

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2001

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [No Fee Required]

For the transition period from _____ to _____

Commission File Number 0-4776

STURM, RUGER & COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

06-0633559
(I.R.S. Employer
Identification No.)

Lacey Place, Southport, Connecticut
(Address of principal executive offices)

06490
(Zip Code)

(203) 259-7843

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$1 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **YES** **NO**

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [].

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of March 1, 2002:

Common Stock, \$1 par value - \$245,555,942

The number of shares outstanding of the issuer's common stock as of March 15, 2002:

Common Stock, \$1 par value - 26,910,720

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report to Stockholders for the fiscal year ended December 31, 2001 are incorporated by reference into Parts I, II and IV of this Report.

Portions of the Proxy Statement relating to the Annual Meeting of Stockholders to be held May 9, 2002 are incorporated by reference into Part III of this Report.

PART I

ITEM 1—BUSINESS

The Company is principally engaged in the design, manufacture, and sale of firearms and precision metal investment castings. The Company is the only U.S. firearms manufacturer which offers products in all four industry categories (rifles, shotguns, pistols, and revolvers) and believes that it is the largest U.S. firearms manufacturer, based on data reported in the Bureau of Alcohol, Tobacco and Firearms' 1999 Annual Firearms Manufacturing and Exportation Report ("BATF Data"). The Company, which has been profitable every year since 1950, believes it has a preeminent reputation among sportsmen, hunters, and gun collectors for technical innovation and quality construction, based on reports in industry and business publications. The Company also sells firearms to the law enforcement market. The Company has been in business since 1949 and was incorporated in its present form under the laws of Delaware in 1969.

The Company's firearms, which are sold under the "Ruger" name and trademark, consist of single-shot, autoloading, bolt-action, lever action, and muzzleloading rifles in a broad range of hunting calibers; shotguns in three gauges; .22 caliber rimfire autoloading pistols and centerfire autoloading pistols in various calibers; and single-action, double-action, and muzzleloading revolvers in various calibers. The Company manufactures a wide range of high quality products and does not manufacture inexpensive concealable firearms, sometimes known as "Saturday Night Specials," "Junk Guns," nor does it commercially-sell any firearm included on the list of "assault weapons" which was part of anti-crime legislation enacted by Congress in 1994.

Many of the firearms introduced by the Company over the years have become "classics" which have retained their popularity for decades and are sought by collectors. These firearms include the single-action Single-Six, Blackhawk, and Bearcat revolvers, the double-action Redhawk revolvers, the 10/22 and Mini-14 autoloading, M-77 bolt-action, and Number One Single-Shot rifles, and the Red Label over-and-under shotguns. The Company has supplemented these "classics" with the introduction of new models and variations of existing models, including a line of centerfire autoloading pistols introduced in 1987, three lines of double action revolvers, the SP101, GP100, and Super Redhawk models as well as a line of lever action rifles introduced in 1997.

The Company's ongoing commitment to the development and introduction of new models of firearms in appropriate product categories continues to generate new offerings. In 2002, we will introduce several novel offerings including the Ruger Gold Label Side-by-Side Double Shotgun, the first American-designed and manufactured side-by-side shotgun in decades; the Ruger 77/17 Bolt Action Rifle which fires the new .17 HMR cartridge; and the Ruger Vaquero and New Model Single Six "Bird's Head" Grip Models which feature a distinctively-shaped grip.

The Company is also engaged in the manufacture of titanium and ferrous investment castings for a wide variety of markets including sporting goods, commercial, and military. The Company produces titanium golf club heads for Karsten Manufacturing Corporation ("Ping") and other golf club manufacturers, steel and titanium marine propellers, titanium hand tools, and various titanium and steel castings for a number of customers. For 2002 and beyond, the Company will continue to pursue other titanium and steel castings markets, as well as other golf club casting business. In 1999, the Company's foremost investment castings product was titanium golf club heads for Callaway Golf Company, Inc. ("Callaway Golf"). The Company made no shipments to Callaway Golf in 2000 or 2001.

ITEM 1—BUSINESS (continued)

For the years ended December 31, 2001, 2000, and 1999, net sales attributable to the Company's firearms operations were approximately 85%, 82%, and 78%, respectively, of total net sales. The balance of the Company's net sales for the aforementioned periods was attributable to its investment castings operations. Further information regarding industry segment data is incorporated by reference to pages 20 and 21 of the Company's 2001 Annual Report to Stockholders.

Products—Firearms

The Company presently manufactures 30 different types of firearm products in four industry categories: rifles, shotguns, pistols, and revolvers. Most are available in several models based upon caliber, finish, barrel length, and other features.

Rifles—A rifle is a long gun with spiral grooves cut into the interior of the barrel to give the bullet a stabilizing spin after it leaves the barrel. The Company presently manufactures fourteen different types of rifles: the M77 Mark II, the M77 Mark II Express and Magnum, the 77/17, the 77/22, the 77/44, the 10/22, the Model 96/22, the Model 96/44, the Mini-14, the Mini Thirty, the Ruger Carbine, the Deerfield Carbine (99/44), the No. 1 Single-Shot, and the 77/50 Muzzle Loader. Sales of rifles by the Company accounted for approximately \$72.8 million, \$73.2 million, and \$89.8 million of revenues for the years 2001, 2000, and 1999, respectively.

Shotguns—A shotgun is a long gun with a smooth barrel interior which fires lead or steel pellets. The Company presently manufactures three different types of over-and-under shotguns: the Red Label available in 12, 20, and 28 gauge, the Woodside available in 12 gauge, and the Trap Model available in 12 gauge. Most of the Red Label models are available in special Sporting Clays, English Field, All-Weather and engraved versions. In 2002, the Company began manufacturing a side-by-side shotgun in 12 gauge. Sales of shotguns by the Company accounted for approximately \$6.1 million, \$11.4 million, and \$13.4 million of revenues for the years 2001, 2000, and 1999, respectively.

Pistols—A pistol is a handgun in which the ammunition chamber is an integral part of the barrel and which is fed ammunition from a magazine contained in the grip. The Company presently manufactures three different types of pistols, the Ruger Mark II .22 caliber in Standard, Competition, and Target models, the Ruger 22/45, and the P-Series centerfire autoloading pistols in various calibers, configurations, and finishes. Sales of pistols by the Company accounted for approximately \$26.6 million, \$43.2 million, and \$47.3 million of revenues for the years 2001, 2000, and 1999, respectively.

Revolvers—A revolver is a handgun which has a cylinder that holds the ammunition in a series of chambers which are successively aligned with the barrel of the gun during each firing cycle. There are two general types of revolvers, single-action and double-action. To fire a single-action revolver, the hammer is pulled back to cock the gun and align the cylinder before the trigger is pulled. To fire a double-action revolver, a single trigger pull advances the cylinder and cocks and releases the hammer. The Company presently manufactures eight different types of single-action revolvers in a variety of calibers, configurations, and finishes: the New Model Super Single-Six, the New Model .32 Magnum Super Single-Six, the New Model Blackhawk, the New Model Super Blackhawk, the Vaquero, the Ruger Bisley, the Old Army Cap & Ball, and the New Bearcat. The Company presently manufactures four different types of double-action revolvers: the SP101, the GP100, the Redhawk, and the Super Redhawk. Sales of revolvers by the Company accounted for approximately \$37.9 million, \$34.0 million, and \$33.7 million of revenues for the years 2001, 2000, and 1999, respectively.

The Company also manufactures and sells accessories and replacement parts for its firearms. These sales accounted for approximately \$4.2 million, \$4.6 million, and \$4.4 million of revenues for the years 2001, 2000, and 1999, respectively.

ITEM 1—BUSINESS (continued)

Products—Investment Castings

The investment castings products currently manufactured by the Company consist of titanium, chrome-molybdenum, stainless steel, nickel, and cobalt alloys. The Company produces titanium golf club heads for Karsten Manufacturing Corporation (“Ping”), steel marine propellers, steel and titanium hand tools, and various other titanium and steel castings for a number of customers. Sales of golf club heads to Callaway Golf approximated 58% of casting revenues for 1999. In 2000 and 2001, no shipments were made to Callaway Golf.

Ruger Investment Casting (“RIC”), which includes the Antelope Hills foundry, is located in Prescott, Arizona and engineers and produces titanium and ferrous castings.

The Pine Tree Castings Division of the Company, located in Newport, New Hampshire, engineers and produces ferrous castings for a wide range of commercial customers.

The Company sold the assets of its Uni-Cast Division, which was located in Manchester, New Hampshire, on June 2, 2000. Uni-Cast’s activity was immaterial for the three years ended December 31, 2001. Currently, Uni-Cast is a third party supplier of aluminum castings used in the manufacture of certain pistols.

Sales from the Company’s investment casting operations (excluding intercompany transactions) accounted for approximately \$26.7 million, \$36.2 million, and \$53.1 million, or 15%, 18%, and 22% of the Company’s total net sales for 2001, 2000, and 1999, respectively.

Manufacturing

Firearms—The Company produces most rifles, and all shotguns and revolvers at the Newport, New Hampshire facility. Some rifles and all pistols are produced at the Prescott, Arizona facility.

Many of the basic metal component parts of the firearms manufactured by the Company are produced by the Company's castings facilities through a process known as precision investment casting. See "Manufacturing-Investment Castings" for a description of the investment casting process. The Company initiated the use of this process in the production of component parts for firearms in 1953 and believes that its widespread use of investment castings in the firearms manufacturing process is unique among firearms manufacturers. The investment casting process provides greater design flexibility and results in component parts which are generally close to their ultimate shape and, therefore, require less machining. Through the use of investment castings, the Company is able to produce durable and less costly component parts for its firearms.

Third parties supply the Company with various raw materials for its firearms, such as fabricated steel components, walnut, birch, beech, maple and laminated lumber for rifle and shotgun stocks, various synthetic products and other component parts. These raw materials and component parts are readily available from multiple sources at competitive prices. One component part, an aluminum casting used in the manufacture of certain models of pistols, is purchased from only one third party and may not be readily available from other sources immediately.

All assembly, inspection, and testing of firearms manufactured by the Company is performed at the Company's manufacturing facilities. Every firearm, including every chamber of every revolver manufactured by the Company, is test-fired prior to shipment.

ITEM 1—BUSINESS (continued)

Investment Castings—The Company manufactures all of its precision investment castings products at one of its three investment casting foundries. To produce a product by the investment casting method, a wax model of the part is created and coated (“invested”) with several layers of ceramic material. The shell is then heated to melt the interior wax which is poured off, leaving a hollow mold. To cast the desired part, molten metal is poured into the mold and allowed to cool and solidify. The mold is then broken off to reveal a near net shape cast metal part.

All of the titanium investment castings and some of the ferrous investment castings products are manufactured by the Company’s RIC Division. This facility is one of the largest investment castings facilities in the Southwest.

The Company’s Pine Tree Castings Division manufactures ferrous investment castings.

Raw materials including wax, ceramic material, and metal alloys necessary for the production of investment cast products are supplied to the Company through third parties. The Company believes that these raw materials are readily available from multiple sources at competitive prices.

Marketing and Distribution

Firearms—The Company's firearms are primarily marketed through a network of selected independent wholesale distributors who purchase the products directly from the Company. The resell to Federally-licensed retail gun dealers and legally authorized end-users. All retail purchasers are subject to a point-of-sale background check by law enforcement. These end-users include sportsmen, hunters, law enforcement and other governmental organizations, and gun collectors. Each of these distributors carries the entire line of firearms manufactured by the Company for the commercial market. Currently, 20 distributors service the domestic commercial market, with an additional 12 servicing the domestic law enforcement market and two servicing the Canadian market. Four of these distributors service both the domestic commercial market and the domestic law enforcement market. AcuSport Corporation accounted for approximately 21%, 20%, and 19% of net firearms sales and 17%, 16%, and 15% of consolidated net sales in 2001, 2000, and 1999, respectively. Davidson’s Supply Company, accounted for approximately 14%, 14% and 13% of net firearms sales and 12%, 11% and 10% of consolidated net sales in 2001, 2000, and 1999, respectively. Jerry’s Sport Center, accounted for approximately 12%, and 14% of the Company's net sales of firearms and 10% and 11% of consolidated net sales in 2000 and 1999, respectively. The Company employs six employees and one independent contractor who service these distributors and call on dealers and law enforcement agencies. Because the ultimate demand for the Company's firearms comes from end-users, rather than from the Company's distributors, the Company believes that the loss of any distributor would not have a material adverse effect on the Company, but may have a material impact on the Company’s financial results for a particular period. The Company considers its relationships with its distributors to be satisfactory.

In addition, the Company markets its firearms directly to foreign customers, consisting primarily of law enforcement agencies, foreign governments, and a few select commercial distributors. Foreign sales were less than 10% of the Company's consolidated net sales for each of the past three years. No material portion of the Company's business is subject to renegotiation of profits or termination of contracts at the election of a government purchaser.

In the fourth quarter of 2001, the Company received annual orders from its distributors for the 2002 marketing year. As of March 1, 2002, unfilled firearms orders were approximately \$128 million as compared to approximately \$113 million at March 1, 2001.

Most of the firearms manufactured by the Company are sold on terms requiring payment in full within 30 days. However, certain products which are generally used during the fall hunting season are sold pursuant to a "dating plan" which, in general, allows the purchasing distributor to buy the products

ITEM 1—BUSINESS (continued)

commencing in December, the normal start of the Company's dating plan year, and pay for them on extended terms. Discounts are offered for early payment. Management believes that this dating plan serves to level out the demand for these seasonal products throughout the entire year and facilitates an efficient manufacturing schedule. The Company does not consider its overall firearms business to be significantly seasonal; however sales of certain models of firearms are usually lower in the third quarter of the year.

Investment Castings—The investment casting segment's principal markets are sporting goods, commercial, and military. Sales are made directly to customers or through manufacturers' representatives. The Company produces titanium golf club heads for Karsten Manufacturing Corporation ("Ping"), steel marine propellers, steel and titanium hand tools, and various other products for a number of customers. For 2002 and beyond, the Company will continue to pursue other titanium and steel castings markets, as well as other golf club casting business. In 1999 one castings segment customer, Callaway Golf, accounted for approximately 13% of consolidated net sales and 58% of casting segment sales, respectively. No shipments were made to Callaway Golf in 2000 or 2001.

Competition

Firearms—Competition in the firearms industry is intense and comes from both foreign and domestic manufacturers. While some of these competitors concentrate on a single industry product category, such as rifles or pistols, several foreign competitors manufacture products in all four industry categories (rifles, shotguns, pistols, and revolvers). Some of these competitors are subsidiaries of large corporations with substantially greater financial resources than the Company. The Company is the only domestic manufacturer which produces firearms in all four industry product categories and believes that it is the largest U.S. firearms manufacturer, according to BATF Data. The principal methods of competition in the industry are product quality and price. The Company believes that it can compete effectively with all of its present competitors based upon the high quality, reliability and performance of its products, and the competitiveness of its pricing.

Investment Castings—There are a large number of investment castings manufacturers, both domestic and foreign, with which the Company competes. Competition varies based on the type of investment castings products (titanium or steel) and the end use of the product (sporting goods, commercial, or military). Many of these competitors are larger than the Company and may have greater resources. The principal methods of competition in the industry are quality, production lead time, and price. The Company believes that it can compete effectively with all of its present competitors and has expended significant amounts of resources on both expanding and modernizing its investment casting facilities during the last several years.

Employees

As of March 1, 2002, the Company employed 1,537 full-time employees of which approximately 45% had at least ten years of service with the Company.

None of the Company's employees are subject to a collective bargaining agreement. The Company has never experienced a strike during its entire 52-year history and believes its employee relations are satisfactory.

ITEM 1—BUSINESS (continued)

Research and Development

In 2001, 2000, and 1999, the Company spent approximately \$0.8 million, \$1.0 million, and \$1.2 million, respectively, on research activities relating to the development of new products and the improvement of existing products. As of February 28, 2002, the Company had approximately 33 employees engaged in research and development activities as part of their responsibilities.

Patents and Trademarks

The Company owns various United States and foreign patents and trademarks which have been secured over a period of years and which expire at various times. It is the policy of the Company to apply for patents and trademarks whenever new products or processes deemed commercially valuable are developed or marketed by the Company. However, none of these patents and trademarks are considered to be basic to any important product or manufacturing process of the Company and, although the Company deems its patents and trademarks to be of value, it does not consider its business materially dependent on patent or trademark protection.

Environmental Matters

The Company has programs in place that monitor compliance with various environmental regulations. However, in the normal course of its manufacturing operations the Company is subject to occasional governmental proceedings and orders pertaining to waste disposal, air emissions, and water discharges into the environment. The Company believes that it is generally in compliance with applicable environmental regulations and the outcome of such proceedings and orders will not have a material effect on its business.

Executive Officers of the Company

Set forth below are the names, ages, and positions of the executive officers of the Company. Officers serve at the pleasure of the Board of Directors of the Company.

Name	Age	Position With Company
William B. Ruger, Jr.	62	Chairman of the Board, Chief Executive Officer and Director
Erle G. Blanchard	55	Vice Chairman, President, Chief Operating Officer, Treasurer and Director
Stephen L. Sanetti	52	Vice Chairman, Senior Executive Vice President, General Counsel and Director
Leslie M. Gasper	48	Corporate Secretary

William B. Ruger, Jr. became Chairman of the Board and Chief Executive Officer on October 24, 2000. Mr. Ruger had served as President and Chief Operating Officer since March 1, 1998, Vice Chairman and Senior Executive Officer of the Company since 1995 and Director of the Company since 1970. Previously, he served as President of the Company from 1991 to 1995 and as Senior Vice President of the Company from 1970 to 1990.

ITEM 1—BUSINESS (continued)

Erle G. Blanchard was elected Vice Chairman, President, Chief Operating Officer, Treasurer and Director on October 24, 2000. Mr. Blanchard had returned to the Company as Vice President, Controller in March 1996. From March 1995 to March 1996, he was not employed by the Company. Prior to this, he served as Plant Manager of the Newport Firearms Manufacturing facility since 1986 and became Vice President, Controller - Newport in 1993.

Stephen L. Sanetti became Vice Chairman, Senior Executive Vice President and General Counsel on October 24, 2000. Mr. Sanetti has been a Director since March 1, 1998. Prior to October 24, 2000, he had been Vice President, General Counsel of the Company since 1993 and has served as General Counsel since 1980.

Leslie M. Gasper has been Secretary of the Company since 1994. Prior to this, she was the Administrator of the Company's pension plans, a position she held for more than five years prior thereto.

ITEM 2—PROPERTIES

The Company's manufacturing operations are carried out at three facilities. The following table sets forth certain information regarding each of these facilities:

	Approximate Aggregate Usable Square Feet	Status
Newport, New Hampshire	350,000	Owned
Prescott, Arizona	230,000	Leased
Prescott, Arizona	110,000	Owned

The Newport and one of the Prescott facilities each contain enclosed ranges for testing firearms and also contain modern tool room facilities. The lease of the Prescott facility provides for rental payments which approximate real property taxes.

The Company's headquarters and related operations are in Southport, Connecticut.

There are no mortgages on any of the real estate owned by the Company.

ITEM 3—LEGAL PROCEEDINGS

As of December 31, 2001, the Company is a defendant in approximately 37 lawsuits involving its products and is aware of certain other such claims. These lawsuits and claims fall into two categories:

- (i) those that claim damages from the Company related to allegedly defective product design which stem from a specific incident. These lawsuits and claims are based principally on the theory of "strict liability" but also may be based on negligence, breach of warranty, and other legal theories, and

ITEM 3—LEGAL PROCEEDINGS (continued)

- (ii) those brought by cities, municipalities, counties, individuals (including certain putative class actions) and a state attorney general against numerous firearms manufacturers, distributors and dealers seeking to recover damages allegedly arising out of the misuse of firearms by third parties in the commission of homicides, suicides and other shootings involving juveniles and adults. The complaints by municipalities seek damages, among other things, for the costs of medical care, police and emergency services, public health services, and the maintenance of courts, prisons, and other services. In certain instances, the plaintiffs seek to recover for decreases in property values and loss of business within the city due to criminal violence. In addition, nuisance abatement and/or injunctive relief is sought to change the design, manufacture, marketing and distribution practices of the various defendants. These suits allege, among other claims, strict liability or negligence in the design of products, public nuisance, negligent entrustment, negligent distribution, deceptive or fraudulent advertising, violation of consumer protection statutes and conspiracy or concert of action theories. None of these cases allege a specific injury to a specific individual as a result of the misuse or use of any of the Company's products.

In many of these cases punitive damages, as well as compensatory damages, are demanded. Aggregate claimed amounts presently exceed product liability accruals and, if applicable, insurance coverage. Management believes that, in every case, the allegations are unfounded, and that the shootings and any results therefrom were due to negligence or misuse of the firearms by third parties or the claimant, and that there should be no recovery against the Company. Defenses further exist to the suits brought by cities, municipalities, counties, and a state attorney general based, among other reasons, on established state law precluding recovery by municipalities for essential government services, the remoteness of the claims, the types of damages sought to be recovered, and limitations on the extraterritorial authority which may be exerted by a city, municipality, county or state under state and federal law, including State and Federal Constitutions.

The only case against the Company alleging liability for criminal shootings by third parties to ever be permitted to go before a jury, Hamilton, et. al. v. Accu-tek, et. al., resulted in a defense verdict in favor of the Company on February 11, 1999. In that case, numerous firearms manufacturers and distributors had been sued, alleging damages as a result of alleged negligent sales practices and "industry-wide" liability. The Company and its marketing and distribution practices were exonerated from any claims of negligence in each of the seven cases decided by the jury. The Court upheld the verdict of the jury and dismissed each case as to the Company in its later opinion. The three defendants found liable filed a notice of appeal from the Court's decision. On August 16, 2000, the U.S. 2nd Circuit Court of Appeals certified certain questions involving the appeal to the Appellate Division of the New York State Supreme Court for resolution. Oral argument on those certified questions was heard in the New York Appellate Division on February 8, 2001. On April 26, 2001, the Appellate Division of the New York State Supreme Court responded to the U.S. 2nd Circuit Court of Appeals' certified questions. The questions involved whether firearms manufacturers have a legal duty to prevent criminal misuses of their lawfully-sold products and whether any liability of the firearms manufacturers should be apportioned by a market share theory. The New York State Appellate Division answered both questions in the negative. On August 30, 2001, the United States Court of Appeals for the 2nd Circuit vacated and remanded the case with instructions for the trial court to enter a final judgment of dismissal. The trial court finally dismissed the case on its merits on September 17, 2001.

ITEM 3—LEGAL PROCEEDINGS (continued)

On October 7, 1999 a lawsuit brought against the Company and numerous firearms manufacturers and distributors by the mayor of Cincinnati, City of Cincinnati v. Beretta U.S.A. Corp., et. al., was dismissed. This was the first dismissal of one of the lawsuits which have been filed by certain cities, municipalities and counties. The Ohio Court of Appeals affirmed this decision on August 11, 2000. Such lawsuits filed by the cities of Bridgeport (dismissal affirmed by the Connecticut Supreme Court on October 1, 2001), Miami (dismissal affirmed by the District Court of Appeal 3rd District on February 15, 2001, review denied by the Florida Supreme Court on October 26, 2001), Chicago, Camden County (dismissal affirmed by the Third Circuit Court of Appeals on November 16, 2001), Philadelphia, and Gary, and that filed by the State of New York have been completely dismissed, and those filed by the cities of Wilmington and Newark have been partially dismissed. The Atlanta suit was dismissed on February 13, 2002. The Cleveland suit has withstood an initial motion to dismiss in the trial court, and in New Orleans the Court declared legislation passed to prohibit such suits unconstitutional. However, on April 3, 2001, the Louisiana Supreme Court reversed this decision, finding the statute to be constitutional, and it dismissed the case. The Detroit/Wayne County case was also partially dismissed, and the Michigan legislature has also passed legislation precluding such suits, as have at least twenty-seven other states. The Boston case and the California cities (consolidated into one case) claims have been permitted to proceed into the discovery phase. Appeals of all trial court decisions are pending or will be filed when appropriate. Motions to dismiss other such lawsuits are pending or will be filed when timely.

While it is not possible to forecast the outcome of litigation or the timing of costs, in the opinion of management, after consultation with independent and corporate counsel, it is not probable and is unlikely that litigation, including punitive damage claims, will have a material adverse effect on the financial position of the Company, but may have a material impact on the Company's financial results for a particular period.

Punitive damages, as well as compensatory damages, are demanded in many of the lawsuits and claims. Aggregate claimed amounts presently exceed product liability accruals and applicable insurance coverage. As of March 18, 1982, compensatory and punitive damage insurance coverage is provided, in States where permitted, for losses exceeding \$1.0 million of loss per occurrence or an aggregate maximum loss of \$4.0 million. For claims which the Company has been notified in writing between July 10, 1988 through July 10, 1989, coverage is provided for losses exceeding \$2.5 million per claim or an aggregate maximum loss of \$9.0 million. For claims made between July 10, 1989 and July 10, 1991, the aggregate maximum loss is \$7.5 million. For claims made after July 10, 1992, coverage is provided for losses exceeding \$2.25 million per claim, or an aggregate maximum loss of \$6.5 million. For claims made after July 10, 1994, coverage is provided for losses exceeding \$2.0 million per claim, or an aggregate maximum loss of \$6.0 million. For claims made after July 10, 1997, coverage is provided for annual losses exceeding \$2.0 million per claim, or an aggregate maximum loss of \$5.5 million annually. For claims made after July 10, 2000, coverage is provided for annual losses exceeding \$5 million per claim, or an aggregate maximum loss of \$10 million annually, except for certain new claims which might be brought by governments or municipalities after July 10, 2000, which are excluded from coverage.

On March 17, 2000, Smith & Wesson announced that it had reached a settlement to conclude some of the municipal lawsuits with various governmental entities. On March 30, 2000, the Office of the Connecticut Attorney General began an investigation of certain alleged "anticompetitive practices in the

ITEM 3—LEGAL PROCEEDINGS (continued)

firearms industry.” On April 17, 2000, the State of Maryland’s Attorney General also made similar inquiries as to the Company. On August 9, 2000, the U.S. Federal Trade Commission also filed such a civil investigative demand regarding the Smith & Wesson settlement. The Company has not engaged in any improper conduct and has cooperated with these investigations.

The Company has reported all cases instituted against it through September 30, 2001 and the results of those cases, where terminated, to the S.E.C. on its previous Form 10-K and 10-Q reports, to which reference is hereby made.

For a description of all pending lawsuits against the Company through September 30, 2001, reference is made to the discussion under the caption "Item 3. LEGAL PROCEEDINGS" of the Company's Annual Reports on Form 10-K for the years ended December 31, 1998 and 1999, and to the discussion under caption "Item 1. LEGAL PROCEEDINGS" of the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1987, September 30, 1990, March 31, 1995, June 30, 1996, September 30, 1997, September 30, 1998 and March 31, June 30, and September 30, 1999, March 31, June 30 and September 30, 2000, and March 31 and September 30, 2001.

The following cases were instituted against the Company during the twelve months ended December 31, 2001, which involved significant demands for compensatory and/or punitive damages:

Larkins v. Company (MO), on February 7, 2001, in the U.S. District Court for the Eastern District of Missouri. The complaint alleges that the plaintiff’s Ruger revolver accidentally discharged when it was dropped from a rig, resulting in fatal injury to him. Plaintiff seeks compensatory and punitive damages, plus other fees to be determined by the court.

Lawn v. Company, et. al., on September 10, 2001, in the Ontario (Canada) Superior Court of Justice. The complaint alleges that the plaintiff was participating in a Wild West Show when a Ruger revolver utilized with blank cartridges “backfired,” resulting in minor injuries to the plaintiff’s arm and hand. Plaintiff seeks compensatory damages.

Price v. Company, et. al. (MD), on September 27, 2001, in the Circuit Court for Baltimore City. The complaint alleges that the plaintiffs’ decedent was fatally injured by a third-party who carelessly pulled the trigger of a Ruger pistol. The gun owner is also a defendant in the lawsuit. The complaint also alleges that the pistol lacks adequate safety devices and warnings. Plaintiffs seek compensatory and punitive damages.

Wallace, et. al. v. Beretta U.S.A. Corp., et. al. (DC), on August 9, 2001, in the Superior Court for the District of Columbia Civil Division. The complaint alleges that the plaintiffs’ decedents were shot by gang members with a pistol of unknown manufacture and “an AK-47 type firearm.” The plaintiffs’ decedents were both fatally injured. Plaintiffs seek general, special, and punitive damages, plus injunctive relief.

ITEM 3—LEGAL PROCEEDINGS (continued)

During the twelve months ending December 31, 2001, three previously reported cases were settled:

<u>Case Name</u>	<u>Jurisdiction</u>
Martin	Florida
Dibble	Alaska
Bieber	Montana

The settlement amounts were within the Company's limits of its self-insurance coverage.

On January 9, 2001, in the previously-reported Mahoney (DC) case, the Company was voluntarily dismissed without prejudice by the plaintiff.

On January 12, 2001, in the previously-reported City of Gary (IN) case, the trial court dismissed the complaint in its entirety. Plaintiffs filed an amended complaint that was also dismissed by the court on March 13, 2001. Plaintiffs have filed an appeal.

On February 14, 2001, in the previously-reported Miami-Dade County (FL) case, the Florida appellate court affirmed the trial court's dismissal of all claims. Plaintiffs filed a request for a discretionary appeal with the Florida Supreme Court, which was denied on October 26, 2001.

On April 3, 2001, in the previously-reported New Orleans (LA) case, the Louisiana Supreme Court unanimously reversed the trial court's decision, finding that legislation prohibiting the city's lawsuit was constitutional, and dismissed the case. Plaintiffs filed a motion for rehearing which was denied on April 24, 2001. The United States Supreme Court denied plaintiffs motion for certiorari on October 4, 2001.

On April 25, 2001, in the previously-reported Halliday (MD) case, the Maryland Court of Special Appeals affirmed en banc the trial court's dismissal of all claims against the Company, holding that a firearms manufacturer has no legal duty to manufacture "childproof" firearms. Plaintiffs have appealed this decision to the Maryland Court of Appeals.

On June 4, 2001, in the previously-reported Binkley (MI) case, the Company was dismissed with prejudice.

On August 10, 2001, in the previously-reported State of New York case, the trial judge of the Supreme Court of the State of New York dismissed the lawsuit in its entirety. The plaintiffs filed a notice of appeal to the New York State Appellate Division on September 24, 2001.

On August 30, 2001, the United States Court of Appeals for the 2nd Circuit, acting upon certification from the New York State Appellate Division, remanded the previously-reported case of Hamilton, et. al. v. Accu-tek, et. al., with instructions to the trial court to dismiss the case. The case was then dismissed in its entirety on its merits by Judge Weinstein on September 17, 2001. The Company had previously been dismissed from the case in March 1999, after the jury found the Company's marketing practices not to be negligent.

ITEM 3—LEGAL PROCEEDINGS (continued)

On October 1, 2001, in the previously reported City of Bridgeport (CT) case, the Connecticut Supreme Court unanimously affirmed the trial court's dismissal of the complaint.

On November 16, 2001, the United States Court of Appeals for the Third Circuit dismissed the city's appeal of the trial court's dismissal of the Camden County (NJ) complaint.

On November 30, 2001, in the previously reported Ricchueto (NY) case, the plaintiffs agreed to voluntarily dismiss the Company without payment of any amount in damages.

On December 31, 2001, in the previously reported cases of Ceriale, Smith, and Young (IL), the First Division of the Illinois Court of Appeals held that plaintiffs lacked standing to maintain these "public nuisance" lawsuits against the Company, as none of the Company's products were used in any of the criminal assaults which formed the basis of these claims.

ITEM 4—SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5—MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The information required for this Item is incorporated by reference from pages 4 and 23 of the Company's 2001 Annual Report to Stockholders.

ITEM 6—SELECTED FINANCIAL DATA

The information required for this Item is incorporated by reference from page 4 of the Company's 2001 Annual Report to Stockholders.

ITEM 7—MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required for this Item is incorporated by reference from pages 5 through 8 of the Company's 2001 Annual Report to Stockholders.

ITEM 7A—QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to changes in prevailing market interest rates affecting the return on its investments but does not consider this interest rate market risk exposure to be material to its financial condition or results of operations. The Company invests primarily in United States Treasury instruments with short-term (less than one year) maturities. The carrying amount of these investments approximates fair value due to the short-term maturities. Under its current policies, the Company does not use derivative financial instruments, derivative commodity instruments or other financial instruments to manage its exposure to changes in interest rates or commodity prices.

ITEM 8—FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

(A) Financial Statements

The consolidated balance sheets of Sturm, Ruger & Company, Inc. and Subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the three year period ended December 31, 2001 and the report dated February 8, 2002 of KPMG LLP, independent auditors, are incorporated by reference from pages 12 through 22 of the Company's 2001 Annual Report to Stockholders.

The report dated February 9, 2001 of Ernst & Young LLP, independent auditors, is included as Exhibit 23.3.

(B) Supplementary Data

Quarterly results of operations for 2001 and 2000 are incorporated by reference from page 21 of the Company's 2001 Annual Report to Stockholders.

ITEM 9—CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective August 27, 2001, the Audit Committee of Sturm, Ruger & Company, Inc. (“The Company”) dismissed Ernst & Young LLP and appointed KPMG LLP as its independent auditors.

Ernst & Young LLP’s reports on the Company’s financial statements for the past two years did not contain an adverse opinion, disclaimer of opinion, or qualification or modification as to uncertainty, audit scope, or accounting principles.

During the two most recent fiscal years and the subsequent interim period preceding August 27, 2001, there have been no disagreements with Ernst & Young LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the satisfaction of Ernst & Young LLP, would have caused it to make reference to the subject matter of the disagreement in connection with its report.

The Company (or someone on its behalf) has not consulted KPMG LLP during the two most recent fiscal years and the subsequent interim period preceding August 27, 2001 regarding the application of accounting principles to a specified transaction or the type of audit opinion that might be rendered on the Company’s financial statements.

PART III

ITEM 10—DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information as to the directors of the Company under the caption “ELECTION OF DIRECTORS” on pages 2 through 4 of the Company’s Proxy Statement relating to the Annual Meeting of Stockholders to be held May 9, 2002 is incorporated by reference into this Report. The information set forth under the caption “SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE” on page 18 of the Proxy Statement relating to the Annual Meeting of Stockholders to be held May 9, 2002 is incorporated by reference into this Report. The information as to executive officers of the Company is included in Part I hereof under the caption “Executive Officers of the Company” in reliance upon General Instruction G to Form 10-K and Instruction 3 to Item 401(b) of Regulation S-K.

ITEM 11—EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from those sections of the Company’s Proxy Statement relating to the Annual Meeting of Stockholders to be held May 9, 2002 under the captions “DIRECTOR COMPENSATION AND INFORMATION ABOUT THE BOARD OF DIRECTORS AND ITS COMMITTEES,” “COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION,” “COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION,” “EXECUTIVE COMPENSATION,” “2001 OPTION GRANTS-1998 STOCK INCENTIVE PLAN,” “AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION/SAR VALUES,” “PENSION PLAN TABLE,” “SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN TABLE,” and “COMPANY STOCK PRICE PERFORMANCE” on pages 5 through 15.

ITEM 12—SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is incorporated by reference from those sections of the Company's Proxy Statement relating to the Annual Meeting of Stockholders to be held May 9, 2002 under the captions "ELECTION OF DIRECTORS," "PRINCIPAL STOCKHOLDERS," and "SECURITY OWNERSHIP OF MANAGEMENT" on pages 2 through 4, 16, and 17.

ITEM 13—CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is incorporated by reference from those sections of the Company's Proxy Statement relating to the Annual Meeting of Stockholders to be held May 9, 2002 under the captions "DIRECTOR COMPENSATION AND INFORMATION ABOUT THE BOARD OF DIRECTORS AND ITS COMMITTEES," "EXECUTIVE COMPENSATION," "2000 OPTION GRANTS-1998 STOCK INCENTIVE PLAN," "AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION/SAR VALUES," and "CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS" on pages 5, 8 through 11, and 18.

PART IV

ITEM 14—EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents filed as part of this Form 10-K.

(1) Financial Statements:

Consolidated Balance Sheets—December 31, 2001 and 2000

Consolidated Statements of Income—Years ended December 31, 2001, 2000, and 1999

Consolidated Statements of Stockholders' Equity—Years ended December 31, 2001, 2000, and 1999

Consolidated Statements of Cash Flows—Years ended December 31, 2001, 2000, and 1999

Notes to Consolidated Financial Statements

Report of KPMG LLP

This information is incorporated by reference from the Company's 2001 Annual Report to Stockholders as noted in Item 8.

(2) Financial Statement Schedules:

Schedule II-Valuation and Qualifying Accounts

**ITEM 14—EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS
ON FORM 8-K (continued)**

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions, or are inapplicable, or the required information is disclosed elsewhere, and therefore, have been omitted.

(3) Listing of Exhibits:

- Exhibit 3.1 Certificate of Incorporation of the Company, as amended (Incorporated by reference to Exhibits 4.1 and 4.2 to the Form S-3 Registration Statement previously filed by the Company File No. 33-62702).
- Exhibit 3.2 Bylaws of the Company, as amended (Incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, SEC File No. 0-4776).
- Exhibit 3.3 Amendment to Article 2, Sections 4 and 5 of the Bylaws of the Company (Incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1996, SEC File No. 0-4776).
- Exhibit 10.1 Sturm, Ruger & Company, Inc. 1986 Stock Bonus Plan (Incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1988, as amended by Form 8 filed March 27, 1990, SEC File No. 0-4776).
- Exhibit 10.2 Amendment to Sturm, Ruger & Company, Inc. 1986 Stock Bonus Plan (Incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1991, SEC File No. 0-4776).
- Exhibit 10.3 Sturm, Ruger & Company, Inc. Supplemental Executive Profit Sharing Retirement Plan (Incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 1991, SEC File No. 0-4776).
- Exhibit 10.4 Agreement and Assignment of Lease dated September 30, 1987 by and between Emerson Electric Co. and Sturm, Ruger & Company, Inc. (Incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1991, SEC File No. 0-4776).
- Exhibit 10.5 Sturm, Ruger & Company, Inc. Supplemental Executive Retirement Plan (Incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, SEC File No. 0-4776).
- Exhibit 10.6 Operating Agreement of Antelope Hills, LLC, a Delaware Limited Liability Company, dated as of October 5, 1995 (Incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, SEC File No. 0-4776).

**ITEM 14—EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS
ON FORM 8-K (continued)**

- Exhibit 10.7 Sturm, Ruger & Company, Inc. 1998 Stock Incentive Plan. (Incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 1998, SEC File No. 0-4776).
- Exhibit 10.8 Sturm, Ruger & Company, Inc. 2001 Stock Option Plan for Non-Employee Directors.
- Exhibit 13.1 Annual Report to Stockholders of the Company for the year ended December 31, 2000. Except for those portions of such Annual Report to Stockholders expressly incorporated by reference into the Report, such Annual Report to Stockholders is furnished solely for the information of the Securities and Exchange Commission and shall not be deemed a "filed" document.
- Exhibit 23.1 Consent of KPMG LLP.
- Exhibit 23.2 Consent of Ernst & Young LLP.
- Exhibit 23.3 Opinion of Ernst & Young LLP.
- Exhibit 99.1 Item 1 LEGAL PROCEEDINGS from the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 1987, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.2 Item 1 LEGAL PROCEEDINGS from the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 1990, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.3 Item 1 LEGAL PROCEEDINGS from the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 1995, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.4 Item 1 LEGAL PROCEEDINGS from the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 1996, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.5 Item 1 LEGAL PROCEEDINGS from the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 1997, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.

**ITEM 14—EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS
ON FORM 8-K (continued)**

- Exhibit 99.6 Item 1 LEGAL PROCEEDINGS from the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 1998, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.7 Item 3 LEGAL PROCEEDINGS from the Annual Report on Form 10-K of the Company for the year ended December 31, 1998, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.8 Item 1 LEGAL PROCEEDINGS from the Quarterly Reports on Form 10-Q of the Company for the quarters ended March 31, June 30, and September 30, 1999 SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.9 Item 3 LEGAL PROCEEDINGS from the Annual Report on Form 10-K of the Company for the year ended December 31, 1999, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.10 Item 1 LEGAL PROCEEDINGS from the Quarterly Reports on Form 10-Q of the Company for the quarters ended March 31, June 30, and September 30, 2000, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.
- Exhibit 99.11 Item 1 LEGAL PROCEEDINGS from the Quarterly Reports on Form 10-Q of the Company for the quarters ended March 31 and September 30, 2001, SEC File No. 1-10435, incorporated by reference in Item 3 LEGAL PROCEEDINGS.

(b) Report on Form 8-K filed in the fourth quarter of 2001: None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

STURM, RUGER & COMPANY, INC.
(Registrant)

S/LESLIE M. GASPER
Leslie M. Gasper
Corporate Secretary

March 20, 2001
Date

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

S/WILLIAM B. RUGER 3/20/02
Chairman Emeritus and Director

S/WILLIAM B. RUGER, JR. 3/20/02
Chairman of the Board, Chief Executive
Officer and Director
(Principal Executive Officer)

S/ERLE G. BLANCHARD 3/20/02
Erle G. Blanchard
Vice Chairman, President, Chief Operating
Officer, Treasurer and Director
(Principal Financial Officer)

S/STEPHEN L. SANETTI 3/20/02
Stephen L. Sanetti
Vice Chairman, Senior Executive Vice
President, General Counsel and Director

S/JOHN M. KINGSLEY, JR. 3/20/02
John M. Kingsley, Jr.
Director

S/STANLEY B. TERHUNE 3/20/02
Stanley B. Terhune
Director

S/RICHARD T. CUNNIFF 3/20/02
Richard T. Cunniff
Director

S/TOWNSEND HORNOR 3/20/02
Townsend Hornor
Director

S/PAUL X. KELLEY 3/20/02
Paul X. Kelley
Director

S/JAMES E. SERVICE 3/20/02
James E. Service
Director

EXHIBIT INDEX

Page No.

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EXHIBIT INDEX (continued)

Page No.

Exhibit 10.8	Sturm, Ruger & Company, Inc. 2001 Stock Option Plan for Non-Employee Directors.	
Exhibit 13.1	Annual Report to Stockholders of the Company for the year ended December 31, 2000. Except for those portions of such Annual Report to Stockholders expressly incorporated by reference into the Report, such Annual Report to Stockholders is furnished solely for the information of the Securities and Exchange Commission and shall not be deemed a “filed” document.	26
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ANNUAL REPORT ON FORM 10-K
YEAR ENDED DECEMBER 31, 2001
STURM, RUGER & COMPANY, INC. AND SUBSIDIARIES
SOUTHPORT, CONNECTICUT

ITEMS 14(a)(2) AND 14(d)
FINANCIAL STATEMENT SCHEDULE

CERTAIN EXHIBITS

Sturm, Ruger & Company, Inc. and Subsidiaries
Item 14(a)(2) and Item 14(d)--Financial Statement Schedule
Schedule II—Valuation and Qualifying Accounts
(In Thousands)

COL. A	COL. B	COL. C		COL. D	COL. E
Description	Balance at Beginning of Period	ADDITIONS		Deductions	Balance at End of Period
		(1) Charged to Costs and Expenses	(2) Charged to Other Accounts –Describe		
Deductions from asset accounts:					
Allowance for doubtful accounts:					
Year ended December 31, 2001	<u>\$1,252</u>			\$ 191 (a)	<u>\$1,061</u>
Year ended December 31, 2000	<u>\$1,392</u>	\$ (125)		\$ 15 (a)	<u>\$1,252</u>
Year ended December 31, 1999	<u>\$1,299</u>	\$ 125		\$ 32 (a)	<u>\$1,392</u>
Allowance for discounts:					
Year ended December 31, 2001	<u>\$1,130</u>	\$4,346		\$ 4,331 (b)	<u>\$1,145</u>
Year ended December 31, 2000	<u>\$1,749</u>	\$6,696		\$ 7,315 (b)	<u>\$1,130</u>
Year ended December 31, 1999	<u>\$1,888</u>	\$5,634		\$ 5,773 (b)	<u>\$1,749</u>

- (a) Accounts written off
(b) Discounts taken

Exhibit 13.1

Consent of KPMG LLP

To the Board of Directors and Shareholders of Sturm, Ruger & Company, Inc.:

The audit referred to in our report dated February 8, 2002 included the related financial statement schedule for the year ended December 31, 2001, included in the Sturm, Ruger & Company, Inc. 2001 Annual Report on Form 10-K. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audit. In our opinion, such financial statement schedule as of, and for the year ended December 31, 2001, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We consent to the use of our report included herein and incorporated by reference in the Registration Statements of Sturm, Ruger & Company, Inc. on Form S-3 (Nos. 333-84677 and 333-53234) relating to the consolidated balance sheet of Sturm, Ruger & Company, Inc. and subsidiaries as of December 31, 2001, and the related consolidated statements of income, stockholders' equity, and cash flows and related financial statement schedule for the year ended December 31, 2001, which report appears in the Sturm, Ruger & Company, Inc. 2001 Annual Report on Form 10-K.

KPMG LLP

Stamford, Connecticut
March 25, 2002

Consent of Ernst & Young LLP

We consent to the inclusion in this Annual Report (Form 10-K) of Sturm, Ruger & Company, Inc. of our report dated February 9, 2001.

We also consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-84677) pertaining to the Sturm, Ruger & Company, Inc. 1998 Stock Incentive Plan and the Registration Statement (Form S-8 No. 333-53234) pertaining to the 2001 Stock Option Plan for Non-Employee Directors of our report dated February 9, 2001, with respect to the consolidated financial statements and schedule of Sturm, Ruger & Company, Inc. indicated in our report included herein.

Ernst & Young LLP

Stamford, Connecticut
March 25, 2002

Report of Independent Auditors

Stockholders and Board of Directors
Sturm, Ruger & Company, Inc.

We have audited the consolidated balance sheet of Sturm, Ruger & Company, Inc. and Subsidiaries as of December 31, 2000, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2000. Our audits also included the financial statement schedule for the years ended December 31, 2000 and 1999 listed in Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sturm, Ruger & Company, Inc. and Subsidiaries at December 31, 2000, and the consolidated results of their operations and their cash flows for each of the two years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule for the years ended December 31, 2000 and 1999, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Ernst & Young LLP

Stamford, Connecticut
February 9, 2001