threaded titanium insert, which is embedded in the polymer of the lower frame/fire control housing.

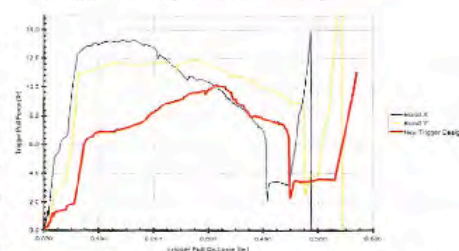
Chief Revolver Engineer Joseph Zajtli, who designed the LCR, says that the upper screws behind the rear sight are necessary to hold the system together; the V-block interface, lower attachment screw, and the dissonance of recoil are sufficient in themselves, and the LCR has in fact been fired extensively without the upper cross screws—with no effect. It's simple logic: a wedge against anything that might happen with extended use. And for anyone with concerns about the inherent strength of any high-pressure revolver system involving an interface between polymer and metal, all I can say at this point is that potshots have been fired in excess of 1,000 rounds with 158-grain +P ammo with zero malfunctions or loosening in the dimensional interfaces. The only thing that happens is that the DAO trigger pull gets smoother as it self-polishes with use.



The author found the LCR to be exceptionally controllable with 158-grain +Ps, considering its mere 13-ounce curb weight.

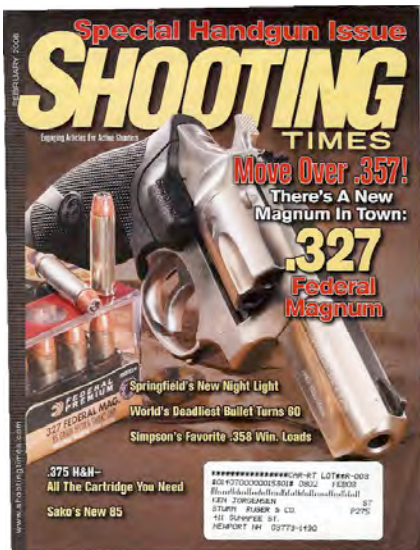
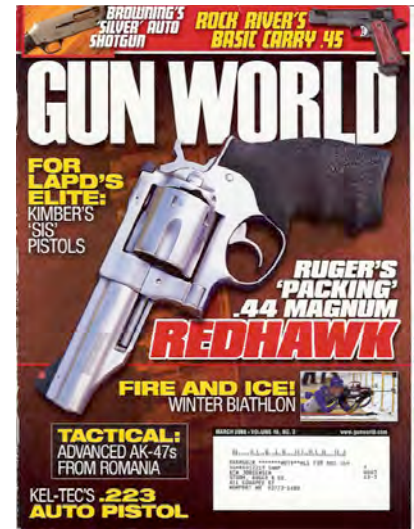
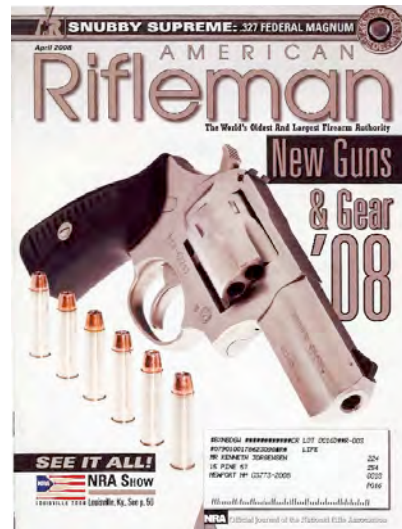


The LCR, stripped down and ready for maintenance and cleaning.



The patent-pending new LCR trigger design reduces overall weight to 10 pounds, with no stiff initial stacking.

2008 Editorial Coverage





Liquidity

April 4, 2009 Cash Balance \$33.9 million

Possible Uses of Cash

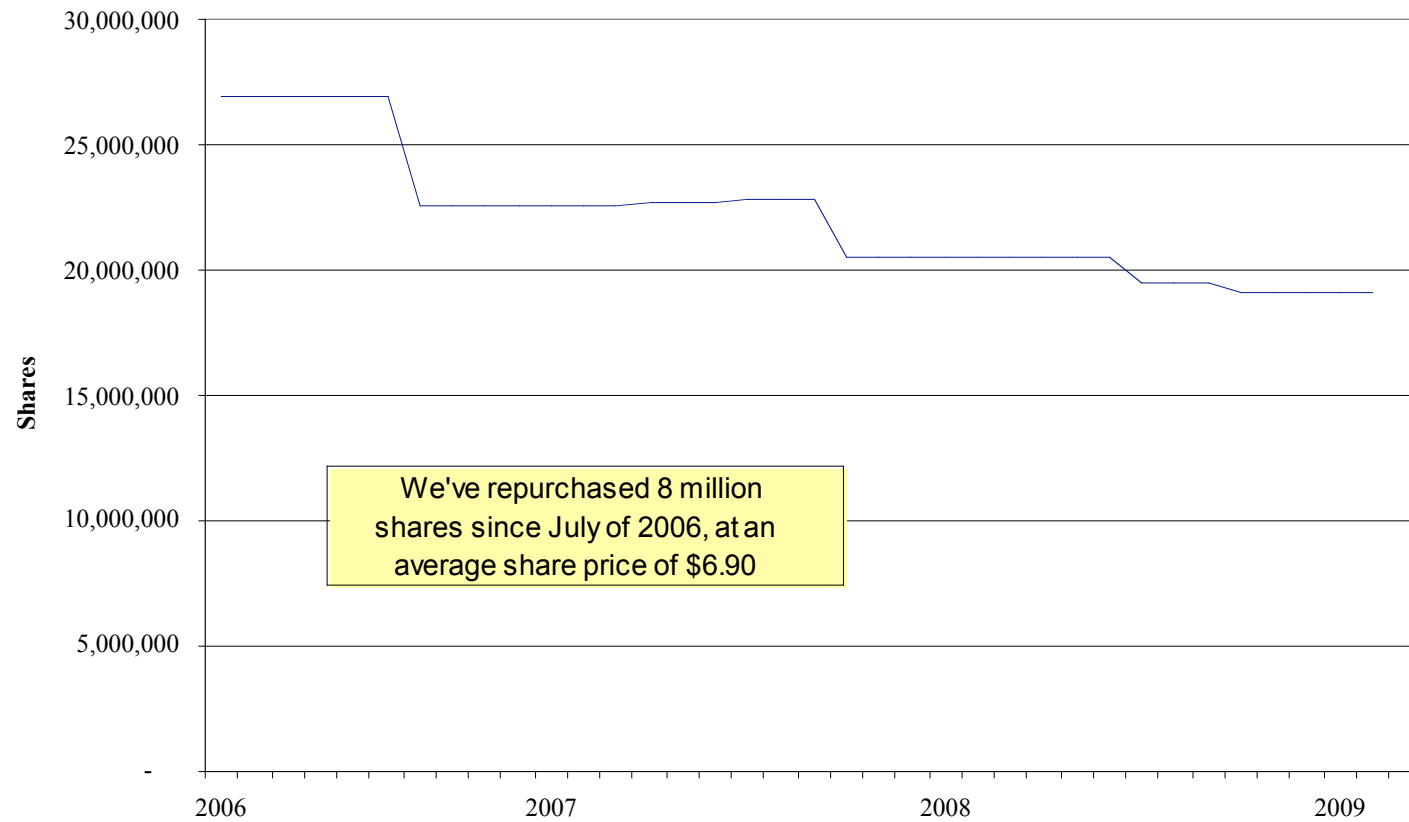
- Acquisitions
- Stock Buyback (\$4.7 million authorized)
- Quarterly Dividend

The Company will use its cash to generate shareholder value, or it will be returned to the shareholders.

Stock Buyback



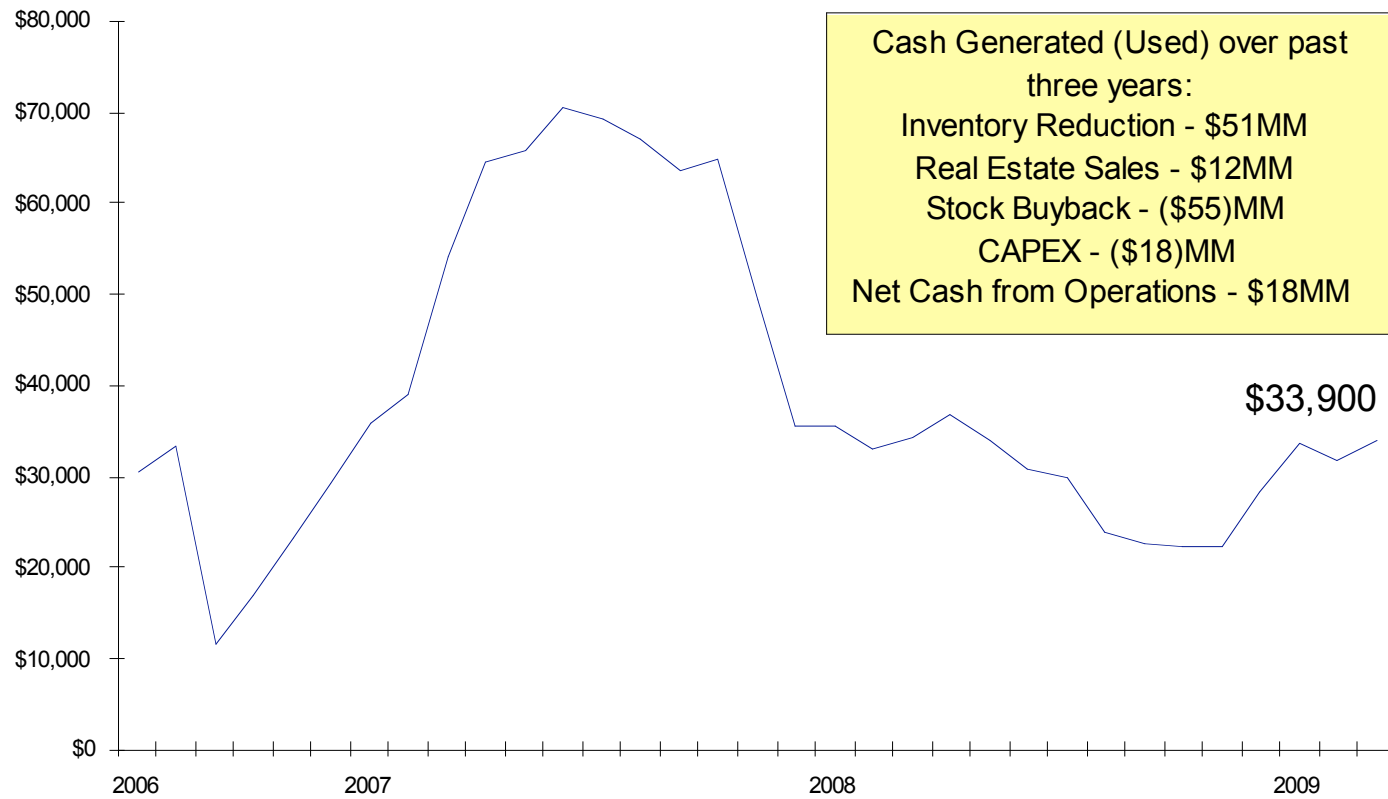
Shares Outstanding



Cash



Cash Balance July 2006 - March 2009





Dividend Declaration

Q1 Dividend based on Ratio of Adjusted Operating Profit

8.6¢ Per Share

Record Date: May 15, 2009

Pay Date: May 29, 2009

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Communications Policy



Investment Community Communications Policy

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 July, 2009.**
4. We will announce our anticipated earnings release dates each year.

Communications Policy



Anticipated Quarterly Earnings Release and Conference Call Dates

1. We anticipate releasing 2009 quarterly earnings and holding investor conference calls on the following dates:

Earnings Release & Conference Call

| | |
|----------|-------------------|
| Q2 2009: | July 29, 2009 |
| Q3 2009: | October 28, 2009 |
| Q4 2009: | February 23, 2010 |

(We reserve the right to revise our earnings release and conference call dates.)

Our Executive Team



Michael Fifer
Chief Executive Officer
Director



Tom Dineen
Chief Financial Officer,
Treasurer



Mark Lang
Group Vice President



Chris Killoy
Vice President of Sales
& Marketing



Tom Sullivan
Vice President of Newport Operations



Steve Maynard
Lean Coach



Kevin Reid
Vice President and
General Counsel



Leslie Gasper
Corporate Secretary



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- Strong Management Team
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Questions?



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