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STURM, RUGER & COMPANY, INC. REPORTS:

- ANNUAL SALES AND EARNINGS - 2002
- FOURTH QUARTER RESULTS - 2002

SOUTHPORT, CONNECTICUT, February 11, 2003--Sturm, Ruger & Company, Inc. (NYSE-RGR), the nation's largest producer of firearms, today reported financial results for both the year and fourth quarter 2002.

For the year, the Company recorded sales of \$161.6 million, net income of \$8.5 million, and earnings per share of \$0.31. The respective figures for 2001 were sales of \$174.3 million, net income of \$13.5 million, and earnings per share of \$0.50.

For the fourth quarter of 2002, the Company had sales of \$35.3 million, a net loss of \$0.3 million, and a loss per share of \$0.02. Comparable amounts for 2001 were sales of \$51.7 million, net income of \$4.9 million, and earnings per share of \$0.18.

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Chairman William B. Ruger, Jr. commented on the year, “Firearms shipments decreased 39% and 9% for the quarter and year, respectively. Demand weakened in all four product families, rifles, revolvers, pistols and shotguns. The success of our new products in 2002 was offset by an overall softness in the marketplace late in the year.”

Commenting on the castings results, Mr. Ruger remarked, “Our castings business declined in 2002 as sales dropped 18% from the prior year. The significant decline of castings sales has made it clear that we will be unable to utilize a portion of our casting capacity in the short-term. Therefore, in the fourth quarter of 2002, we recorded a \$3.3 million pretax charge to earnings to recognize an impairment loss on certain of the investment castings segment assets. We are, however, committed to this business and believe it can ultimately benefit the Company in the years to come.”

Mr. Ruger was encouraged by the strength of the Company’s balance sheet, “At December 31, 2002, we remain debt free and have \$53.4 million of cash and short-term investments. We are committed to using these financial resources, our manufacturing expertise and dedicated employees to strengthen the Company during these turbulent economic times. One area in which we made great strides in 2002 is the consolidation of our several firearms and castings websites into one state-of-the-art website, www.ruger.com. This website, to be launched to the public on March 19, 2003, will offer a wealth of Company and product information to independent wholesale distributors, Federally licensed retail firearms dealers, responsible consumers, and the investment community.”

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Mr. Ruger reaffirmed the long-standing Ruger tradition of invention and innovation in announcing several new firearms products for 2003, “Responding to the continuing overwhelming demand for the new Ruger 77/17 rifle, four new models also chambered for the popular new high velocity .17 Hornady Magnum Rimfire cartridge have been added to the Company’s 2003 offerings.” The .17 HMR cartridge provides higher velocity, flatter trajectory, and superior long range accuracy than the .22 WMR and .22 Long Rifle. These four new .17 caliber models are:

- The **Ruger New Model Single-Six revolver** features a 6 _” barrel, chrome-molybdenum blued steel finish, and rosewood grips with the Ruger medallion.
- The **Ruger Model 96/17M**, which offers rugged reliability with classic Old West styling, has been added to our popular lever-action family.
- Two new bolt action rifles, the **Ruger Target Grey® Varmint Model 77/17 rifle** in our recently patented non-glare stainless steel with a black laminated wood stock, and the **Ruger Model 77/17** in blued alloy steel with a synthetic stock, supplement the Company’s bolt action offerings. Both of the 77/17 rifles incorporate Ruger’s patented nine round detachable rotary magazine and Ruger’s patented scope mounting system with integral scope bases and medium- height rings.

Also new in 2003 is the latest Ruger Over & Under Shotgun, the **Ruger 12 gauge Target Grey® All-Weather Red Label Shotgun**. This shotgun also bears our strikingly unique metal finish which enhances the durable elegance of this classic Ruger model. And to commemorate

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the **50th anniversary of the Ruger Single-Six .22 caliber revolver**, a special limited edition will be sold in 2003 which features a 4-5/8" barrel with a 1953-2003 gold filled rollmark, a blued steel finish, and Cocobolo wood grips bearing unique red Ruger medallions. This special Ruger New Model Single-Six will include both .22 Long Rifle and .22 Rimfire Magnum cylinders, and will be housed in a unique red high-impact case.

Stephen L. Sanetti, Senior Executive Vice President and General Counsel expressed his satisfaction with the Company's achievements in the legal arena in 2002, "Boston became the first city to voluntarily withdraw its municipal lawsuit against the Company, stating after the close of extensive discovery that 'members of the firearm industry have a long standing commitment to reducing firearms accidents and to reducing the criminal misuse of firearms.' The year also saw the final dismissals of the Philadelphia, Atlanta, and Wilmington cases, the appellate affirmance of the trial court's dismissal of the Gary (Indiana) case, and the dismissal by the trial court of the Washington, D.C. lawsuit. Only three new traditional product liability cases were filed against the Company in 2002, the lowest number in over 28 years."

Mr. Sanetti added, "Court battles continue, but the momentum is clearly in our favor. Firearms accidents and new product liability lawsuits are at record lows, our numerous voluntary product safety efforts continue, and many favorable court decisions have rejected "absolute liability" of firearms manufacturers for the acts of criminals far beyond our control."

Erle G. Blanchard, President and Chief Operating Officer, noted the passing of the Company's founder and Chairman Emeritus, William B. Ruger, on July 6, 2002, "He was a giant in this industry, and starting with nothing more than an idea that responsible American gun

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owners deserved high-quality, affordable products with elegant design details, built this Company to be the industry leader. The continued success of this Company, its products, and the preservation of the rights of law-abiding citizens to keep and bear arms will be his legacy.”

Sturm, Ruger was founded in 1949. Since 1950 it has never failed to show an annual profit and has never required financing from outside sources. The Company’s business segments are engaged in the manufacture of the world famous **RUGER**[®] brand of sporting and law enforcement firearms and titanium and steel investment castings for a wide variety of customers and end uses. Plants are located in Newport, New Hampshire and Prescott, Arizona. Corporate headquarters is located in Southport, Connecticut.

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, 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.

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STURM, RUGER & COMPANY, INC.
Condensed Consolidated Statements of Income
(in thousands, except per share amounts)

	(unaudited)							
	Three Months Ended				Twelve Months Ended			
	December 31				December 31			
	2002	%	2001	%	2002	%	2001	%
Firearms sales	\$31,396	88.9	\$46,633	90.3	\$139,762	86.5	\$147,622	84.7
Castings sales	3,927	11.1	5,027	9.7	21,825	13.5	26,708	15.3
Net sales	35,323	100.0	51,660	100.0	161,587	100.0	174,330	100.0
Cost of products sold	28,262	80.0	39,157	75.8	125,376	77.6	134,449	77.1
Gross profit	7,061	20.0	12,503	24.2	36,211	22.4	39,881	22.9
Expenses:								
Selling	3,666	10.4	3,692	7.1	14,777	9.1	14,473	8.3
General and administrative	1,165	3.3	1,391	2.7	5,885	3.6	6,392	3.7
Impairment of long-lived assets	3,311	9.4	-	0.0	3,311	2.0	-	0.0
	8,142	23.1	5,083	9.8	23,973	14.8	20,865	12.0
	(1,081)	(3.1)	7,420	14.4	12,238	7.6	19,016	10.9
Other income-net	530	1.6	597	1.1	1,897	1.1	3,183	1.8
Income (loss) before income taxes	(551)	(1.5)	8,017	15.5	14,135	8.7	22,199	12.7
Income taxes	(221)	(0.6)	3,143	6.1	5,668	3.5	8,702	5.0
Net income (loss)	(\$330)	(0.9)	\$4,874	9.4	\$8,467	5.2	\$13,497	7.7
Earnings per share								
Basic	(\$0.02)		\$0.18		\$0.31		\$0.50	
Diluted	(\$0.02)		\$0.18		\$0.31		\$0.50	
Cash dividends per share	\$0.20		\$0.20		\$0.80		\$0.80	
Average shares outstanding								
Basic	26,911		26,911		26,911		26,911	
Diluted	26,911		26,947		27,002		26,923	

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STURM, RUGER & COMPANY, INC.
Condensed Consolidated Balance Sheets
(in thousands)

	December 31,	
	2002	2001
<u>Assets</u>		
Cash and cash equivalents	\$3,598	\$3,838
Short-term investments	49,776	63,957
Trade receivables, net	14,026	15,121
Inventories	51,628	49,793
Deferred income taxes	6,985	7,922
Prepaid expenses and other assets	4,536	1,566
Total current assets	130,549	142,197
Property, plant & equipment	153,732	153,314
Less depreciation	(124,538)	(114,535)
	29,194	38,779
Deferred income taxes	9,594	3,671
Other assets	14,621	20,066
Total	\$183,958	\$204,713
<u>Liabilities and Stockholders' Equity</u>		
Trade accounts payable and accrued expenses	\$5,080	\$6,893
Product liability	4,000	4,000
Employee compensation	7,324	7,220
Workers' compensation	4,765	4,620
Dividends payable	5,382	-
Income taxes	882	704
Total current liabilities	27,433	23,437
Accrued pension liability	6,423	3,820
Deferred income taxes	5,886	4,654
Product liability accrual	6,233	8,462
Stockholders' equity	137,983	164,340
Total	\$183,958	\$204,713

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