STURM RUGER & CO INC
Form DEF 14A
March 27, 2014

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [
]

Check the appropriate box:

[ ]	Preliminary Proxy Statement	[ ]	Soliciting Material Under Rule 14a-12
[ ]	Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))		
[X]	Definitive Proxy Statement		
[ ]	Definitive Additional Materials		

Sturm, Ruger & Company, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3)	Filing Party:
4)	Date Filed:

March 27, 2014

Dear Fellow Stockholders:

You are cordially invited to attend the 2014 Annual Meeting of Stockholders of Sturm, Ruger & Company, Inc. to be held at 9:00 a.m. Eastern Daylight Time on May 6, 2014 at The Trumbull Marriott, 180 Hawley Lane, Trumbull, CT 06611. Details of the business to be conducted at the meeting are given in the attached Notice of Annual Meeting and Proxy Statement.

The Board of Directors looks forward to joining you at the 2014 Annual Meeting.

STURM, RUGER & COMPANY, INC.

Michael O. Fifer
Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

MAY 6, 2014

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of Stockholders of **STURM, RUGER & COMPANY, INC.** (the Company) will be held at The Trumbull Marriott, 180 Hawley Lane, Trumbull, CT 06611 on the 6th day of May, 2014 at 9:00 a.m. Eastern Daylight Time to consider and act upon the following:

1. A proposal to elect six (6) Directors to serve on the Board of Directors for the ensuing year;

2. A proposal to ratify the appointment of McGladrey LLP as the Company s independent auditors for the 2014 fiscal year;

3. An advisory vote on the compensation of the Company s Named Executive Officers; and

4. Any other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only holders of record of Common Stock at the close of business on March 17, 2014 will be entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof. The complete list of stockholders entitled to vote at the Annual Meeting shall be open to the examination of any stockholder, for any purpose germane to the Annual Meeting, during ordinary business hours, for a period of 10 days prior to the Annual Meeting, at the Company s offices located at One Lacey Place, Southport, CT 06890.

The Company s Proxy Statement is attached hereto.

By Order of the Board of Directors
Leslie M. Gasper
Corporate Secretary

Southport, Connecticut
March 27, 2014

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING. YOUR VOTE IS IMPORTANT. TO ENSURE THAT YOUR VOTE IS RECORDED PROMPTLY, PLEASE VOTE YOUR PROXY AS SOON AS POSSIBLE, EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING. MOST SHAREHOLDERS HAVE THREE OPTIONS FOR SUBMITTING THEIR VOTES PRIOR TO THE ANNUAL MEETING: (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY REQUESTING AND RETURNING A PAPER PROXY USING THE POSTAGE-PAID ENVELOPE PROVIDED. REGISTERED STOCKHOLDERS MAY VIEW OR REQUEST THE PROXY MATERIALS AT WWW.ENVISIONREPORTS.COM/RGR OR BY CALLING 1-866-641-4276, AND MAY VOTE THEIR PROXY AT WWW.ENVISIONREPORTS.COM/RGR OR BY CALLING 1-800-652-8683. STOCKHOLDERS WHO HOLD THEIR SHARES THROUGH A BROKERAGE ACCOUNT MAY VIEW OR REQUEST THE PROXY MATERIALS AT WWW.PROXYVOTE.COM OR BY CALLING 1-800-579-1639, AND MAY VOTE THEIR PROXY AT WWW.PROXYVOTE.COM OR BY CALLING 1-800-454-8683. PLEASE REVIEW THE PROXY MATERIALS BEFORE VOTING YOUR SHARES.

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Risk Oversight Ca,sans-serif" size=1>9,681	14,920	54.1%	
R$ thousand	**1,751,362**	**2,163,.068**	**23.5%**
Processed Products	897,505	1,036,035	15.4%
Poultry	618,557	817,965	32.2%
Pork	85,227	137,242	61.0%
Beef	50,408	83,887	66.4%
Others	99,665	87,939	-11.8%

In the domestic market, physical sales volumes reached 224.8 thousand tons, 6.7% above the total reached in 1Q06. The line of processed products continued to lead domestic sales, responding to the Company's strategy towards focusing its business on higher value-added products allied to the gradual increase in the income of the Brazilian population, which has enabled an increasing demand for processed products. In the 1Q07, volumes sold totaled 186.3 thousand tons of processed products, representing a rise of 12.9% when compared to 1Q06. Sadia had revenues of R$ 1.2 billion in this market, 13.7% above the same period in 2006.

Sales growth in the export market is the result of a business expansion, a rise in international prices and an optimization in the product portfolio. In the international market, sales reached 266.2 thousand tons in the quarter, representing a growth of 22.5% over 1Q06. The segments of whole birds and poultry cuts were the main drivers of that performance. Even with the median appreciation of the Real in relation to the U.S. dollar for the quarter, up 3.5% over the same quarter for the prior year, 207.9 thousand tons of products were shipped to international markets in the first quarter of this year volumes 17.4% higher than the same quarter in 2006. Export revenues increased by 37.2%, and reached R$ 999.6 million. Pork shipments grew significantly when compared to 1Q06, period in which the Russian embargo had the greatest impact. Pork volumes sold rose 66.7% in the 1Q07, while revenues rose 88.5% .

BREAKDOWN OF GROSS OPERATING REVENUES

Sales

Tons	**1Q06**	**1Q07**	**1Q07/1Q06**
Domestic Market	**210,774**	**224,820**	**6.7%**
Processed Products	164,996	186,259	12.9%
Poultry	34,001	26,073	-23.3%
Pork	9,291	11,047	18.9%
Beef	2,486	1,441	-42.0%
Export Market	**217,345**	**266,210**	**22.5%**
Processed Products	20,383	23,742	16.5%
Poultry	177,128	207,926	17.4%
Pork	12,639	21,063	66.7%
Beef	7,195	13,479	87.3%
Total	**428,119**	**491,030**	**14.7%**

R$ thousand	1Q06	1Q07	1Q07/1Q06
Domestic Market	**1,023,020**	**1,163,474**	**13.7%**
Processed Products	811,422	930,816	14.7%
Poultry	88,039	101,002	14.7%
Pork	33,651	40,023	18.9%
Beef	12,069	7,541	-37.5%
Others	77,839	84,092	8.0%
Export Market	**728,342**	**999,594**	**37.2%**
Processed Products	86,083	105,219	22.2%
Poultry	530,518	716,963	35.1%
Pork	51,576	97,219	88.5%
Beef	38,339	76,346	99.1%
Others	21,826	3,847	-82.4%
Total	**1,751,362**	**2,163,068**	**23.5%**

Domestic Market

Volumes sold in the domestic market increased 6.7% in the 1Q07 in relation to 1Q06, to 224.8 thousand tons, while gross operating revenues raised 13.7%, to R$ 1.2 billion. Processed products accounted for this growth and, supported by the trademark strength and the Company's resolution to establish an increasing presence at the consumer's table, advanced 12.9% in volumes, to 186.3 thousand tons and 14.7% in terms of revenues, to R$ 930.8 million. The share of this segment in total volumes sold in the domestic market grew from 78.3% in the 1Q06 to 82.8% in the 1Q07. The average price of the processed products segment in 1Q07 was 1.6% higher than that in the same period of the prior year. Poultry sales in the domestic market were 23.3% lower in terms of volume, to 26.1 thousand tons, due to the resumption of poultry exports to Europe and to the Middle East. Revenues from this segment had a growth of 14.7%, to R$ 101.0 million and the average price of poultry recorded in the 1Q07, of R$ 3.87, increased by 49.4%, clearly signaling a recovery. The pork segment continued to suffer pressures from the pork offer in the domestic market, as a result of the Russian embargo imposed on most of the Brazilian States. Sales volumes rose 18.9% over the 1Q06, to 11.0 thousand tons, with a stable average price in comparison with the same period in 2006, of R$ 3.62, and the growth of the gross operating revenues generated by this segment was 18.9%, to R$ 40.0 million. The beef segment in the domestic market reflects the strategy of directing this protein to the export market.

BREAKDOWN OF GROSS OPERATING REVENUES DOMESTIC MARKET

AVERAGE PRICES R$/KG DOMESTIC MARKET

Export Market

Sadia's performance in the export market in the first quarter of the year reflects an effective resumption of the demand for poultry, leading to a price recovery. This sector was not hurt by the news about Bird Flu cases in the world spread since the beginning of the year. In addition to a lower incidence of this disease in Europe, there is less concern about a possible contamination, mostly in view of the technological advances which improved safety in handling slaughtered birds.

All segments in which Sadia operates recorded a growth in the export market, as much in terms of volumes sold as in revenues. Sales volumes totaled 266.2 thousand tons, up 22.5% in relation to the 217.3 thousand tons sold in the 1Q06, while exports revenues grew 37.2%, to R$ 999.6 million. In addition to exporting to the new markets in Eurasia and in the Far East, exports to all regions are back to normal. In terms of revenues, the main destination of Sadia products in the 1Q07 was the Middle East, followed by Europe, Eurasia, Asia and Americas. Shipments of processed products, which are higher value-added, continue to record a strong growth driven by the sales of baked and grilled products to Europe. The volume of processed products sold grew 16.5%, to 23.7 thousand tons, while revenues increased 22.2%, to R$ 105.2 million. The average price grew 5.0% in reais, representing a growth of 8.7% in U.S. dollars. The poultry segment, the main protein exported by the Company, recorded a growth in the 1Q07, in which the shipped volumes of poultry totaled 207.9 thousand tons, representing a growth of 17.4% in comparison with 1Q06. Poultry export revenues increased by 35.1%, to R$ 717.0 million, and the average price in Reais increased by 15.0%, an increase of 19.0% in U.S. dollars.

In spite of the partial embargo still imposed by Russia, the largest buyer of pork from Brazil, sales volumes of this segment grew 66.7%, to 21.1 thousand tons, compared with 12.6 thousand tons in the same period in 2006 and pork export revenues increased by 88.5% in the 1Q07, to R$ 97.2 million. The average price of pork had an increase of 13.2% in Reais in comparison with 1Q06, representing and increase of 17.2% in U.S. dollars. Sadia benefits from the fact that it has pork slaughtering units in two areas, Rio Grande do Sul and Mato Grosso, which are free from the Russian embargo.

Following the strategy of directing the beef products to the export market, this segment recorded the highest growth, in percentage terms, in sales volume and revenues in the 1Q07. Volumes sold grew 87.3%, to 13.5 thousand tons and revenues grew to R$ 76.3 million, an amount 99.1% higher than that recorded in the 1Q06. The average price of beef products in the export market grew 6.2% in Reais, an increase of 10.0% in U.S. dollars.

EXPORTS BY REGION

OPERATING RESULTS

In the 1Q07, net revenues totaled R$ 1.9 billion, 25.8% higher than those in the 1Q06. Such performance was the result of a growth both in sales volumes and in average prices.

The cost of products sold recorded an expansion of 20.0% when compared to the first quarters of 2006 and 2007. Its ratio to net revenues corresponded to the margin of 74.2%, over 77.8% in the 1Q06.

The gross margin improved substantially due to the dilution of fixed costs after an increase in net revenues of 25.8%, with a gain of 3.6 percentage points in the comparison between the margin of 25.8% in the 1Q07 and the margin of 22.2% in the 1Q06.

Costs per ton sold for the quarter showed a growth of 4.6% in relation to the 1Q06, mostly due to the increase in the prices of grains.

The ratio of operating expenses general, administrative, sales and other expenses, to net revenues showed a gain of 3 percentage points, reaching 17.8% in the 1Q07 (R$ 337.9 million), a percentage lower than the 20.8% in the 1Q06.

The selling expenses margin reached 16.8% in the 1Q07, over 19.2% in the 1Q06. This performance reflects the results of the expenditure rationalization plan and of the higher operational efficiency.

The ratio of general and administrative expenses to net revenues dropped to 1.1%, in comparison with 1.6% in the 1Q06.

The efforts to control expenditures and to obtain increasingly growing revenues provided earnings before financial expenses and equity pickup (LAJIR or EBIT), in the 1Q07 of R$ 150.5 million, 624.1% higher than the same period in 2006.

EBITDA (earnings before interest, taxes, depreciation and amortization) in the 1Q07 was R$ 231.4 million, and the EBITDA margin was of 12.2%, a number higher by 6.7 percentage points than that reached in the 1Q06, thus corroborating the recovery of the Company to historical average levels of EBITDA margins after the recovery of the sanitary crisis, which lived its worst moment during 2Q06.

EBITDA CALCULATION = EBIT + DEPRECIATION/AMORTIZATION + EMPLOYEE PROFIT SHARING

	1Q06	1Q07
EBIT	20,787	150,529
(+)DEPRECIATION/AMORTIZATION	57,778	74,880
(+)EMPLOYEE PROFIT SHARING	4,109	6,022
EBITDA	82,674	231,431
EBITDA MARGIN	5.5%	12.2%

FINANCIAL RESULTS AND EQUITY PICKUP

Sadia s financial results should be analyzed along with equity pickup, due to the risk management policies geared to protect assets and liabilities in a consolidated form.

Net income with equity in the earnings in the 1Q07 was R$ 6.4 million negative, while in 2006 it was R$ 54.4 million positive.Net financial results was positive by R$ 29.0 million in the 1Q07, while in 2006 this figure reached R$ 104.0 million. The decrease in interest from financial investments had an impact on financial results, which also continued to be impacted by the results from hedges made by the Company, in accordance with its financial policy.

Equity pickup was negative by R$ 35.5 million in the 1Q07, as a result of the foreign exchange variation on the shareholders equity of Sadia s offshore companies.

FINANCIAL INDEBTEDNESS R$ MILLION	Mar06	%	Dec06	Part.	Mar07	%	Var.
Short Term	**1,124.3**	**58%**	**1,217.0**	**31%**	**1,110.0**	**29%**	**-1.3%**
Local Currency	398.2	65%	321.9	29%	356.3	32%	-10.5%
Foreign Currency	726.1	64%	895.0	81%	753.7	68%	3.8%
Long Term	**1,928.0**	**36%**	**2,677.5**	**69%**	**2,759.8**	**71%**	**43.1%**
Local Currency	419.4	23%	765.7	28%	835.9	30%	99.3%
Foreign Currency	1,508.6	42%	1,911.9	69%	1,923.9	70%	27.5%
Total Debt	**3,052.3**	**94%**	**3,894.5**	**101%**	**3,869.9**	**100%**	**26.8%**
Financial Investments	**2,306.7**	**88%**	**2,577.0**	**96%**	**2,682.9**	**100%**	**16.3%**
Local Currency	665.9	34%	589.8	22%	469.1	17%	-29.6%
Foreign Currency	1,640.8	54%	1,987.2	74%	2,213.9	83%	34.9%
Net Financial Indebtedness	**745.6**	**134%**	**1,317.5**	**111%**	**1,186.9**	**100%**	**59.2%**
Local Currency	151.7	96%	497.9	42%	723.2	61%	376.6%
Foreign Currency	593.9	38%	819.7	69%	463.7	39%	-21.9%
Net Debt to Equity	33.3%		53.6%		46.9%		
Net Debt to EBITDA*		0.9		2.0		1.5	

**** 12 last months***

By the end of March 2007, Sadia net financial debt totaled R$ 1,186.9 million, an amount higher than the R$ 745.6 million at the end of 1Q06 and lower than the R$ 1,317.5 million in December 2006. The net debt to equity ratio closed 1Q07 at 46.9%, in line with the Company's policy, as expected by Management.

NET INCOME

Net income reached R$ 96.2 million in the 1Q07 and exceeded 1Q06 results by almost 45.0%, with a net margin of 5.1%, the best percentage obtained by the Company in the same period of 2006. This performance is aligned with its strategy to expand revenues, control costs and focus on the optimization of results.

INVESTMENTS

Sadia made investments of R$ 177.0 million in the 1Q07. This amount is 18.1% lower than the amount invested in the 1Q06. Out of the total amount invested in 2007, R$ 83.2 million (47.0%) were destined to the poultry segment, R$ 25.2 million (14.3%) to the segment of processed products, R$ 22.3 million (12.6%) to the pork segment and R$ 1.6 million (0.9%) to the beef segment.

Investments in 2007 shall amount to R$ 800.0 million, besides another R$ 150.0 million in breeders, to increase production capacity in its units.

Further, an investment in the amount of R$ 1.5 billion for the period between 2006 and 2009, in the agroindustrial unit located in the municipality of Lucas do Rio Verde, State of Mato Grosso, is under way. This project, out of which R$ 440.0 million will be invested in 2007, includes the construction of new poultry slaughtering unit and one pork slaughtering and processing unit. The construction of this unit started in the second half of the last year. Out of the budgeted R$ 1.5 billion, R$ 800.0 million will come from the company's own funds and the remaining R$ 700.0 million will be provided by a group of 132 rural producers integrated into the projects, who will build aviaries and poultry farms to feed the agroindustrial unit. This group will be financed by the National Bank of Economic and Social Development (BNDES). This enterprise will generate about 32 thousand jobs, of which 8 thousand will be direct jobs and 24 thousand indirect.

The expansion of the Uberlândia unit, which should be one of the most modern among the 13 Sadia plants in Brazil, is in final stages and should be completed in this year. The total investment in the project is R$ 400.0 million, distributed over a three-year period (2004-2007).

Part of the investments for 2007 will be allocated to expand the Brasilia unit, to the modernization of the Concórdia and Chapecó (SC) units and for improvements in internal technological processes. Another portion will be used to increase the beef slaughtering capacity to 2,000 heads per day until the end of this year, instead of the current 1,000 heads daily.

The construction of the meat processing unit in Russia, built in partnership with a former Sadia distributor in that country, should consume a total amount of US$ 78.0 million, of which US $ 24.0 million have already been invested. The startup of this unit, the construction of which began in 2006, should occur by the end of this year. The Russian market is included in Sadia s business strategy abroad. The Company has already closed a pre-agreement to supply poultry processed products to the McDonald's chain in Russia.

OUTLOOK

For 2007, Sadia forecasts a growth between 9.0% to 11.0% in total physical sales in relation to 2006 and an EBITDA margin between 12.0% to 13.0% . In addition, the Company expects to resume the growth achieved in recent years, with successive production and profitability records, from new business opportunities, both in the domestic market and in the export market. With this sales effort allied to the increased income of the Brazilian population, the Company estimates a growth between 8.0% and 10.0% in sales volumes in the domestic market, to which approximately 50.0% of the sales are directed.

For the export market, the Company estimates a growth between 10.0% to 12.0% in shipped volumes in 2007, due to the resumption of the global demand for poultry, mainly in Europe and in the Middle East. To date, there is no definition in relation to the Russian embargo on fresh pork and beef meat for most of the Brazilian States.

These estimates are based on an increase of the industrial capacity, in the operational adjustments that have been implemented in the latest years, in the investments made to modernize the Company's units and in promoting employee development and growth, in addition to the expectations for a more favorable international scenario. Recently, the Sadia Institute was restructured and the Sustainability theme is represented at Sadia by a single area.

Capital Markets

São Paulo Stock Exchange

The Company's preferred shares are part of the theoretical portfolio of the São Paulo Stock Exchange (IBOVESPA). This portfolio lists 58 securities and Sadia s relative weight in the index for the four-month period January to April 2007 is of 1.111% .

Sadia s preferred shares [SDIA4] grew 35.3% in the last twelve months (March 31, 2006 to March 30, 2007), while the Ibovespa variation in the period was 20.7% .

Sadia PN vs. Ibovespa

Base 100 = 03/31/06

FINANCIAL VOLUME TRADED FOOD INDUSTRY - BOVESPA 1Q07

Sadia s preferred shares continue to be distributed among the various categories of BOVESPA investors, with a highlight for the continuous growth in the number of foreign investors.

TYPE OF INVESTOR BOVESPA / (MARCH 2007)

New York Stock Exchange

In the last 12 months (March 31, 2006 to March 30, 2007), Sadia Level II ADRs [SDA] appreciated by 38.9% in U.S. dollars, a performance close to the Dow Jones Index, which recorded a valuation of 11.2% in the period. The average daily volume grew 80.1%, to US$ 2,971.6 thousand, corresponding to 20.1% of the total securities traded with Sadia s preferred shares in 1Q07.

Latibex

During the 1Q07, the average daily traded volume was of 244.7 thousand, a loss of 29.0% when compared with the average volume recorded in 1Q06, which was of 344.6 thousand. In the last 12 months, the shares appreciated by 25.4% .

MARKET DATA - BOVESPA	**1Q06**	**1Q07**	***1Q07/1Q06***
Sadia Common Shares / SDIA3 - thousands (Free Float = 46.8%)	257,000	257,000	
Sadia Preferred Shares / SDIA4 - thousands (Free Float = 89.6%)	426,000	426,000	
Total Outstanding Shares - thousands* (Float = 73.5%)(¹)	**683,000**	**683,000**	
Closing Price - R$/share SDIA3 (¹)	6.05	7.99	*32.1%*
Closing Price - R$/share SDIA4 (¹)	**5.80**	**7.85**	***35.3%***
Mkt. Capitalization - R$ millions (¹)	**3,961.4**	**5,361.6**	***35.3%***
Volume of Shares Traded - thousand	191,310	126,533	*-33.9%*
Daily Average Volume of Shares Traded - thousand	3,086	2,074	
Financial Volume Traded - R$ million	**1,238.4**	**899.3**	***-27.4%***
Daily Average Financial Volume Traded - R$ million	20.0	14.7	

MARKET DATA - NYSE	**1Q06**	**1Q07**	***1Q07/1Q06***
Total Outstanting ADR´s - thousands	**3,196,991.0**	**6,614,915.0**	***106.9%***
Participations in Trading Sessions	100%	100%	
Closing Prices - US$/ADR (¹) (²)	**27.11**	**37.65**	***38.9%***
Mkt. Capitalization - US$ millions(¹)	**86,670.4**	**249,051.5**	***187.4%***
Volume of Shares Traded	**3,390,600**	**5,369,500**	***58.4%***
Daily Average Volume of Shares Traded	54,687	88,025	
Financial Volume Traded - US$ thousand	**100,460**	**181,269**	***80.4%***
Daily Average Financial Volume Traded - US$ thousand	1,620.3	2,971.6	

(¹) At the end of the period
Sources: Sadia, Bovespa and NYSE

EVENTS ON APRIL 27 (FRIDAY)

Brazil: Meeting with Investment Analysts and Insiders Time: 11:30 a.m.
Place: Rua Fortunato Ferraz, 616 Vila Anastácio São Paulo

International Conference Call
Time: 09:30 a.m. (Brasilia time)
Connection Telephone Lines:
Brazil: (11) 4688-6301
USA: (1 800) 860-2442
Other countries: (1 412) 858-4600

The audio of the meeting and of the conference call will be broadcast live over the Internet, accompanied by a slide presentation at the website: **www.sadia.com**

The forward looking statements on the business outlook, projections of operating and financial results, and the potential growth of the Company contained in this publication are mere predictions and were based on Management's expectations in relation to the future of the Company. These expectations are highly dependent on markets changes, on the overall economic performance of Brazil, on the industry and on the international markets, being therefore subject to change.

ATTACHMENT I

INCOME STATEMENT - CONSOLIDATED

	1Q06		1Q07		1Q07/ 1Q06
	R$ '000	**%**	**R$ '000**	**%**	**%**
Gross Operating Revenue	**1,751,362**	**116.3%**	**2,163,068**	**114.2%**	**23.5%**
Domestic Market	1,023,020	67.9%	1,163,474	61.4%	13.7%
Export Market	728,342	48.4%	999,594	52.8%	37.2%
(-) Sales Tax and Services Rendered	(245,343)	-16.3%	(268,999)	-14.2%	9.6%
Net Operating Revenue	**1,506,019**	**100.0%**	**1,894,069**	**100.0%**	**25.8%**
Cost of Goods Sold and Services Rendered	(1,171,692)	-77.8%	(1,405,634)	-74.2%	20.0%
Gross Profit	**334,327**	**22.2%**	**488,435**	**25.8%**	**46.1%**
Selling Expenses	(289,231)	-19.2%	(317,896)	-16.8%	9.,9%
Management Compensation	(3,179)	-0.2%	(3,825)	-0.2%	20.3%
Administrative Expenses	(12,666)	-0.8%	(15,059)	-0.8%	18.9%
Employees Profit Sharing	(4,109)	-0.3%	(6,022)	-0.3%	46.6%
Others Operating Results	(4,355)	-0.3%	4,896	0.3%	-212.4%
Earnings Before Interest and Taxes	**20,787**	**1.4%**	**150,529**	**7.9%**	**624.1%**
Financial Result, Net	103,982	6.9%	29,035	1.5%	72.1%
Gain (loss) from investments in subsidiaries	(49,624)	-3.3%	(35,479)	-1.9%	-28.5%
Operating Profit	**75,145**	**5.0%**	**144,085**	**7.6%**	**91.7%**
Nonoperating Income (expense)	(887)	-0.1%	(1,511)	-0.1%	70.3%
Income Before Taxes	**74,258**	**4.9%**	**142,574**	**7.5%**	**92.0%**
Income Tax and Social Contribution	(7,606)	-0.5%	(46,429)	-2.5%	-510.4%
Net Income before Minority Interest	**66,652**	**4,4%**	**96,145**	**5.1%**	**44.2%**
Minority Interest	(311)	0.0%	(24)	0.0%	92.3%
Net Income	**66,963**	**4.4%**	**96,169**	**5.1%**	**43.6%**
EBITDA	**82,674**	**5.5%**	**231,431**	**12.2%**	**179.9%**

ATTACHMENT II

BALANCE SHEET - CONSOLIDATED

		R$ Thousand
	December	**March**
	2006	**2007**
ASSETS		
Current Assets	**4,666,649**	**4,488,036**
Cash and Cash Equivalents	234,069	159,345
Trade Accounts Receivable	678,598	383,497
Recoverable Taxes	169,347	169,601
Inventories	1,084,454	1,121,252
Marketable Securities	2,213,763	2,391,223
Other Credits	286,418	263,118
Non Current Assets	**2,909,702**	**3,027,848**
Long Term Assets	**520,676**	**578,810**
Marketable Securities	129,127	132,369
Other Credits	391,549	446,441
Permanent	**2,389,026**	**2,449,038**
Investments	55,588	50,759
Property, Plant and Equipment	2,199,399	2,267,556
Deferred Charges	134,039	130,723
Total Assets	**7,576,351**	**7,515,884**
LIABILITIES		
Current Liabilities	**2,202,245**	**1,975,812**
Loans and Financing	1,216,955	1,110,025
Suppliers	503,285	506,172
Salaries and Social ChargesPayable	158,209	123,494
Taxes Payable	63,349	53,827
Dividends	59,420	22,246
Operating Liabilities	201,027	160,048
Non Current Assets - Long Term Liabilities	**2,914,784**	**3,009,742**
Loans and Financing	2,677,542	2,759,841
Operating Liabilities	237,242	249,901
Deferred Discount of Investments	**-**	**-**
Minority Interest in Subsidiaries	**964**	**839**
Shareholder's Equity	**2,458,358**	**2,529,491**
Paid - Up Capital	1,500,000	1,500,000
Income Reserve	958,358	1,029,491
Total Liabilities and Equity	**7,576,351**	**7,515,884**

ATTACHMENT III

CASH FLOW STATEMENT

	R$ Thousand	
	MARCH 2006	**MARCH 2007**
Net result from the period	**66,652**	**96,145**
Adjusments to reconcile net income with cash generated from operating activities:		
Variation in minotiry interest	(172)	(101)
Provisioned interest net of paid	(81,546)	(50,146)
Depreciation, amortization and exhaustion	50,951	69,687
Goodwill amortization from acquistion	6,827	5,193
Result of interest in companies	49,296	35,147
Deferred taxes	2,367	60,765
Contingencies	2,991	(2,480)
Result of sale or write-off of property, plan & equip,	1,383	1,612
Variations in operating assets and liabilities:		
Customer accounts receivable	207,510	295,099
Inventories	(213,465)	(36,798)
Taxes recoverable and others	(36,581)	(58,762)
Judicial deposits	527	(8,366)
Suppliers	(62,943)	2,887
Taxes and contribns, To withhol, wages to pay, others	(59,451)	(94,263)
Net cash generated from operating activities	**(65,654)**	**315,619**
Investiments activities:		
Proceeds from sale of property, plant & equip,	226	299
Acquisition of prop,, plan & equip, / deferred assets	(216,001)	(177,000)
Paid portion in subsidiary, net of cash	(485)	-
Financial investments	(1,357,476)	(572,014)
Financial investment redemptions	1,464,289	333,283
Net cash generated from investment activities	**(109,447)**	**(415,432)**
Financeing activities:		
Loans and financing	708,609	588,706
Payment of financing	(503,109)	(505,163)
Dividends paid	(127,294)	(58,454)
Purchase of shares in treasury	0	0
Net cash generated from financing activities	**78,206**	**25,089**
Cash at beginning of fiscal year	196,306	234,069
Cash at end of fiscal year	99,411	159,345
Net addition (deduction) in cash	**(96,895)**	**(74,724)**

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conflicts of interest, and reviewing and approving all related party transactions. There were no related-party transactions in 2013.

PRINCIPAL STOCKHOLDERS

The following table sets forth as of March 17, 2014 the ownership of the Company s Common Stock by each person of record or known by the Company to beneficially own more than 5% of such stock.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1) (#)	Percent of Class (%)
Common Stock	The London Company 1801 Bayberry Court, Suite 301 Richmond, VA 23226	2,654,410	13.7%
Common Stock	Black Rock Inc. 40 East 52nd Street New York, NY 10022	1,755,145	9.0%
Common Stock	The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	1,653,283	8.5%
Common Stock	Allianz Global Investors U.S. Holdings LLC 680 Newport Center Drive, Suite 250 Newport Beach, CA 92660 NJF Investment Group LLC 2100 Ross Avenue, Suite 700 Dallas, TX 75201	1,177,561	6.1%

Notes to Principal Stockholder Table

(1) Such information is as of December 31, 2013 and is derived exclusively from Schedules 13G or Schedules 13G/A filed by the named beneficial owners on or before February 15, 2014.

PROPOSAL NO. 2 RATIFICATION OF INDEPENDENT AUDITORS

PRINCIPAL ACCOUNTANTS FEES AND SERVICES

The following table summarizes the fees incurred by the Company for professional services rendered by McGladrey LLP (formerly known as McGladrey & Pullen, LLP) during fiscal years 2013 and 2012.

Principal Accountants Fees	2013	2012
Audit Fees	$598,000	$582,000
Audit-Related Fees	$48,000	$47,000
Tax Fees	$0	$13,850
All Other Fees	$875	$0
Total Fees	**$646,875**	**$642,850**

Audit Fees

Consist of fees billed for professional services rendered for the audit of the Company s consolidated financial statements, the audit of internal controls over financial reporting per Section 404 of the Sarbanes-Oxley Act and the review of interim consolidated financial statements included in quarterly reports.

Audit - Related Fees

Consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company s financial statements and are not reported under Audit Fees. These services include audits of the Company s employee benefit and compensation plans.

Tax Fees

Consist of fees billed for professional services for tax assistance, including pre-filing reviews of original and amended tax returns for the Company and tax audit assistance.

All Other Fees

Consist of fees billed for services rendered by McGladrey LLP related to miscellaneous matters including financial due diligence and internal audit assistance.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

It is the policy of the Audit Committee to meet and review and approve in advance, on a case-by-case basis, all engagements by the Company of permissible non-audit services or audit, review or attest services for the Company to be provided by the independent auditors, with exceptions provided for de minimis amounts under certain circumstances as prescribed by the Exchange Act. The Audit Committee may, at some later date, establish a more detailed pre-approval policy pursuant to which such engagements may be pre-approved without a meeting of the Audit Committee. Any request to perform any such services must be submitted to the Audit Committee by the independent auditor and management of the Company and must include their views on the consistency of such request with the SEC s rules on auditor independence.

All of the services of McGladrey LLP which consisted of Audit Fees, Audit-Related Fees, Tax Fees and All Other Fees described above were approved by the Audit Committee in accordance with its policy on permissible non-audit services or audit, review or attest services for the Company to be provided by its independent auditors, and no such approval was given through a waiver of such policy for de minimis amounts or under any of the other circumstances as prescribed by the Exchange Act.

Representatives of McGladrey LLP will be present at the Meeting, will have the opportunity to make a statement if they so desire, and will be available to respond to appropriate questions.

Board of Directors Recommendation

The Board of Directors recommends a vote **FOR** the ratification of McGladrey LLP as the Company s independent auditors.

PROPOSAL NO. 3 ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables stockholders to vote to approve, on an advisory (nonbinding) basis, the compensation of the Company s executive officers as disclosed in this Proxy Statement in accordance with applicable SEC rules. This vote, commonly known as a say-on-pay vote, provides stockholders with the opportunity to express their views on our executive officers compensation. The vote is not intended to address any specific item of our executive compensation, but rather the overall compensation of the Company s executive officers and the philosophy, policies and practices described in this Proxy Statement.

As described in the section of this Proxy Statement entitled Compensation Discussion and Analysis , our executive compensation program is designed to attract, retain, and motivate talented individuals with the executive experience and leadership skills necessary for us to increase stockholder value by driving long-term growth in revenue and profitability. We seek to provide executive compensation that is competitive with companies that are similar to the Company. We also seek to provide near-term and long-term financial incentives that reward well-performing executives when strategic corporate objectives designed to increase long-term stockholder value are achieved. We believe that executive compensation should include base salary, cash incentives and equity awards. We also believe that our executive officers base salaries should be set at competitive levels relative to comparable companies, and cash and equity incentives should generally be set at levels that give executives the opportunity to achieve above-average total compensation reflecting above-average Company performance. In particular, our executive compensation philosophy is to promote long-term value creation for our shareholders by rewarding improvement in selected financial metrics, and by using equity incentives. Please see our Compensation Discussion and Analysis and related compensation tables for detailed information about our executive compensation programs, including information about the fiscal 2013 compensation of our Named Executive Officers.

Text of Resolution:

RESOLVED, that the Company s stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company s Proxy Statement for the 2014 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2013 Summary Compensation Table and the other related tables and disclosure.

The say-on-pay vote is advisory, and therefore not binding on the Company, our Board of Directors, or the Compensation Committee of the Board of Directors. Our Board of Directors and Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the executive officer compensation as disclosed in this Proxy Statement, we will consider our stockholders concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns. The Company held a say-on-pay vote in connection with the 2013 Annual Meeting of Stockholders and currently intends to hold a say-on-pay vote on an annual basis hereafter.

Board of Directors Recommendation

The Board of Directors recommends a vote **FOR** approval of the pay-for-performance compensation policies and practices employed by the Compensation Committee, as described in the Compensation Discussion and Analysis and the tabular disclosure regarding Named Executive Officer compensation in this Proxy Statement.

COMPENSATION DISCUSSION AND ANALYSIS

How Did the Company Perform in 2013 and How Did We Compensate our Executives?

Sturm, Ruger is focused on sales growth, profitability, and delivering superior returns to its shareholders and our executive compensation programs are strongly linked to our financial performance. To that end, 2013 was another year of continued outstanding financial and market performance. Our executive compensation programs reflected that performance, as illustrated in the table below, which shows the Company s Return on Equity (ROE), Sales Growth and Earnings per Share (EPS) Growth as compared to the Russell 2000 Index companies with less than $1 billion in revenues and the Standard and Poors 500 Indices for 2013*.

2013 PERFORMANCE INDICATORS

		ROE	Sales Growth	EPS Growth
Sturm, Ruger		81.2%	39.9%	55.0%
Russell 2000 (<$1B Rev)	Index Median:	7.5%	6.7%	8.3%
(n = 1,515)	Ruger Percentile:	99th	89th	79th
S&P 500	Index Median:	14.5%	3.7%	9.7%
	Ruger Percentile:	98th	97th	88th

* Russell 2000 and S&P 500 results are calculated with data available on March 10, 2014, as published by Bloomberg L.P.

In addition to our strong operating performance, our indexed returns to shareholders over the past five years have significantly outpaced multiple indices and the indexed returns of our closest publicly-reported competitor, Smith & Wesson Holding Corporation, as illustrated graphically below.

Sturm, Ruger & Company, Inc., Standard & Poors 500 Index, Value Line Recreation Index and Smith & Wesson Holding Corporation

(Performance Results from December 31, 2008 through December 31, 2013)*

* Assumes $100 invested at the close of trading December 31, 2008 in Sturm, Ruger & Company, Inc. Common Stock (NYSE:RGR), Standard & Poors 500, Value Line Recreation Index and Smith & Wesson Holding Corporation, and assumes reinvestment of dividends. Source: Value Line Publishing LLC. Factual material is obtained from sources believed to be reliable, but the publisher is not responsible for any errors or omissions contained herein.

Based on the above performance, the Compensation Committee made the following compensation determinations with respect to the 2013 compensation for our Named Executive Officers:

- Authorized the achievement of our performance-based non-equity incentive at 242% of target;
- Authorized a Company-wide profit-sharing pool equal to 15% of the adjusted operating profit after full accrual of the profit sharing; and
- Authorized satisfaction of the performance trigger criteria for the 2013 annual performance-based equity awards; these awards will complete the time-vesting trigger on March 5, 2016.

Based on our assessment of competitive market pay and our operating performance in the top decile of the relevant indices, our Committee believes our pay and performance for 2013 are well aligned. In light of the Company s financial accomplishments and our pay-for-performance philosophy, the Compensation Committee recommends that our shareholders vote **FOR** this year s resolution to approve the Named Executive Officer (NEO) compensation as described in this Proxy Statement.

What is the Company s Philosophy and Objectives Regarding Compensation?

The Company s executive compensation program is designed to align and reward both corporate and individual performance in an environment that reflects commitment, responsibility and adherence to the highest standards of ethics and integrity. Recognition of both individual contributions as well as overall business results permits an ongoing evaluation of the relationship between the size and scope of the Company s operations, its performance and its executive compensation.

As a result of the Company s equity and non-equity incentive plan awards, approximately 76% of the Chief Executive Officer s target compensation for 2014 and 70% of the other Named Executive Officers target compensation for 2014 is considered at risk and linked directly to corporate performance as illustrated in the graphs below.

2014 TARGET COMPENSATION ALLOCATION

What Are the Elements of the Company s Executive Remuneration and the Objectives of Each?

Remuneration Element	Description	Primary Objectives
Base Salary	Reflects fixed compensation.	● Attract and retain employees over time ● Provide a base level of total compensation to reflect an individual s role and responsibilities
Annual Incentive	Comprised of a performance-based annual bonus and a profit-sharing program.	● Focus executives and employees on important short-term Company-wide performance goals ● Recognize and reward overall annual business results and individual / team contributions
Equity Compensation	Comprised of annual performance-based restricted stock units with performance-based and time-based vesting criteria (double-trigger for vesting). For 2011 and 2012, certain executives received a special retention award of restricted stock units with time-based vesting. Beginning in 2014, certain executives will receive annual awards of restricted stock units in lieu of renewing time-based retention awards. These awards have double triggers requiring both achievement of performance goals and the passage of time.	● Focus executives and employees on important long-term Company-wide performance goals ● Align our executives with the interests of shareholders and deliver a superior rate of return ● Retain executives and employees over time ● Focus executives and employees on the long-term success of the Company, as reflected in increases to the Company s stock prices over a period of several years, growth in its earnings per share and other measurements of corporate performance
Health, Welfare and Retirement Benefits	Generally reflect those benefits provided to our broad employee population.	● Attract and retain employees over time ● Provide for the safety, security and wellness of employees
Severance Arrangements	Specific severance agreements for Officers that provide benefits when employment terminates as a result of a change in control or by the Company without cause.	● Facilitate the Company s ability to attract and retain talented executives ● Encourage executives and employees to remain focused on the Company s business during times of corporate change

How Does the Company Determine the Amount/Formula for Each Element?

Generally, each element of compensation, including base salaries and performance-based bonus and equity incentive opportunities, is evaluated independently and as a whole to determine whether it is competitive and reasonable within the market, as further described below. Each component of the target compensation for each of the Named Executive Officers is recommended by the Compensation Committee to the Board after:

- Analyzing each executive s compensation utilizing benchmarking studies as described below;
- Evaluating each executive s current responsibilities and the scope and performance of the operations under their management;
- Reviewing their individual experience and performance; and
- Evaluating the balance of equity and non-equity compensation for each executive with the goal of fairly rewarding individual and group performance results.

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The Compensation Committee utilizes benchmarking reports prepared by Towers Watson, an independent consulting group, to analyze the compensation of the Company s Named Executive Officers. The reports discuss how the Company s executive compensation program compares with those of peer companies on base salary, target bonus, long-term incentives and total direct compensation. The Committee looks at each individual element of total compensation as well as the overall level and mix of remuneration.

Consistent with the prior year, Towers Watson s 2013 analysis focused on a broad array of manufacturing companies included in the Towers Watson 2013 General Industry Top Management Compensation Survey Report - U.S. and the 2013 US Mercer Executive Compensation Survey with revenues between $250 million and $1 billion. In early 2014, Towers Watson also conducted an assessment of other publicly reporting companies in the firearms industry such as Smith and Wesson Holding Corporation, and high-performing companies within similar GICS codes and revenue size to Sturm, Ruger. The companies included in this peer group are as follows:

Arctic Cat Inc.	Coleman Cable Inc.	Lindsay Corporation	Shiloh Industries Inc.
Astronics Corporation	Dorman Products Inc.	Middleby Corp.	Smith & Wesson Holding Corp.
AZZ Incorporated	Drew Industries Incorporated	Oxford Industries, Inc.	Sparton Corp.
Blount International	Graco Inc.	Patrick Industries Inc.	Winnebago Industries, Inc.
Chart Industries Inc.	HEICO Corporation	Raven Industries Inc.	ZAGG Inc.

These analyses concluded that the target compensation paid to the Named Executive Officers in 2013 generally fell within the 50th and 75th percentile of surveyed companies with revenue between $250 million and $1 billion, and generally within the 25th and 50th percentile of the Company s high-performing peer group. In 2013, the Company s financial performance was superior to that of both comparison groups.

As a result of these analyses, the Compensation Committee has concluded that the total compensation of its executives falls within the parameters set by the Compensation Committee for relating executive compensation to Company performance.

How are Salaries Determined?

Salaries for executive officers are determined by considering the following factors without applying any specific formula to determine the weight of each factor:

- current responsibilities of the officer s position, the scope and performance of the operations under their management;
- the experience and performance of the individual;
- market rates for compensation of new executives being recruited to the Company and by comparing those salaries to recruiting offers made to the Company s executives by competitors; and,
- historical salaries paid by the Company to officers having certain duties and responsibilities.

The Compensation Committee has historically followed a policy of using performance-based incentive bonus awards rather than base salary to reward outstanding performance, and base salaries are not typically adjusted each year.

NAMED EXECUTIVE OFFICERS BASE SALARIES

Name	2013 Base Salary	Effective Date	2014 Base Salary	Effective Date
Michael O. Fifer	$500,000	March 1, 2011	$550,000	February 16, 2014
Thomas A. Dineen	$250,000	February 1, 2010	$285,000	February 16, 2014
Christopher J. Killoy (1)	$300,000	February 16, 2011	$350,000	January 1, 2014
Mark T. Lang	$275,000	February 16 ,2011	$285,000	February 16 ,2014
Thomas P. Sullivan	$250,000	February 1, 2010	$285,000	February 16, 2014

(1) Christopher J. Killoy s salary, nominal performance-bonus opportunity and equity compensation were increased upon his January 1, 2014 promotion to President and Chief Operating Officer from Vice President of Sales and Marketing. See the TARGET COMPENSATION TABLE below for further information.

How are Profit Sharing and Bonuses Determined?

Profit Sharing

The Company offers profit sharing to all of its employees. The amount of profit sharing is formula-based and is determined by the operating results of the Company. All employees participate in it pro-rata based on their actual base salary or hourly wage compensation. The amount of earnings that is paid quarterly as profit-sharing is authorized by the Board of Directors, and is typically 15% of Adjusted Operating Profit (AOP) after accrual for all bonuses and profit sharing. AOP is a non-GAAP measure of operating profit adjusted to eliminate the impact of LIFO income or expense, overhead and direct labor rate changes, excess and obsolete inventory reserve changes, and other income or expenses that we believe are related to longer periods of time, such as frozen defined benefit pension plan expense or product recalls.

Based upon our 2013 AOP results of $177.3 million, our Named Executive Officers received the following profit-sharing:

Name	2013 Profit Sharing
Michael O. Fifer	$157,281
Thomas A. Dineen	$78,641
Christopher J. Killoy	$94,822
Mark T. Lang	$86,505
Thomas P. Sullivan	$78,641

Annual Performance-Based Non-equity Incentive (the annual Cash Bonus)

The Company offers an annual performance-based non-equity incentive award (i.e., the cash bonus) to all but its most junior grade of employees. The amounts of the performance-based incentive award are based on a target compensation value for each individual and are authorized by the Board of Directors.

In February 2013, the Board of Directors established target (100%) achievement of the bonus at AOP of $114.4 million. This target was set to equal our actual 2012 AOP, which reflected a 74% year-over-year increase in earnings from 2011. The Board of Directors believed maintaining this level of AOP again in 2013 would be a challenging goal. The 2013 actual achievement percentage was adjusted up or down from 100% achievement by 1% for every $443,600 of AOP above or below $70 million. There is no minimum or maximum payout limit for the annual performance-based non-equity incentive.

Our actual AOP results in 2013 were $177.3 million, which provided for a performance-based non-equity incentive achievement equal to 242% of target. The table below provides the 2013 target and actual performance-based incentive results for each of our Named Executive Officers.

Performance-Based Non-Equity Awards				
Name	2013 Base Salary	2013 Target Award % of Salary	2013 Target Award $ Value*	2013 Actual Award
Michael O. Fifer	$500,000	100%	$500,000	$1,210,000
Thomas A. Dineen	$250,000	67%	$166,667	$403,333
Christopher J. Killoy	$300,000	67%	$200,000	$486,580
Mark T. Lang	$275,000	67%	$183,333	$443,667
Thomas P. Sullivan	$250,000	67%	$166,667	$403,333

* Values shown are based on actual salary amounts per the SUMMARY COMPENSATION TABLE below.

For 2013, the target levels for performance-based non-equity incentive awards were increased by 5% for all eligible employees.

Christopher J. Killoy s nominal performance-based non-equity incentive opportunity was increased from 67% to 75% as of January 1, 2014.

The Board of Directors also authorizes discretionary awards from time to time for executive officers in recognition of special performance. No discretionary awards were made to the Named Executive Officers for 2013.

How are Equity Compensation Awards Determined?

Equity compensation is a significant component of the Company s overall compensation philosophy and is built on the principles that it should seek to align participants actions and behaviors with stockholders interests, be market-competitive, and be able to attract, motivate and retain the best employees and Directors. Beginning in 2009, equity awards were granted in the form of restricted stock units that vest upon achievement of certain operating performance goals.

In 2013, the annual performance-based equity award opportunity was subject to two vesting triggers:

1. Performance-based vesting trigger contingent on achievement of a pre-established AOP goal, and

2. Three-year time-based vesting subject to achievement of the performance goal.

The amounts of the annual performance-based equity awards are based on a target compensation value for each Named Executive Officer and are authorized by the Board of Directors. The number of restricted stock units (RSUs) awarded are determined by taking the target for the equity compensation and dividing by the mean of high and low stock price on the effective date of the award. The table below shows the 2013 target equity incentive awards for each Named Executive Officer.

2013 Target Performance-Based Equity Award				
Name	2013 Base Salary	% of Salary	$ Value	Number of RSUs Awarded
Michael O. Fifer	$500,000	100%	$500,000	8,677
Thomas A. Dineen	$250,000	67%	$166,667	2,892
Christopher J. Killoy	$300,000	67%	$200,000	3,471
Mark T. Lang	$275,000	67%	$183,333	3,181
Thomas P. Sullivan	$250,000	67%	$166,667	2,892

In February 2013, the Board of Directors determined that the performance target for the vesting of the RSUs would be the achievement of \$97 million in AOP for any four consecutive quarters from January 1, 2013 to December 31, 2018. The \$97 million AOP vesting trigger reflected the average of the actual AOP of the preceding three years, multiplied by 1.33. Based on actual AOP results in 2013 of \$177.3 million, the Board of Directors determined that the performance-based vesting trigger was achieved. The three-year time-based vesting will be satisfied on March 5, 2016.

On January 1, 2014, Christopher J. Killoy s annual performance-based equity compensation was increased from 67% to 75% of base salary.

In February 2014, the Board of Directors approved annual restricted stock unit retention awards for the Named Executive Officers equal to their annual performance-based equity compensation opportunity. These retention awards have both performance-based and time-based vesting requirements. See the TARGET COMPENSATION TABLE below for further information.

Clawback Policy

In February 2014, the Board of Directors instituted an Executive Compensation Clawback Policy whereby the performance-based compensation of the Company s executive officers is subject to clawback provisions in the event of fraud or intentional illegal conduct which requires the restatement of the Company s financial results. A copy of this policy is posted on the Company s website at www.ruger.com.

What are the Company s Health, Welfare and Retirement Benefits?

The Company offers the same health, welfare and retirement benefits to all salaried employees. These benefits include medical benefits, dental benefits, vision benefits, life insurance, salary continuation for short-term disability, long-term disability insurance, accidental death and dismemberment insurance, 401(k) plan and other similar benefits. Because these benefits are offered to a broad class of employees, the cost is not required by SEC rules to be included in the SUMMARY COMPENSATION TABLE below.

Additionally, officers are covered under the Company s business travel accident insurance policy for ten times their base salary to a maximum of \$5,000,000 while traveling at any time. Officers are also covered under the Company s director and officer liability insurance policies for claims alleged in connection with their service.

Does the Company Provide Perquisites?

The Company believes in limited perquisites for its Directors and executive officers. Perquisites generally include discounts on Company products, which are available to all Company employees and Directors. The Company has a Relocation Policy covering all employees based on their grade level that provides various levels of temporary living and relocation expense reimbursements, payment of related taxes, and the use of Company vehicles for business purposes. Temporary living and relocation reimbursements and related tax payments for the Named Executive Officers are disclosed in the SUMMARY COMPENSATION TABLE below.

How is the Chief Executive Officer s Performance Evaluated and Compensation Determined?

The Nominating and Corporate Governance Committee, the Compensation Committees and the Board as a whole annually evaluate the performance and review the compensation of the Chief Executive Officer utilizing a variety of criteria. The job objectives established for the Chief Executive Officer are:

- To promote and require the highest ethical conduct by all Company employees and demonstrate personal integrity consistent with the Company s Corporate Governance Guidelines.
- To establish, articulate and support the vision for the Company that will serve as a guide for expansion.
- To align physical, human, financial and organizational resources with strategies.

- To communicate strategies and alignment in a clear manner so that every employee understands their personal role in the Company s success.
- To establish a succession planning process in order to select, coordinate, evaluate and promote the best management team.
- To keep the Board informed on strategic and business issues.

Evaluation of the Chief Executive Officer s performance with regard to these job objectives is rated on the following business skills and performance achievement:

- Leadership: his ability to lead the Company with a sense of direction and purpose that is well understood, widely supported, consistently applied and effectively implemented.
- Strategic Planning: his development of a long-term strategy, establishment of objectives to meet the expectations of stockholders, customers, employees and all Company stakeholders, consistent and timely progress toward strategic objectives and obtainment and allocation of resources consistent with strategic objectives.
- Financial Goals and Systems: his establishment of appropriate and longer-term financial objectives and ability to consistently achieve these goals and ensure that appropriate systems are maintained to protect assets and control operations.
- Financial Results: his ability to meet or exceed the financial expectations of stockholders, including improvement in operating revenue, cash flow, net income, earnings per share and share price.
- Succession Planning: his development, recruitment, retention, motivation and supervision of an effective senior management team capable of achieving objectives.
- Human Resources: his development of effective recruitment, training, retention and personnel communication plans and programs to provide and motivate the necessary human resources to achieve objectives.
- Communication: his ability to serve as the Company s chief spokesperson and communicate effectively with stockholders and all stakeholders.
- Industry Relations: his ensuring that the Company and its operating units contribute appropriately to the well-being of their communities and industries, and representation of the Company in community and industry affairs.
- Board Relations: his ability to work closely with the Board to keep them fully informed on all important aspects of the status and development of the Company, his implementation of Board policies, and his recommendation of policies for Board consideration.

The Chief Executive Officer s compensation levels are determined after performance evaluations based on published and commissioned compensation studies, the Chief Executive Officer s demonstrated abilities and contributions to the success of the Company, and the overall results of Company operations.

The Board of Directors has periodically increased Mr. Fifer s compensation based on analyses of competitive compensation as discussed above and the achievement of superior returns for the Company s shareholders since he joined the Company on September 25, 2006, as illustrated below:

	COMPOUNDED ANNUAL GROWTH		
	1 Year	**3 Years**	**5 Years**
Earnings per Share	55%	56%	67%
CEO Compensation	(45%)	25%	21%

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What are the Company s Governance Practices Regarding Compensation?

Stockholders:	The 2007 Stock Incentive Plan was approved by the stockholders at the Company s 2007 Annual Meeting. The Company does not have any stock plans that are not stockholder-approved.
Board and Compensation Committee and Nominating and Corporate Governance Committee:	The Compensation Committee and the Board determine the compensation of the Company s executive officers, including the individuals whose compensation is detailed in this Proxy Statement. The Compensation Committee, which is composed entirely of independent, non-management Directors, establishes and administers compensation programs and philosophies. The Compensation Committee ensures that stockholder-approved plans are administered in accordance with good governance practices and stockholder intent. The Compensation Committee is responsible for the recommendation of salaries, bonuses and long-term incentive compensation paid to executive officers, bonus pools for non-executive employees, retirement formulas for executive officers, deferred compensation plans, and any employment and change-in-control agreements. In addition, the performance of each executive officer is evaluated by the Nominating and Corporate Governance Committee and reported to the full Board. The full Board reviews the Compensation Committee and Nominating and Corporate Governance Committee reports and acts on recommendations of the Compensation Committee.
Management:	The Chief Executive Officer s views regarding the performance and recommended compensation levels for the Company s executive officers are discussed with all of the non-management Directors.

What are the Company s Governance Practices Regarding Stock Awards?

The Board has established the following practices and policies regarding stock awards:

- The Company s policy for setting the timing of stock option grants does not allow executives to have any role in choosing the price of their options or other stock awards;
- The Company has never back dated or re-priced options or other stock awards, and the 2007 Stock Incentive Plan states that re-pricing of options is not allowed;
- The Company began utilizing restricted stock units, rather than stock options, for substantially all equity awards effective in April, 2009;
- Equity awards for employees are issued only on the fourth business day following the public quarterly filing of the Company s Forms 10-K or 10-Q in order to allow the investment markets adequate time to assimilate the current financial information, and will be valued at the mean between the highest and lowest sales prices of the Company s common stock on the NYSE on the date of issue;
- Annual performance-based equity awards for executive officers and certain employees are generally approved at the first Board meeting of each year and are issued on the fourth business day following the public filing of the Company s Form 10-K.

The Compensation Committee and the Board consider recommendations from the Chief Executive Officer in establishing appropriate equity awards for officers and employees. All equity awards for the Named Executive Officers have been and will continue to be subject to the approval of the Compensation Committee and ratification by the full Board. The Company s Corporate Secretary is responsible for issuing equity awards upon their approval and maintaining records of all equity awards issued, exercised or terminated in accordance with the terms of the 2007 Stock Incentive Plan.

How does the Compensation Committee Utilize Independent Consultants?

As provided for in the Compensation Committee Charter, the Compensation Committee retained Towers Watson as its independent compensation consultant. The Committee, in conjunction with recommendations from management, determines the work to be performed by the consultant and has the ultimate authority to retain and terminate the consultant. The consultant works with management to gather data required in preparing analyses for Committee review.

In fiscal 2013, Towers Watson was engaged by the Committee for the following executive compensation work:

- Development of a publicly-traded peer group to be used for pay level comparison purposes;
- Assessment of Sturm, Ruger s executive pay level and mix of remuneration elements against approved market comparators; and
- Review and input to the Compensation Discussion and Analysis section of this Proxy Statement.

Other than the aforementioned engagement, Towers Watson maintains no other direct or indirect business relationship with the Company. All executive compensation services provided by the consultant are conducted under the direction and authority of the Compensation Committee and all work performed by Towers Watson is approved by the Chairman of the Compensation Committee. Given these processes and by evaluating Towers Watson against the SEC required factors, the Committee believes Towers Watson is independent in its advice and counsel.

How Does the Company Evaluate its Compensation Program Risks?

The Compensation Committee evaluates risk deriving from compensation programs, and does not believe that our compensation program is reasonably likely to have a material adverse effect on the Company for the following reasons:

- Executive compensation is structured to consist of both fixed compensation, which provides a steady income stream regardless of stock price performance, and variable incentive compensation, which is designed to reward both short-term and long-term corporate performance. Fixed, base-salary compensation is both market-competitive and sufficient to make risk-taking to achieve a living wage unnecessary. Short-term cash incentive compensation is awarded based on achievement of operating profit goals, while significant weighting toward long-term equity incentive compensation based on multi-year operating performance targets discourages short-term risk-taking;
- The variable elements of compensation are contingent upon the achievement of pre-determined profitability goals. Due to the nature of the Company s business, there is minimal subjectivity in the financial results on which this compensation is based;
- Performance goals are applicable Company-wide to our executives and employees alike to encourage consistent behavior throughout the organization;
- Approval of the Board of Directors is required prior to the payment of any incentive compensation;
- Equity ownership guidelines of three times base salary for the CEO and two times base salary for the other NEOs discourage excessive risk taking by providing an incentive for executives to consider the Company s long-term interests, since a portion of their personal investment portfolio consists of Company stock; and
- The Company has strict internal controls over the measurement and calculation of performance goals, and all employees are required to receive annual compliance training under our Corporate Governance Guidelines, which covers, among other things, accuracy of books and records.

EXECUTIVE COMPENSATION

The following table summarizes the target cash and equity compensation approved by the Board of Directors for each of the executive officers named in the Summary Compensation Table for 2011 through 2014. See SUMMARY COMPENSATION TABLE below for actual compensation earned by the Named Executive Officers in 2011, 2012 and 2013.

TARGET COMPENSATION TABLE

		Cash Compensation			Equity Compensation			
Named Executive Officer and Principal Position	**Year**	**Salary (1)**	**Profit Sharing**	**Performance-Based Non-Equity Compensation Opportunity (2)**	**Performance Based Stock Award Opportunity (3)**	**Retention Award Opportunity (4)**	**All Other Compensation (5)**	**Total Target Compensation**
Michael O. Fifer	2014	$550,000	$137,500	$550,000	$550,000	$550,000	$150,400	$2,487,900
Chief Executive	2013	$500,000	$125,000	$500,000	$500,000	$0	$135,100	$1,760,100
Officer and	2012	$500,000	$70,000	$475,000	$500,000	$2,158,500	$48,500	$3,752,000
Director (6)	2011	$500,000	$51,000	$475,000	$375,000	$2,712,000	$20,300	$4,133,300
Thomas A. Dineen *Vice*	2014	$285,000	$71,250	$190,000	$190,000	$190,000	$65,700	$991,950
President,	2013	$250,000	$62,500	$166,667	$166,667	$0	$62,800	$708,634
Treasurer	2012	$250,000	$35,000	$154,167	$166,667	$0	$44,900	$650,734
and Chief Financial Officer	2011	$250,000	$25,500	$152,500	$125,000	$882,750	$29,000	$1,464,750
Christopher J. Killoy	2014	$350,000	$87,500	$262,500	$262,500	$262,500	$91,100	$1,316,100
President	2013	$300,000	$75,000	$200,000	$200,000	$0	$64,600	$839,600
and Chief	2012	$300,000	$42,000	$185,000	$200,000	$0	$33,700	$760,700
Operating Officer (6)	2011	$300,000	$30,600	$185,000	$200,000	$1,808,000	$23,900	$2,547,500
Mark T.	2014	$285,000	$71,250	$190,000	$190,000	$190,000	$84,400	$1,010,650
Lang	2013	$275,000	$68,750	$183,333	$183,333	$0	$64,400	$774,816
Group Vice	2012	$275,000	$38,500	$169,583	$183,333	$0	$27,600	$694,016
President	2011	$275,000	$28,100	$166,250	$180,000	$904,000	$17,700	$1,571,050
Thomas P. Sullivan	2014	$285,000	$71,250	$190,000	$190,000	$190,000	$65,700	$991,950
Vice President	2013	$250,000	$62,500	$166,667	$166,667	$0	$64,600	$710,434
of Newport	2012	$250,000	$35,000	$154,167	$166,667	$0	$32,500	$638,334
Operations	2011	$250,000	$25,500	$152,500	$125,000	$882,750	$20,200	$1,455,950

Notes to Target Compensation Table

(1) Salary increases, if any, for the Named Executive Officers are generally approved at the first Board meeting of each calendar year, and are effective as soon as practicable thereafter. Target salary amounts may therefore not tie to actual salaries shown in the SUMMARY COMPENSATION TABLE below.

(2) For 2013, the performance-based non-equity compensation opportunity was increased by 5% for all eligible Company employees.

(3)

Represents performance-based RSU awards as described in the Compensation Discussion and Analysis section titled, How are Equity Compensation Awards Determined?

(4) Beginning in 2014, the NEOs will receive annual RSU retention awards equal to their annual performance-based equity compensation opportunity. These retention awards will have both performance-based and time-based vesting requirements. Retention awards for 2011 and 2012 were awarded with assigned RSU amounts and time-based cliff vesting.

(5) Represents the maximum employer matching contributions made under the Company s 401(k) Plan and accrued dividends paid upon issuance of vested equity awards. Actual All Other Compensation received may include additional fringe benefit items as shown in the SUMMARY ALL OTHER COMPENSATION TABLE below.

(6) Until January 1, 2014, Mr. Fifer s title was President and Chief Executive Officer and Mr. Killoy s title was Vice President of Sales and Marketing.

2013 SUMMARY COMPENSATION TABLE

The following table summarizes total compensation paid or earned by the Company s Named Executive Officers during 2013.

Named Executive Officer and Principal Position	Year	Salary	Cash Compensation: Profit Sharing (1)	Cash Compensation: Performance-Based Non-Equity Compensation (2)	Equity Compensation: Time-Based Stock Option Awards (3)	Equity Compensation: Performance-Based Stock Awards (4)	Equity Compensation: Time-Based Stock Awards (5)	All Other Compensation (6)	Total Compensation
Michael O. Fifer (7) *President, Chief Executive Officer and Director*	2013	$500,000	$157,281	$1,210,000	$0	$500,000	$0	$137,434	$2,504,715
	2012	$500,000	$124,693	$1,241,650	$0	$500,000	$2,158,500	$48,482	$4,573,325
	2011	$487,500	$80,737	$846,592	$0	$375,000	$2,712,000	$20,273	$4,522,102
Thomas A. Dineen *Vice President, Treasurer and Chief Financial Officer*	2013	$250,000	$78,641	$403,333	$0	$166,667	$0	$63,607	$962,248
	2012	$250,000	$62,347	$402,992	$0	$166,667	$0	$44,926	$926,932
	2011	$250,000	$41,216	$278,770	$0	$125,000	$882,750	$28,951	$1,606,687
Christopher J. Killoy *Vice President of Sales and Marketing*	2013	$300,000	$94,822	$486,580	$0	$200,000	$0	$68,018	$1,149,420
	2012	$300,000	$74,816	$483,590	$0	$200,000	$0	$33,659	$1,092,065
	2011	$293,750	$48,612	$332,925	$0	$200,000	$1,808,000	$23,940	$2,707,227
Mark T. Lang *Group Vice President*	2013	$275,000	$86,505	$443,667	$0	$183,333	$0	$98,708	$1,087,213
	2012	$275,000	$68,581	$443,291	$85,000	$183,333	$0	$27,631	$1,082,836
	2011	$271,875	$44,914	$298,192	$0	$180,000	$904,000	$17,666	$1,716,647
Thomas P. Sullivan *Vice President of Newport Operations*	2013	$250,000	$78,641	$403,333	$0	$166,667	$0	$65,810	$964,451
	2012	$250,000	$62,347	$402,992	$0	$166,667	$0	$32,476	$914,482
	2011	$250,000	$41,216	$278,770	$0	$125,000	$882,750	$20,204	$1,597,940

Notes to Summary Compensation Table

(1) See Compensation Discussion and Analysis section titled, How are Bonuses and Profit Sharing Determined? above for an explanation of how the amount of profit sharing is determined and then allocated amongst recipients.

(2) See Compensation Discussion and Analysis section titled How are Profit Sharing and Bonuses Determined? and TARGET COMPENSATION TABLE above for further information regarding the Named Executive Officers performance-based compensation.

(3) This column represents the full grant date fair value of stock options awarded to the Named Executives Officers, calculated in accordance with the provisions of FASB ASC 718. For Mark T. Lang, 2012 amount represents the grant date fair value of stock options awarded as provided under the terms of the 2007 Stock Incentive Plan, to maintain the intrinsic value of Mr. Lang s outstanding option award following issuance of the Company s $4.50 special cash dividend on December 21, 2012; these options were subject to the terms of the original award.

(4) See Note 13 of the consolidated financial statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2013 regarding assumptions underlying valuation of equity awards. Any estimate of forfeitures related to service-based vesting conditions are disregarded pursuant to the SEC Rules. See OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2013 TABLE below for further information regarding stock options and restricted stock units granted to each Named Executive Officer.

(5) This column represents time-based long-term retention awards issued in 2011 and 2012 subject to continued employment until, and cliff-vesting as of, December 31, 2015 and December 31, 2016, respectively. The amount of each award was approved by the Board in consideration of the potential impact to the Company s operations and performance in the event that the Named Executive Officer voluntarily left the Company within the next several years, The Compensation Committee and the Board believes that these awards fit into the Company s compensation objectives to retain the talents and experience of exceptional management members who have proven their value toward the long-term success of the Company.

(6) See SUMMARY ALL OTHER COMPENSATION TABLE below for additional information.

(7) Mr. Fifer s actual compensation for 2011 was 23 times, for 2012 was 22 times, and for 2013 was 26 times the average compensation of the Company s full-time employees excluding Mr. Fifer.

SUMMARY ALL OTHER COMPENSATION TABLE

Named Executive Officer	Year	Change in Pension Value and Non-qualified Deferred Compensation Earnings (1)	Taxable Value of Perquisites Received (2)	Taxable Premiums Paid by the Company for Group Term Life Insurance	Company Matching and Discretionary 401(k) Plan Contributions (3)	Accrued Dividends Related to Equity Awards (4)	Relocation and Temporary Living and Related Tax Gross-Ups and Commuting Allowance (5)	Total
	2013	$0	$0	$2,322	$22,950	$112,162	$0	$137,434
Michael O. Fifer	2012	$3,414	$1,068	$2,322	$20,000	$21,678	$0	$48,482
	2011	$2,847	$0	$276	$17,150	$0	$0	$20,273
	2013	$0	$0	$810	$22,950	$39,847	$0	$63,607
Thomas A. Dineen	2012	$16,592	$1,789	$540	$20,000	$6,005	$0	$44,926
	2011	$11,681	$0	$120	$17,150	$0	$0	$28,951
	2013	$0	$0	$3,450	$22,950	$41,618	$0	$68,018
Christopher J. Killoy	2012	$5,086	$831	$1,242	$20,000	$6,242	$258	$33,659
	2011	$4,066	$0	$276	$17,150	$0	$2,448	$23,940
	2013	$0	$0	$2,322	$22,950	$41,464	$31,972	$98,708
Mark T. Lang	2012	$0	$0	$2,322	$20,000	$5,309	$0	$27,631
	2011	$0	$0	$516	$17,150	$0	$0	$17,666
	2013	$0	$0	$1,242	$22,950	$41,618	$0	$65,810
Thomas P. Sullivan	2012	$3,477	$1,397	$1,242	$20,000	$6,360	$0	$32,476
	2011	$2,778	$0	$276	$17,150	$0	$0	$20,204

Notes to All Other Compensation Table

(1) Represents the increased change in pension value for each fiscal year for each of the Named Executive Officers. Negative changes in pension value are not reportable in the above table. The Company s pension plans were frozen, and no further benefit service was accrued, as of January 1, 2008. On December 18, 2013, the Board of Directors voted to terminate the Company s pension plans and settle all benefit obligations under the plans as soon as practicable. For 2013, the change in pension value is calculated based on a 4.75% discount rate, participant ages as of December 31, 2013, frozen accrued benefits as of December 31, 2007 and the IRS 2013

Combined Static Mortality Table. See PENSION PLANS and the PENSION BENEFITS TABLE below for additional information. No Named Executive Officer had any deferred compensation.

(2) Represents the reportable taxable value of Company products received for firearms training, spousal travel and entertainment at offsite management meetings, and travel expenses for executive physicals for each Named Executive Officer. For 2012, includes aggregate amounts under $10,000 for each of the NEOs.

(3) Consists of matching contributions made under the Company s 401(k) Plan to the Named Executive Officers who participated in the 401(k) Plan, based on their deferrals for each 401(k) Plan year. Also includes supplemental employer discretionary contributions made to all plan participants.

(4) Consists of accrued dividends paid upon the March 2, 2013 vesting and conversion of RSUs awarded in lieu of 15% of each Named Executive Officer s 2009 annual performance cash bonus.

(5) For Christopher J. Killoy, consists of the taxable value of commuting allowance at one-half the I.R.S. approved mileage rate. For Mark T. Lang, consists of relocation expenses. Commuting allowance and relocation expenses reimbursements are not subject to gross-up for taxes by the Company.

GRANTS OF PLAN BASED AWARDS TABLE

The following Grants of Plan-Based Awards table accompanies the Summary Compensation Table and provides additional detail regarding grants of incentive-plan based equity awards made in 2013.

Named Executive Officer	Grant Date	Time-Based Stock Option Awards	Performance-Based Restricted Stock Unit Awards (1)	Time-Based Restricted Stock Unit Awards	Exercise Price of Option Awards or Base Price of Stock Awards (2) ($/Share)	Grant Date Fair Value (3)
Michael O. Fifer	3/5/13		8,677		$57.63	$500,000
Thomas A. Dineen	3/5/13		2,892		$57.63	$166,667
Christopher J. Killoy	3/5/13		3,471		$57.63	$200,000
Mark T. Lang	3/5/13		3,181		$57.63	$183,333
Thomas P. Sullivan	3/5/13		2,892		$57.63	$166,667

Notes to Grant of Plan-Based Awards Table

(1) RSU awards made in 2013 with both performance-based and three-year cliff vesting triggers. See Compensation Discussion and Analysis section titled How are Equity Compensation Awards Determined and TARGET COMPENSATION TABLE above for further information regarding the Named Executive Officers performance-based RSU compensation.

(2) The base price of the performance-based RSU awards described in footnote (1) above was the mean of the highest and lowest sales price of the Common Stock as of the date of grant.

(3) Amounts shown represent the total grant date fair value calculated in accordance with the provisions of FASB ASC 718, and are shown at the maximum unit value expected upon achievement of the performance or time-based goals of the awards. See Note 13 of the consolidated financial statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2013 regarding assumptions underlying valuation of equity awards. Any estimate of forfeitures related to service-based vesting conditions are disregarded pursuant to the SEC Rules.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2013 TABLE

The following table reflects outstanding equity grants as of December 31, 2013 for the Named Executive Officers.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2013				
			STOCK AWARDS	
Named Executive Officer	Description of Awards (1)(2)	Number of Shares or Units of Stock That Have Not Vested	Grant Date Value of Shares or Units of Stock That Have Not Vested (3)	Market Value of Shares or Units of Stock That Have Not Vested (4)
Michael O. Fifer	2013 Performance RSUs	8,677	$500,000	$634,201
	2012 Performance RSUs	11,582	$500,000	$846,528
	2012 Retention RSUs	50,000	$2,158,500	$3,654,500
	2011 Retention RSUs	150,000	$2,712,500	$10,963,500
	2011 Performance RSUs	15,393	$375,000	$1,125,074
Thomas A. Dineen	2013 Performance RSUs	2,892	$166,667	$211,376
	2012 Performance RSUs	3,861	$166,667	$282,200
	2011 Retention RSUs	37,500	$882,750	$2,740,875
	2011 Performance RSUs	5,131	$125,000	$375,024
Christopher J. Killoy	2013 Performance RSUs	3,471	$200,000	$253,695
	2012 Performance RSUs	4,633	$200,000	$338,625
	2011 Retention RSUs	100,000	$1,808,000	$7,309,000
	2011 Performance RSUs	8,209	$200,000	$599,995
Mark T. Lang	2013 Performance RSUs	3,181	$183,333	$232,499
	2012 Performance RSUs	4,247	$183,333	$310,413
	2011 Retention RSUs	50,000	$904,000	$3,654,500
	2011 Performance RSUs	7,389	$180,000	$540,062
Thomas P. Sullivan	2013 Performance RSUs	2,892	$166,667	$211,376
	2012 Performance RSUs	3,861	$166,667	$282,200
	2011 Retention RSUs	37,500	$882,750	$2,740,875
	2011 Performance RSUs	5,131	$125,000	$375,024

Notes to Outstanding Equity Awards at Fiscal Year End Table

(1) Awards include option or restricted stock unit awards as shown below:

- Performance-based RSUs: Performance-based RSUs awarded in 2011, 2012 and 2013 with both performance triggers and three-year time-based triggers. In 2012, the performance-based trigger for the 2011 awards was determined by the Board of Directors to have been achieved, and the awards were therefore vested and issued on March 1, 2014. In 2013, the performance-based trigger for the 2012 awards was determined by the Board of Directors to have been achieved, and the awards will therefore vest on February 28, 2015. In 2014, the performance-based trigger for the 2013 awards was determined by the Board of Directors to have been achieved and the awards will therefore vest on March 5, 2016.

- Time-Based RSUs: Time-based long-term retention awards subject to continued employment until, and cliff-vesting as of, December 31, 2015 and December 31, 2016, respectively.

(2) There were no outstanding option awards for the NEOs as of December 31, 2013.

(3) Amounts shown represent the full grant date fair value of the awards calculated in accordance with the provisions of FASB ASC 718, and are shown at the maximum unit value expected upon achievement of the time-based goals of the awards.

(4) Amounts shown represent the fair market value of the awards based on the $73.09 closing price of the Company s Common Stock on December 31, 2013.

OPTION EXERCISES AND STOCK VESTED IN 2013 TABLE

The following table sets forth the value of equity realized by the Named Executive Officers upon exercise of vested options or the vesting of restricted stock units that converted into shares of stock during 2013. (For further information on stock options and grants made in 2013 to the Named Executive Officers, see the GRANTS OF PLAN-BASED AWARDS TABLE above.)

	Option Awards		Stock Awards	
Named Executive Officer	**Number of Shares Acquired on Exercise (1)**	**Value Realized Upon Exercise (2)**	**Number of Shares Acquired Upon Vesting (1)**	**Value Realized Upon Vesting (2)**
Michael O. Fifer			16,347	$916,903
Thomas A. Dineen			5,807	$325,715
Christopher J. Killoy			6,065	$340,186
Mark T. Lang	21,820	$1,049,978	6,043	$338,952
Thomas P. Sullivan			6,065	$340,186
Total	**21,820**	**$1,049,978**	**40,327**	**$2,261,942**

Notes to Options Exercised and Stock Vested Table

(1) The amounts shown represent the aggregate gross number of shares acquired by the Named Executive Officers upon the exercising of stock options and/or the vesting of stock awards. The Named Executive Officers elected to make cashless exercises or conversions, whereby the exercise price and withholding taxes related to the exercise or issuance were paid with shares based on the closing price of the Common Stock on the exercise or issuance.

(2) The amounts shown represent the aggregate dollar amount realized by the Named Executive Officers upon the exercising of stock options and/or the vesting of stock awards. The aggregate dollar amount realized upon the exercise of stock options is calculated by determining the difference between the closing price of the Common Stock at exercise and the exercise price of the options. The aggregate dollar amount realized upon the vesting of stock awards is calculated by multiplying the number of shares of stock vested by the closing price of the Common Stock on the vesting date.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Payments on Change in Control

In the event of a potential change in control of the Company, it is vitally important that executives be able to continue working in the best interest of our stockholders. For that reason, the Company has entered into severance agreements with the Named Executive Officers designed to provide salary and medical benefit continuance in the event of the termination of his employment under certain circumstances. The Company s severance agreements are not employment contracts and do not specify an employment term, compensation levels or other terms or conditions of employment. There are also change-in-control provisions in both the stock option and restricted stock agreements.

Covered Terminations and Severance Payments Pursuant to Change in Control Agreements

Each of the Named Executive Officers severance agreements provide for the following severance benefits, if during the term of the agreement: (A) he is terminated without cause or (B) there is a Change in Control and a subsequent reduction of his salary or a diminution of his duties and thereafter he terminates his employment within 90 days. In the situation described in clause (A) above, he will receive a lump sum cash payment equal to 12 months of his annual base salary, if employed for less than five years, or 18 months of his annual base salary if employed for five or more years, and continued insurance benefits. Mr. Fifer s severance agreement provides for 18 months of his annual base salary. In the situation described in clause (B) above, the Named Executive Officer will receive a lump sum cash payment equal to 18 months of his annual base salary and 100% of his target cash bonus and continued insurance benefits. In both cases, such continued insurance benefits are to be paid to the Named Executive Officer net of employee contributions for a period equal to the number of months of severance pay.

In all cases, payment of severance benefits will be subject to the six-month deferral requirements under the IRS Tax Code Section 409A. All of the severance agreements have a one-year term, subject to automatic renewal on each anniversary of its date unless (A) the Named Executive Officer gives notice of his intention to terminate his employment, or (B) the Company gives notice of its intention not to renew the agreement at least one year in advance. The amount of severance and benefits are generally determined based on competitive market practices for executives at this level. The Compensation Committee also takes into consideration that executives at this level generally require a longer timeframe to find comparable jobs because there are fewer jobs at this level in the market and often have a large percentage of their personal wealth dependent on the status of the Company, given the fact that a large part of their compensation is equity-based.

Change in Control Events and Severance Benefits Not Covered by the Severance Agreements

The 2007 Stock Incentive Plan provides for accelerated vesting of stock awards that the executive has already received, not for additional payments. The 2007 Stock Incentive Plan has a single trigger change in control accelerated vesting component, which will apply unless, in the case of a merger or acquisition of the Company by another business entity, the surviving, continuing, or purchasing corporation assumes the awards previously issued under that plan.

Change in Control Definition

Generally, under the severance agreements and the 2007 Stock Incentive Plan, a Change in Control will be deemed to have occurred:

- When any person acquires a significant percentage of the voting power of the Company (25% or more under the 2007 Stock Incentive Plan);
- If a majority of the Board members change, unless the new Directors are elected or nominated for election by at least two-thirds of the existing Board members;
- Upon the acquisition of the Company; or
- Upon the liquidation or dissolution of the Company (with approval of the stockholders).

Termination by Death or Disability

In the event of death or disability, executives receive no payment other than through life insurance or disability insurance available to salaried employees generally. Under the 2007 Stock Incentive Plan, vested options are exercisable in the case of death or disability within the greater of: 30 days, or one-fourth of the length of time elapsed since the options first vested to the date of termination. In no case can options be exercised beyond the expiration date of the award. Subject to the terms of the award agreement, performance-based restricted stock unit awards that have met the performance-based trigger and retention awards will become issuable in the event of disability or death.

In the event of termination by death or disability, the executive or his or her estate will receive his or her bonus to the extent earned.

Termination by Retirement

Executives were eligible to participate in the Company s Pension Plan until December 31, 2007, the effective date of the plan s freeze. None of the Named Executive Officers was eligible for normal retirement, and none of the Named Executive Officers accrued service under the Pension Plan beyond December 31, 2007. Employees are eligible for normal retirement when they have worked for the Company for at least five years and reached age 65. Pension benefits are described under PENSION PLANS below. Under the 2007 Stock Incentive Plan, vested options awarded to the Named Executive Officers are exercisable in the case of retirement within the greater of: 30 days, or one-fourth of the length of time elapsed since the options first vested to the date of retirement. In no case can options be exercised beyond the expiration date of the award. Subject to the terms of the award agreement, performance-based restricted stock unit awards that have met the performance-based trigger will become issuable in the event of retirement. Retention awards will be forfeited in the event of retirement before their vesting date.

In the event of termination by retirement, the executive will receive his or her bonus to the extent earned.

Voluntary and Involuntary Termination

The severance benefits for the Named Executive Officers include base salary and medical insurance continuation in cases of termination without cause for a minimum of 12 months and a maximum of 18 months. Mr. Fifer s severance agreement provides for 18 months of his annual base salary in the event of his termination without cause. Under the 2007 Stock Incentive Plan, vested options awarded to the Named Executive Officers are exercisable in the case of voluntary termination or involuntary termination without cause within the greater of: 30 days, or one-fourth of the length of time elapsed since the options first vested to the date of termination. Options cannot be exercised beyond the expiration date of the award. In the case of termination for cause, an employee s stock options terminate immediately. None of the Named Executive Officers have options as of December 31, 2013. Performance-based restricted stock unit awards will terminate upon the date of voluntary or involuntary termination, whether or not the award has met the performance-based trigger. In the case of involuntary termination without cause, retention awards will be issuable based on the number of days of service elapsed since the award date divided by the number of days from the award date to the full vesting date.

If any employee voluntarily or involuntarily without cause terminates his or her employment the employee, will receive his or her bonus to the extent earned. If an employee is terminated for cause, any bonus is forfeited.

Retention and Transition Agreements

The Company may enter into retention or transition agreements from time to time with executives who retire or voluntarily terminate their employment with the Company in order to facilitate the management transition of the executives areas of responsibility. There are no retention or transition agreements in effect.

POTENTIAL AND ACTUAL PAYMENTS UNDER SEVERANCE AGREEMENTS TABLE

The table below sets forth the terms and estimated potential payments and benefits provided in each termination circumstance for the Company s Named Executive Officers as of December 31, 2013. The potential amounts shown in the table do not include payments and benefits to the extent that they are provided on a non-discriminatory basis to the Company s salaried employees generally.

Named Executive Officer	Severance Agreement	Performance-Based Non-Equity Compensation Payment (1)	Number of Equity Awards-That Vest (2)	Continuation of Medical Welfare Benefits (3)	Aggregate Payments (4)
Michael O. Fifer					
Change In Control	$750,000	$750,000	235,652	$35,334	$1,535,334
Termination without Cause	$750,000	$0	110,000	$35,334	$785,334
Retirement	n/a	$500,000	35,652	$0	$500,000
Death or Disability	n/a	$500,000	235,652	$0	$500,000
Thomas A. Dineen					
Change In Control	$375,000	$250,000	49,384	$35,334	$660,334
Termination without Cause	$375,000	$0	22,500	$35,334	$410,334
Retirement	n/a	$166,667	11,884	$0	$166,667
Death or Disability	n/a	$166,667	49,384	$0	$166,667
Christopher J. Killoy					
Change In Control	$450,000	$300,000	116,313	$35,334	$785,334
Termination without Cause	$450,000	$0	60,000	$35,334	$485,334
Retirement	n/a	$200,000	16,313	$0	$200,000
Death or Disability	n/a	$200,000	116,313	$0	$200,000
Mark T. Lang					
Change In Control	$412,500	$275,000	64,817	$35,334	$722,834
Termination without Cause	$412,500	$0	30,000	$35,334	$447,834
Retirement	n/a	$183,333	14,817	$0	$183,333
Death or Disability	n/a	$183,333	64,817	$0	$183,333
Thomas P. Sullivan					
Change In Control	$375,000	$250,000	49,384	$35,334	$660,334
Termination without Cause	$375,000	$0	22,500	$35,334	$410,334
Retirement	n/a	$166,667	11,834	$0	$166,667
Death or Disability	n/a	$166,667	49,384	$0	$166,667

Notes to Potential and Actual Payments Under Severance Agreements Table

(1) The performance-based non-equity compensation payment under Retirement or Death or Disability shall be prorated to the extent earned during the partial year prior to Retirement or Death or Disability. The amount show is the nominal bonus at 100% achievement of goals for a full 12 months.

(2) Includes number of options awarded under the Company s 2007 Stock Incentive Plans that have not yet vested. Also includes RSU awards subject to vesting.

(3) Includes continuation of health insurance coverage assuming family coverage for potential severance recipients.

(4) Aggregate payments exclude number of options or RSUs that vest.

PENSION PLANS

All employees, including the individuals named in the Summary Compensation Table, are eligible to participate in the Company s 401(k) Plan, subject to IRS plan limits. The 401(k) Plan provides participation and immediate vesting upon three months of service, a safe harbor match for all participants and supplemental discretionary employer contributions for all eligible employees.

Until January 1, 2008, all of the Company s salaried employees participated in the Sturm, Ruger & Company, Inc. Salaried Employees Retirement Income Plan (the Pension Plan), a defined benefit pension plan, which generally provides annual pension benefits at age 65 in the form of a straight life annuity in an amount equal to: 1-1/3% of the participant s final average salary (highest 60-consecutive-month average annualized base pay during the last 120 months of employment) less 0.65% of the participant s Social Security covered compensation, multiplied by the participant s years of credited service up to a maximum of 25 years.

On October 1, 2007, the Pension Plan was frozen by the Board of Directors so that participants will no longer accrue additional service under the plan after December 31, 2007. In lieu of continued benefit accruals under the Pension Plan, as of January 1, 2008, the Company began making supplemental discretionary contributions for all eligible employees under its 401(k) Plan in addition to the safe harbor employer match contributed on behalf of eligible 401(k) Plan participants. On December 18, 2013, the Board of Directors voted to terminate the Pension Plan and settle all benefit obligations under the plan as soon as practicable.

The Sturm, Ruger & Company, Inc. Supplemental Executive Retirement Plan (the SERP) is a nonqualified supplemental retirement plan for certain senior executives of the Company who have achieved the rank of Vice President or above and who are selected by the Compensation Committee. No active employees participated in the SERP in 2013.

The SERP generally provides an annual benefit beginning at age 65, the normal retirement age under the SERP, based upon a participant s completed years of service with the Company as of such age. The maximum benefit under the SERP is equal to 50% of the participant s average annual compensation, including base pay, bonuses and other incentive compensation, up to $400,000. All SERP benefits are reduced by the amount the participant is entitled to receive under the Pension Plan, and are further reduced by the amount of Social Security benefit the participant is entitled to receive commencing at age 65. The SERP benefit is payable as an annuity over the life of the participant, with 50% to continue for the life of the participant s surviving spouse after the participant s death. Pre-retirement death or disability benefits are also provided to plan participants under the SERP.

2013 PENSION BENEFITS TABLE

The following table sets forth the present value of pension benefits accrued by, and actual benefits paid in 2013 to the Named Executive Officers under the Pension Plan.

	Salaried Employees Retirement Income Plan (1)		
Named Executive Officers	Credited Service (Years) (2)	Present Value of Accumulated Plan Benefits (3)	Payments During Last Fiscal Year
Michael O. Fifer	1.3	$18,613	$0
Thomas A. Dineen	10.6	$62,493	$0
Christopher J. Killoy	2.2	$25,796	$0
Mark T. Lang	0	$0	$0
Thomas P. Sullivan	1.4	$17,018	$0

Notes to Pension Benefits Table

(1) The Pension Plan was frozen by the Board of Directors as of January 1, 2008, with the continued accrual of benefits suspended under the Plan as of December 31, 2007. On December 18, 2013, the Board of Directors voted to terminate the Pension Plan and settle all benefit obligations under the Pension Plan as soon as practicable.

(2) The maximum years of credited service earned under the Pension Plan.

(3) The present value of accumulated benefits under the Pension Plan is calculated assuming a discount rate of 4.75%, the IRS 2013 Combined Static Mortality Table, the participant s age as of December 31, 2013 and frozen accrued plan benefits as of December 31, 2007.

STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS FOR 2015

To be considered for inclusion in the Proxy Statement distributed by the Company in connection with next year s Annual Meeting of Stockholders, stockholder proposals must be submitted in writing to the Company delivered or mailed by first class United States mail, postage prepaid, no earlier than January 6, 2015 (120 days prior to the first anniversary of this year s Annual Meeting of Stockholders), and no later than February 5, 2015 (90 days prior to the first anniversary of this year s Annual Meeting of Stockholders). Any stockholder proposal to be considered at next year s Annual Meeting of Stockholders, but not included in next year s Proxy Statement, must also be submitted in writing to the Company by February 10, 2015.

Recommendations for nominees to stand for election as Directors at next year s Annual Meeting of Stockholders must be received in writing delivered or mailed by first class United States mail, postage prepaid, no earlier than January 6, 2015 (120 days prior to the first anniversary of this year s Annual Meeting of Stockholders), and no later than February 5, 2015 (90 days prior to the first anniversary of this year s Annual Meeting of Stockholders) and include the information as required under THE BOARD OF DIRECTORS AND ITS COMMITTEES Nominating and Corporate Governance Committee described above.

All stockholder proposals or Director nominations should be submitted to Leslie M. Gasper, Corporate Secretary, Sturm, Ruger & Company, Inc., Lacey Place, Southport, Connecticut 06890.

STOCKHOLDER AND INTERESTED PARTY COMMUNICATIONS WITH THE BOARD OF DIRECTORS

The Board has adopted a method by which stockholders and interested parties can send communications to the Board. Stockholders and interested parties may communicate in writing any questions or other communications to the Chairman or non-management Directors of the Board through the following methods:

- by contacting the Corporate Secretary at Sturm, Ruger & Company, Inc., 1 Lacey Place, Southport, CT 06890;
- by telephone at (203) 259-7843, extension 33224;
- by fax at (203) 256-3367; or
- by calling the Company s corporate communications telephone hotline at 1-800-826-6762 or via the hotline website at www.ruger.alertline.com. These hotlines are monitored 24 hours a day, 7 days a week.

Stockholders or interested parties may also communicate in writing any questions or other communications to the management Directors of the Board in the same manner.

Stockholders may contact the Corporate Secretary at (203) 259-7843 or Computershare Investor Services, LLC, which is the Company s stock transfer agent, at (312) 360-5190 or www.computershare.com for questions regarding routine stockholder matters.

OTHER MATTERS

Management of the Company does not intend to present any business at the Meeting other than as set forth in Proposal 1, 2 and 3 of the attached Notice of Annual Meeting of Stockholders, and it has no information that others will present any other business at the Meeting. If other matters requiring the vote of the stockholders properly come before the Meeting, it is the intention of the persons named in the proxy to vote the shares represented thereby in accordance with their judgment on such matters.

The Company, upon written request, will provide without charge to each person entitled to vote at the Meeting a copy of its Annual Report on Securities and Exchange Commission Form 10-K for the year ended December 31, 2013, including the financial statements and financial statement schedules. Such requests may be directed to Leslie M. Gasper, Corporate Secretary, Sturm, Ruger & Company, Inc., Lacey Place, Southport, Connecticut 06890.

BY ORDER OF THE BOARD OF DIRECTORS
Leslie M. Gasper
Corporate Secretary

Southport, Connecticut
March 27, 2014

IMPORTANT ANNUAL MEETING INFORMATION

Electronic Voting Instructions

You can vote by Internet or telephone!
Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on May 6, 2014.

Vote by Internet

Go to **www.envisionreports.com/RGR**
Or scan the QR code with your smartphone
Follow the steps outlined on the secure website

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

6IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.6

Election of Directors The Board of Directors unanimously recommends a Vote FOR the election of six Directors:

1. Nominees:

	For	Withhold		For	Withhold		For	Withhold
01 - C. Michael Jacobi	O	O	02 - John A. Cosentino, Jr.	O	O	03 - Amir P. Rosenthal	O	O
04 - Ronald C. Whitaker	O	O	05 - Phillip C. Widman	O	O	06 - Michael O. Fifer	O	O

Issues The Board of Directors unanimously recommends a Vote FOR proposals 2 and 3.

	For	Against	Abstain		For	Against	**Abstain**
2. The ratification of the appointment of McGladrey LLP as the Independent Auditors of the Company for the 2014 fiscal year.	O	O	O	3. An advisory vote on the compensation of the Company s Named Executive Officers.	O	O	O

Any other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Non-Voting Items

Change of Address Please print new address below.

Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

When shares are held by joint tenants, both should sign. When signing as an attorney, as executor, administrator, trustee or guardian, please give your full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

6 **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** 6

Proxy STURM, RUGER & COMPANY, INC.

LACEY PLACE, SOUTHPORT, CONNECTICUT 06890

This Proxy is Solicited on Behalf of the Board of Directors for the Annual Meeting of Stockholders to be held on May 6, 2014.

The undersigned hereby appoints Michael O. Fifer and Leslie M. Gasper as Proxies, each with the full power to appoint his or her substitute, and hereby authorizes them to represent and to vote, as designated below, all the shares of Common Stock of Sturm, Ruger & Company, Inc. (the Company), held of record by the undersigned on March 17, 2014 at the Annual Meeting of Stockholders to be held on May 6, 2014 or any adjournment or postponement thereof.

The proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this proxy will be voted FOR the election of all Directors, FOR Proposal 2 and 3 and at their discretion on any other matter that may properly come before the meeting. Please sign exactly as name appears on other side of this proxy form.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY FORM PROMPTLY USING THE ENCLOSED ENVELOPE.

(Continued and to be signed on reverse side.)

IMPORTANT ANNUAL MEETING INFORMATION

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

6 PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. 6

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1. Nominees:

	For	Withhold		For	Withhold		For	Withhold
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04 - Ronald C. Whitaker	o	o	05 - Phillip C. Widman	o	o	06 - Michael O. Fifer	o	o

Issues The Board of Directors unanimously recommends a Vote FOR proposals 2 and 3.

	For	Against	Abstain		For	Against	**Abstain**
2. The ratification of the appointment of McGladrey LLP as the Independent Auditors of the Company for the 2014	o	o	o	3. An advisory vote on the compensation of the Company s Named Executive Officers.	o	o	o

fiscal year.

Any other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

When shares are held by joint tenants, both should sign. When signing as an attorney, as executor, administrator, trustee or guardian, please give your full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

6 **PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** 6

Proxy STURM, RUGER & COMPANY, INC.

LACEY PLACE, SOUTHPORT, CONNECTICUT 06890

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The undersigned hereby appoints Michael O. Fifer and Leslie M. Gasper as Proxies, each with the full power to appoint his or her substitute, and hereby authorizes them to represent and to vote, as designated below, all the shares of Common Stock of Sturm, Ruger & Company, Inc. (the Company), held of record by the undersigned on March 17, 2014 at the Annual Meeting of Stockholders to be held on May 6, 2014 or any adjournment or postponement thereof.

The proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this proxy will be voted FOR the election of all Directors, FOR Proposal 2 and 3 and at their discretion on any other matter that may properly come before the meeting. Please sign exactly as name appears on other side of this proxy form.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY FORM PROMPTLY USING THE ENCLOSED ENVELOPE.

(Continued and to be signed on reverse side.)