

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES AND EXCHANGE ACT OF 1934

For Quarter Ended
March 31, 2003

Commission File Number:
0-21026

ROCKY SHOES & BOOTS, INC.

(Exact name of registrant as specified in its charter)

Ohio
(State of Incorporation)

31-1364046
(IRS Employer Identification Number)

39 E. Canal Street
Nelsonville, Ohio 45764
(Address of principal executive offices)

(740) 753-1951
(Registrant's telephone number, including area code)

(Former name, former address, and former Fiscal year if changed since last report.)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety (90) days.

Yes No

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

4,051,430 common shares, no par value, outstanding at May 8, 2003

Rocky Shoes & Boots, Inc. and Subsidiaries

Form 10-Q

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PART 1 - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

Rocky Shoes & Boots, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	March 31, 2003 Unaudited	December 31, 2002	March 31, 2002 Unaudited
ASSETS:			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 2,391,867	\$ 4,276,722	\$ 1,117,729
Trade receivables – net	10,639,471	15,282,618	11,005,564
Other receivables	1,854,435	1,173,714	2,525,586
Inventories	28,342,873	23,181,989	29,713,341
Deferred income taxes	578,951	584,511	615,609
Prepaid expenses	1,748,220	1,267,097	1,539,910
Total current assets	<u>45,555,817</u>	<u>45,766,651</u>	<u>46,517,739</u>
FIXED ASSETS – net	18,770,432	19,049,287	20,471,642
DEFERRED PENSION ASSET	1,651,222	1,651,222	2,169,021
DEFERRED INCOME TAXES	153,495	153,495	295,784
OTHER ASSETS	<u>1,842,517</u>	<u>1,796,359</u>	<u>2,537,800</u>
TOTAL ASSETS	<u><u>\$ 67,973,483</u></u>	<u><u>\$ 68,417,014</u></u>	<u><u>\$ 71,991,986</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY:			
CURRENT LIABILITIES:			
Accounts payable	\$ 4,881,731	\$ 1,642,306	\$ 3,629,340
Current maturities - long term debt	488,169	486,161	474,315
Accrued taxes - other	410,500	346,168	609,655
Accrued salaries and wages	712,192	807,611	704,559
Accrued plant closing costs	210,000	210,000	851,175
Accrued other	393,097	523,118	275,248
Total current liabilities	<u>7,095,689</u>	<u>4,015,364</u>	<u>6,544,292</u>
LONG TERM DEBT-less current maturities	10,340,806	10,488,388	15,419,643
DEFERRED LIABILITIES	<u>1,687,053</u>	<u>1,520,338</u>	<u>173,750</u>
TOTAL LIABILITIES	19,123,548	16,024,090	22,137,685
SHAREHOLDERS' EQUITY:			
Common stock, no par value;			
10,000,000 shares authorized; issued and outstanding			
March 31, 2003 - 4,051,430; December 31, 2002 - 4,489,065; March 31, 2002 - 4,498,965	32,368,617	35,289,038	35,340,315
Accumulated other comprehensive loss	(2,311,749)	(2,311,749)	(831,161)
Retained earnings	<u>18,793,067</u>	<u>19,415,635</u>	<u>15,345,147</u>
Total shareholders' equity	<u>48,849,935</u>	<u>52,392,924</u>	<u>49,854,301</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 67,973,483</u></u>	<u><u>\$ 68,417,014</u></u>	<u><u>\$ 71,991,986</u></u>

See notes to the interim unaudited condensed consolidated financial statements.

Rocky Shoes & Boots, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
	<u>2003</u>	<u>2002</u>
NET SALES	\$ 13,754,941	\$ 13,749,588
COST OF GOODS SOLD	<u>10,289,413</u>	<u>11,408,935</u>
GROSS MARGIN	3,465,528	2,340,653
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>4,250,606</u>	<u>3,899,501</u>
LOSS FROM OPERATIONS	(785,078)	(1,558,848)
OTHER INCOME AND (EXPENSES):		
Interest expense	(196,180)	(283,109)
Other – net	<u>91,873</u>	<u>88,831</u>
Total other - net	(104,307)	(194,278)
LOSS BEFORE INCOME TAX BENEFIT	(889,385)	(1,753,126)
INCOME TAX BENEFIT	<u>(266,816)</u>	<u>(525,938)</u>
NET LOSS	<u>\$ (622,569)</u>	<u>\$ (1,227,188)</u>
NET LOSS PER SHARE		
Basic	(<u>\$0.14</u>)	(<u>\$0.27</u>)
Diluted	(<u>\$0.14</u>)	(<u>\$0.27</u>)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic	<u>4,363,115</u>	<u>4,493,823</u>
Diluted	<u>4,363,115</u>	<u>4,493,823</u>

See notes to the interim unaudited condensed consolidated financial statements.

Rocky Shoes & Boots, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended	
	March 31,	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (622,569)	\$ (1,227,188)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	896,882	1,033,333
Deferred liabilities and deferred income taxes	172,275	(1,445,704)
Loss (Gain) on sale of fixed assets	9,194	(7,802)
Change in assets and liabilities:		
Receivables	3,962,426	3,785,448
Inventories	(5,160,884)	(1,999,677)
Prepaid expenses	(481,123)	(486,718)
Other assets	(46,158)	(408,363)
Accounts payable	3,184,305	2,041,008
Accrued and other liabilities	<u>(161,108)</u>	<u>(917,879)</u>
Net cash provided by operating activities	1,753,240	366,458
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(574,056)	(699,572)
Proceeds from sale of fixed assets	<u>1,955</u>	<u>8,960</u>
Net cash used in investing activities	(572,101)	(690,612)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long term debt	19,092,057	19,887,761
Payments on long term debt	(19,237,631)	(21,438,969)
Purchase of treasury stock	(3,106,156)	
Proceeds from exercise of stock options	<u>185,736</u>	<u>38,156</u>
Net cash used in financing activities	<u>(3,065,994)</u>	<u>(1,513,052)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(1,884,855)	(1,837,206)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>4,276,722</u>	<u>2,954,935</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,391,867</u>	<u>\$ 1,117,729</u>

See notes to the interim unaudited condensed consolidated financial statements.

**Rocky Shoes & Boots, Inc.
and Subsidiaries**

Notes to the Interim Unaudited Condensed Consolidated Financial Statements

1. INTERIM FINANCIAL REPORTING

In the opinion of management, the accompanying interim unaudited condensed consolidated financial statements reflect all adjustments which are necessary for a fair presentation of the financial results. All such adjustments reflected in the unaudited interim consolidated financial statements are considered to be of a normal and recurring nature. The results of the operations for the three month periods ended March 31, 2003 and 2002 are not necessarily indicative of the results to be expected for the whole year. Accordingly, these consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report to the Shareholders on Form 10-K for year ended December 31, 2002.

Certain reclassifications have been made to the prior year amounts in order to conform to the current year presentation.

The Company accounts for its stock option plans in accordance with APB Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for all stock option plans been determined consistent with the SFAS No. 123, "Accounting for Stock Based Compensation," the Company's net loss and loss per share would have resulted in the amounts as reported below.

	Three Months Ended March 31,	
	2003	2002
Net loss as reported	\$ (622,569)	\$ (1,227,188)
Deduct: Stock based employee compensation expense determined under fair value based method for all awards, net of related tax	333,640	396,095
Pro forma net loss	\$ (956,209)	\$ (1,623,283)
Earnings per share:		
Basic and diluted - as reported	\$ (0.14)	\$ (0.27)
Basic and diluted - pro forma	\$ (0.22)	\$ (0.36)

The pro forma amounts are not representative of the effects on reported net income for future years.

2. CLOSURE OF MANUFACTURING OPERATIONS

In September 2001, the Board of Directors approved a restructuring plan to consolidate and realign the Company's footwear manufacturing operations. Under this plan, the Company moved the footwear manufacturing operations at its Nelsonville, Ohio factory to the Company's factory in Puerto Rico. The restructuring plan was completed in fourth quarter 2001.

The execution of this plan, which started in September 2001, resulted in the elimination of 67 employees at the Company's Nelsonville, Ohio facility, and a transfer of a significant amount of machinery and equipment located at the Nelsonville facility to the Moca, Puerto Rico facility.

There was no change in the December 31, 2002 accrued balance for plant closing costs in the quarter ended March 31, 2003.

3. INVENTORIES

Inventories are comprised of the following:

	<u>March 31, 2003</u>	<u>December 31, 2002</u>	<u>March 31, 2002</u>
Raw materials	\$ 5,504,857	\$ 3,535,884	\$ 6,439,302
Work-in Process	1,314,838	436,435	1,981,243
Finished good	20,557,913	18,301,351	20,072,913
Factory outlet finished goods	1,137,265	1,080,319	1,380,883
Reserve for obsolescence or lower of cost or market	<u>(172,000)</u>	<u>(172,000)</u>	<u>(161,000)</u>
Total	<u>\$ 28,342,873</u>	<u>\$ 23,181,989</u>	<u>\$ 29,713,341</u>

4. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest and Federal, state and local income taxes was as follows:

	Three Months Ended March 31,	
	<u>2003</u>	<u>2002</u>
Interest	<u>\$217,902</u>	<u>\$308,759</u>
Federal, state and local income taxes	<u>\$335,000</u>	<u>\$ 25,000</u>

Accounts payable at March 31, 2003 and December 31, 2002 include a total of \$57,813 and \$34,198, respectively, relating to the purchase of fixed assets.

5. PER SHARE INFORMATION

Basic earnings/(loss) per share (EPS) is computed by dividing net loss applicable to common shareholders by the basic weighted average number of common shares outstanding during each period. The diluted earnings per share computation includes common share equivalents, when dilutive. There are no adjustments to net income necessary in the calculation of basic and diluted earnings per share.

6. RECENTLY ISSUED ACCOUNTING STANDARDS

In November 2002, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others” (“FIN 45”). FIN 45 requires a guarantor to recognize a liability, at the inception of the guarantee, for the fair value of obligations it has undertaken in issuing the guarantee and also include more detailed disclosures with respect to guarantees. FIN 45 is effective for guarantees issued or modified starting January 1, 2003 and required the additional disclosures beginning with the Company’s fiscal year ended December 31, 2002. The provisions of FIN 45 have been adopted with no material impact on the Company’s results of operations or financial condition.

In November 2002, the Emerging Issues Task Force reached a consensus on Issue No. 00-21, “Revenue Arrangements with Multiple Deliverables” (“EITF 00-21”). EITF 00-21 provides guidance on how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. EITF 00-21 will be effective for arrangements entered into after June 30, 2003. The adoption of EITF No. 00-21 is not expected to have a material impact on the Company’s results of operations or financial condition.

In December 2002, the FASB issued SFAS No. 148 (see Footnote 1), “Accounting for Stock-Based Compensation – Transition and Disclosure.” SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair-value-based method of accounting for stock-based employee compensation and amends the disclosure requirements of SFAS No. 123. The transition provisions of this Statement are effective for fiscal years ending after December 15, 2002, and the disclosure requirements of the Statement are effective for interim periods beginning after December 15, 2002. The Company accounts for stock-based employee compensation arrangements in accordance with the provision of APB No. 25 and complies with the disclosure provisions of SFAS No. 123 and SFAS No. 148.

In January 2003, the FASB issued FASB Interpretation No. 46, “Consolidation of Variable Interest Entities (“FIN 46”), to expand upon and strengthen existing accounting guidance that addresses when a company should include in its financial statements the assets, liabilities and activities of another entity. Until now, one company generally has included another entity in its consolidated financial statements only if it controlled the entity through voting interests. FIN 46 changes that by requiring a variable interest entity, as defined, to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity’s activities or entitled to receive a majority of the entity’s residual returns or both. FIN 46 also requires

disclosures about variable interest entities that the company is not required to consolidate but in which it has a significant variable interest. The consolidation requirements of FIN 46 apply immediately to variable interest entities created after January 31, 2003 and to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements, none of which appear to apply to the Company at this time, are effective in all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The provisions of FIN 46 have been adopted and based upon a review of such provisions it has been determined that there are no variable interest entities which would require consolidation or disclosure at this time.

In April 2003, the FASB issued SFAS No. 149, "Amendments of Statement 133 on Derivative Instruments and Hedging Activities." This Statement amends and clarifies financial accounting and reporting for derivative instruments, and hedging activities for decisions made as part of the Derivatives Implementation Group. This Statement is generally effective for contracts entered into or modified after June 30, 2003. The Company has not completed its evaluation of SFAS No. 149, but does not believe it will have a significant impact on the financial statements

7. ACQUISITION

On April 15, 2003, the Company completed the purchase of certain assets from Gates-Mills, Inc. ("Gates"). Under the terms of the Purchase Agreement, Rocky acquired all of the intellectual property of Gates, including ownership of the Gates ® trademark, selected raw material and finished goods inventory, and certain records in connection with the Gates business in exchange for \$3,510,070 plus a deferred purchase price if sales by the Company related to the Gates product line from the date of purchase through December 31, 2003 reach certain targets. The Company intends to file both the financial statements and the pro-forma financial information required by the Regulation S-X Article 3.05 and Article 11.01.

8. PURCHASE OF TREASURY SHARES

The Company is authorized to repurchase up to 500,000 shares of our outstanding common shares. The purchases may occur on the open market and/or in privately negotiated transactions as market conditions warrant. During the three-month period ended March 31, 2003, the Company repurchased 483,533 shares at an average price of \$6.42. As of March 31, 2003, the Company had purchased a total of 499,933 shares at an average price of \$6.38. No additional shares have been repurchased since March 31, 2003.

PART 1 - FINANCIAL INFORMATION
ITEM 2

**Management's Discussion and Analysis
of Financial Condition and Results of Operations**

Results of Operations

The following table sets forth, for the periods indicated, information derived from the Company's Interim Unaudited Condensed Consolidated Financial Statements, expressed as a percentage of net sales. The discussion that follows the table should be read in conjunction with the Interim Unaudited Condensed Consolidated Financial Statements of the Company.

Percentage of Net Sales

	Three Months Ended March 31,	
	<u>2003</u>	<u>2002</u>
Net Sales	100.0%	100.0%
Cost of Goods Sold	<u>74.8%</u>	<u>83.0%</u>
Gross Margin	<u>25.2%</u>	<u>17.0%</u>
Selling, General and Administrative Expenses	<u>30.9%</u>	<u>28.3%</u>
Loss from Operations	<u>(5.7%)</u>	<u>(11.3%)</u>

**Three Months Ended March 31, 2003 Compared to Three Months Ended
March 31, 2002**

Net Sales

Net Sales improved slightly to \$13,754,941 for the quarter ended March 31, 2003 compared to \$13,749,588 for the same period a year ago. Branded sales, led by an increase of \$2,765,000, or 47.9%, in occupational footwear sales, rose 38.5%. Increases were realized in all branded product categories. There were no sales to the U.S. military in the first quarter 2003 versus \$3,821,000 for the same period a year ago. The Company attributes the improved sales performance within all branded product categories to more seasonal weather during the peak selling season and to its expanded product offerings.

Gross Margin

Gross margin rose to \$3,465,528, or 25.2% of net sales, for the first quarter of 2003 compared with \$2,340,653, or 17.0% of net sales, for the same period last year. The improved gross margin reflects no sales of military footwear in first quarter 2003. These were produced at a lower gross margin than footwear in the Company's other categories. Additionally, gross margin on branded products improved 160 basis points as a result of higher margin sourced product sales, which rose to 49.1% of net sales for the quarter from 30.0% last year.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A”) increased \$351,108, or 9.0%, to \$4,250,606 for the first quarter 2003 compared to \$3,899,501 for the same period last year. As a percentage of net sales, SG&A increased to 30.9% of net sales versus 28.4% a year ago principally due to increased commissions that were a result of the higher level of branded sales, and to a lesser extent, increased fringe benefits.

Interest Expense

Interest expense declined 30.7% for the first quarter 2003 to \$196,180 in the quarter ended March 31, 2003 compared to \$283,109 the prior year. The decrease in interest expense is a result of both lower outstanding balances and lower rates under the Company’s revolving line of credit. The Company’s funded debt decreased 31.9% to \$10,828,975 at March 31, 2003 versus \$15,893,958 a year ago.

Income Taxes

Income tax benefit for the three months ended March 31, 2003 decreased to \$266,816 compared to \$525,938 for the same period a year ago. The Company’s effective tax benefit rate of 30.0% for the three months ended March 31, 2003 and 2002 reflects primarily the lower tax rates in Puerto Rico.

Liquidity and Capital Resources

The Company has principally funded working capital requirements and capital expenditures through borrowings under its line of credit and other indebtedness. Working capital is primarily used to support changes in accounts receivable and inventory as a result of the Company’s seasonal business cycle and business expansion. These requirements are generally lowest in the months of January through March of each year and highest during the months of May through October. In addition, the Company requires financing to support additions to machinery, equipment and facilities as well as the introduction of new styles of footwear. At March 31, 2003, the Company had working capital of \$38,460,128 versus \$41,751,287, at December 31, 2002.

The Company's line of credit provides for advances based on a percentage of eligible accounts receivable and inventory with maximum borrowings under the line of credit of \$45,000,000. As of March 31, 2003, the Company had borrowed \$4,975,794 and \$411,000 against its revolving line of credit and term loan agreements, respectively. The amount available for borrowings under the credit facility was \$13,850,513 at March 31, 2003. The line of credit expires in September 2005.

The Company generated cash from operations of \$1,753,240 in first quarter 2003 compared to \$366,458 for the same period of the prior year. The primary source of the increase in cash generated from operations is due to collections of accounts receivable and increased accounts payable, offset by the seasonal increase in inventory levels to support booked and anticipated orders.

The principal use of cash flows in investing activities for the first quarters of 2003 and 2002 was for investment in property, plant, and equipment, and purchase of treasury stock for \$3,106,156. In the first quarter of 2003, property, plant, and equipment expenditures were \$574,056 versus

\$699,572 for the same period last year. The current year expenditures primarily represent investments in injection molding equipment to improve the capabilities of the Company's Puerto Rico subsidiary and investments in molds used in the production of new products sourced in the far east.

Capital expenditures for 2003 are expected to be approximately \$1.5 million. The Company believes it will be able to finance such additions and meet operating expenditure requirements in 2003 through available cash on hand, operating cash flows and additional long-term borrowings.

Inflation

The Company cannot determine the precise effects of inflation; however, inflation continues to have an influence on the cost of materials, salaries, and employee benefits. The Company attempts to offset the effects of inflation through increased selling prices, productivity improvements, and reduction of costs.

Critical Accounting Policies and Estimates

There have been no significant changes in critical accounting policies from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.

The foregoing Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, which are intended to be covered by the safe harbors created thereby. Those statements include, but may not be limited to, all statements regarding intent, beliefs, expectations, projections, forecasts, and plans of the Company and its management, and include any statements regarding capital expenditures (paragraph 11). Investors are cautioned that such statements involve risks and uncertainties, including, but not limited to, changes in consumer demand, seasonality, impact of weather, competition, reliance on suppliers, changing retailing trends, reliance on foreign manufacturing, changes in tax rates, limited protection of proprietary technology, and other risks, uncertainties and factors described in the Company's most recent Annual Report on Form 10-K and other filings from time to time with the Securities and Exchange Commission. One or more of these factors have affected, and in the future could affect the Company's business and financial results and cause actual results to differ materially from plans and projections. Although the Company and its management believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate. Therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements contained herein, the inclusion of such information should not be regarded as a representation by the Company, its management or any other person that the Company's objectives and plans will be achieved. All forward-looking statements made herein are based on information presently available to the management of the Company. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

PART 1 - FINANCIAL INFORMATION

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes since December 31, 2002.

ITEM 4 – CONTROLS AND PROCEDURES

Within the 90 days prior to the date of this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer along with our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon this evaluation, our Chief Executive Officer along with our Chief Financial Officer concluded that our disclosure controls and procedures are effective in alerting them in a timely manner to material information relating to us (including our consolidated subsidiaries) required to be included in our periodic SEC reports. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

Since the date of our evaluation to the filing date of this Quarterly Report on Form 10-Q, there have been no significant changes in our internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 2. Changes in Securities and Use of Proceeds.

None

Item 3. Defaults Upon Senior Securities.

None

Item 4. Submission of Matters to a Vote of Security Holders.

None

Item 5. Other Information.

None

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

99.1 Certification of CEO under Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification of CFO under Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K. None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROCKY SHOES & BOOTS, INC.

Date: May 15, 2003

/s/ James E. McDonald
James E. McDonald, Vice President and
Chief Financial Officer*

* In his capacity as Vice President and Chief Financial Officer, Mr. McDonald is duly authorized to sign this report on behalf of the Registrant.

Certification by Chief Executive Officer

I, Mike Brooks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rocky Shoes & Boots, Inc.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ Mike Brooks
Mike Brooks
Chief Executive Officer

Certification by Chief Financial Officer

I, James E. McDonald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rocky Shoes & Boots, Inc.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ James E. McDonald
James E. McDonald
Chief Financial Officer

ROCKY SHOES & BOOTS, INC.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Rocky Shoes & Boots, Inc. (the “Company”) on Form 10-Q for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mike Brooks, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mike Brooks
Mike Brooks, President and Chief Executive
Officer
May 15, 2003

A signed original of this written statement required by Section 906 has been provided to Rocky Shoes & Boots, Inc. and will be retained by Rocky Shoes & Boots, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

ROCKY SHOES & BOOTS, INC.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Rocky Shoes & Boots, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James E. McDonald, Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James E. McDonald
James E. McDonald, Vice President and
Chief Financial Officer
May 15, 2003

A signed original of this written statement required by Section 906 has been provided to Rocky Shoes & Boots, Inc. and will be retained by Rocky Shoes & Boots, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

PORTER, WRIGHT, MORRIS & ARTHUR LLP
41 South High Street
Columbus, Ohio 43215
Telephone: (614)227-2000
Fax: (614)227-2100

May 15, 2003

Securities and Exchange Commission
450 West Fifth Street, N.W.
Washington, D.C. 20549

Re: Rocky Shoes & Boots, Inc.
Form 10-Q for Quarter Ended March 31, 2003
File No. 0-21026

Ladies and Gentlemen:

On behalf of Rocky Shoes & Boots, Inc. (the "Company") and pursuant to Regulation S-T under the Securities Act of 1933, as amended, and General Instruction G to Form 10-Q under the Securities Exchange Act of 1934, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, is being transmitted herewith.

Any questions or comments may be directed to the undersigned at (614)227-2059.

Sincerely,

/s/ Erin F. Siegfried

Erin F. Siegfried