



STURM, RUGER & CO., INC.

SOUTHPORT, CONNECTICUT 06890 U.S.A.

FOR IMMEDIATE RELEASE

STURM, RUGER & COMPANY, INC. REPORTS 2006 RESULTS AND
FILES ANNUAL REPORT ON FORM 10-K

SOUTHPORT, CONNECTICUT, March 5, 2007 - Sturm, Ruger & Company, Inc. (NYSE-RGR) today filed its 2006 Annual Report on Form 10-K, which has been posted and is available on the SEC website at www.sec.gov and the Ruger website at www.ruger.com. The financial statements included in the 2006 Annual Report on Form 10-K are attached to this press release. However, investors are urged to read the complete Form 10-K to ensure that they have adequate information to make informed investment judgments.

About Sturm, Ruger

Sturm, Ruger was founded in 1949. The Company's business segments are engaged in the manufacture of the world famous **RUGER**[®] brand of sporting and law enforcement firearms and steel investment castings for a 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, 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.

Balance Sheets

(Dollars in thousands, except per share data)

<i>December 31,</i>	2006	2005
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,316	\$ 4,057
Short-term investments	22,026	21,926
Trade receivables, net	18,007	15,777
Gross inventories:	87,477	111,462
Less LIFO reserve	(57,555)	(59,599)
Less excess and obsolescence reserve	(5,516)	(3,137)
Net inventories	24,406	48,726
Deferred income taxes	8,347	6,018
Prepaid expenses and other current assets	1,683	5,442
Total Current Assets	81,785	101,946
Property, Plant, and Equipment	128,042	155,174
Less allowances for depreciation	(105,081)	(131,808)
Net property, plant and equipment	22,961	23,366
Deferred income taxes	3,630	3,200
Other assets	8,690	11,127
Total Assets	\$117,066	\$139,639

STURM, RUGER & COMPANY, INC.

<i>December 31,</i>	2006	2005
Liabilities and Stockholders' Equity		
Current Liabilities		
Trade accounts payable and accrued expenses	\$ 6,342	\$ 3,619
Product liability	904	1,207
Employee compensation and benefits	6,416	7,544
Workers' compensation	6,547	5,119
Income taxes payable	1,054	935
Total Current Liabilities	21,263	18,424
Accrued pension liability	7,640	8,648
Product liability	837	989
Contingent liabilities (Note 6)	-	-
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		
Issued and outstanding shares –		
2006-22,638,700; 2005-26,910,700	22,639	26,911
Additional paid-in capital	2,615	2,508
Retained earnings	74,505	94,334
Accumulated other comprehensive income (loss)	(12,433)	(12,175)
Total Stockholders' Equity	87,326	111,578
Total Liabilities and Stockholders' Equity	\$117,066	\$139,639

STURM, RUGER & COMPANY, INC.

Statements of Income

(In thousands, except per share data)

Year ended December 31,	2006	2005	2004
Net firearms sales	\$139,110	\$132,805	\$124,924
Net castings sales	28,510	21,917	20,700
Total net sales	167,620	154,722	145,624
Cost of products sold	143,382	128,343	115,725
Gross profit	24,238	26,379	29,899
Expenses:			
Selling	16,150	17,271	16,700
General and administrative	7,874	7,271	6,175
Impairment of assets	494	483	-
	24,518	25,025	22,875
Operating (loss) income	(280)	1,354	7,024
Gain on sale of assets	1,326	-	874
Other income-net	797	88	153
Total other income	2,123	88	1,027
Income before income taxes	1,843	1,442	8,051
Income taxes	739	578	3,228
Net income	\$ 1,104	\$ 864	\$ 4,823
Basic and Diluted Earnings Per Share	\$ 0.04	\$ 0.03	\$ 0.18
Cash Dividends Per Share	\$ 0.00	\$ 0.30	\$ 0.60

STURM, RUGER & COMPANY, INC.

Statements of Cash Flows

(In thousands)

Year ended December 31,	2006	2005	2004
Operating Activities			
Net income	\$ 1,104	\$ 864	\$ 4,823
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation	3,852	5,440	5,827
Impairment of assets	494	483	-
Gain on sale of assets	(1,326)	-	(874)
Deferred income taxes	(2,759)	(328)	1,855
Changes in operating assets and liabilities:			
Trade receivables	(2,230)	305	(3,268)
Inventories	24,320	1,659	(1,855)
Trade accounts payable and other liabilities	3,023	13	(81)
Product liability	(455)	(936)	(3,533)
Prepaid expenses and other assets	4,077	(2,422)	(1,132)
Income taxes	119	167	(451)
Cash provided by operating activities	30,219	5,245	1,311
Investing Activities			
Property, plant, and equipment additions	(3,906)	(4,460)	(6,945)
Purchases of short-term investments	(114,585)	(125,245)	(123,098)
Proceeds from sales or maturities of short-term investments	114,485	131,749	144,693
Net proceeds from sale of assets	2,251	-	1,580
Cash (used for) provided by investing activities	(1,755)	2,044	16,230
Financing Activities			
Repurchase and retirement of common stock	(25,205)	-	-
Dividends paid	-	(8,073)	(16,146)
Cash used for financing activities	(25,205)	(8,073)	(16,146)
Increase (Decrease) in cash and cash equivalents	3,259	(784)	1,395
Cash and cash equivalents at beginning of year	4,057	4,841	3,446
Cash and Cash Equivalents at End of Year	\$ 7,316	\$ 4,057	\$ 4,841