

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

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**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

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**Date of Report: July 27, 2004**

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**ROCKY SHOES & BOOTS, INC.**  
(Exact Name of Registrant as specified in its charter)

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Ohio  
(State or other  
jurisdiction of  
incorporation or  
organization)

0-21026  
(Commission File No.)

31-1364046  
(IRS Employer  
Identification Number)

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39 East Canal Street  
Nelsonville, Ohio 45764  
(740) 753-1951  
(Address, including zip code, and telephone number  
including area code of Registrant's  
principal executive offices)

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Not Applicable  
(Former name or former address, if changed since last report)

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**Item 7. Exhibits.**

**(c) Exhibits.**

<i>Exhibit No.</i>	<i>Description</i>
99	Press Release, dated July 27, 2004, entitled "Rocky Shoes & Boots, Inc. Reports Record Second Quarter Net Sales and Earnings."

**Item 12. Results of Operations and Financial Condition.**

On July 27, 2004, Rocky Shoes & Boots, Inc. (the "Company") issued a press release regarding its consolidated financial results for the second quarter ended June 30, 2004. A copy of the Company's press release is furnished as an exhibit to this Form 8-K and is incorporated herein by reference.

The information contained or incorporated by reference in this Form 8-K contains forward-looking statements, including certain plans, expectations, goals, and projections, which are subject to numerous assumptions, risks, and uncertainties. A number of factors, including but not limited to those set forth under the heading "Business Risks" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003, and other factors described from time to time in the Company's other filings with the Securities and Exchange Commission, could cause actual conditions, events, or results to differ significantly from those described in the forward-looking statements. All forward-looking statements included in this Form 8-K are based on information available at the time of the report. The Company assumes no obligation to update any forward-looking statement.

**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 hereunto duly authorized.

**ROCKY SHOES & BOOTS, INC.**

Date: July 27, 2004

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

## EXHIBIT INDEX

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FOR IMMEDIATE RELEASE

For Additional Information  
Contact: Jim McDonald  
Vice President & CFO  
(740) 753-1951

**ROCKY SHOES & BOOTS, INC. REPORTS RECORD  
SECOND QUARTER NET SALES AND EARNINGS**

NELSONVILLE, Ohio (July 27, 2004) Rocky Shoes & Boots, Inc. (NASDAQ: RCKY) today reported record second quarter net sales and earnings for the three months ended June 30, 2004. This marks the eighth consecutive quarter that the Company's earnings per diluted share increased compared to the same period of the prior year.

Net income rose 32.1% to \$1.4 million for the second quarter of 2004 from \$1.1 million in the second quarter of 2003. Net income per diluted share increased 16.0% to \$0.29 for the second quarter of 2004 from \$0.25 a year ago.

Mike Brooks, Chairman and Chief Executive Officer, stated, "We are pleased with our record second quarter results. They reflect benefits from targeted growth initiatives as well as a positive contribution from the sale of boots for delivery to the U.S. military. ROCKY® Work apparel, launched earlier this year as part of our head-to-toe strategy, as well as our GATES® products had strong shipments during the quarter. Our strategy includes the introduction of additional footwear, apparel and accessories which leverage the strengths of both brands. We are on target to achieve our business goals for this year and remain focused on profitable growth opportunities."

Second Quarter 2004

Net sales increased 25.5% to \$27.4 million for the second quarter of 2004 from \$21.9 million a year ago. This \$5.6 million sales gain was attributable to a 13% increase in branded sales, led by GATES® products and ROCKY® apparel, coupled with sales of boots for delivery to the U.S. military.

Gross profit rose 15.5% to \$7.8 million for the second quarter of 2004 from \$6.7 million a year ago. Gross profit margin declined to 28.3% for the second quarter versus 30.8% a year ago due to shipments of boots for delivery to the U.S. military and related start-up costs for these boots in 2004 compared to none for the same period last year.

Selling, general and administrative ("SG&A") expenses declined to 19.7% of net sales for the second quarter of 2004 from 22.6% in 2003. This was primarily due to nominal SG&A expenses related to sales of boots for delivery to the U.S. military.

Operating profit rose to 8.7% of net sales for the second quarter of 2004 from 8.2% a year ago.

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## Six Month Results

Net sales for the six months ended June 30, 2004 increased 38.5% to \$49.3 million from \$35.6 million for the same period last year. Gross profit was 27.2% for the first half of 2004 versus 28.6% last year. SG&A expenses declined to 21.7% of net sales for the first six months of 2004 from 25.8% last year. Income from operations rose to 5.4% of net sales for the first six months of 2004 from 2.8% the prior year. Net income per diluted share was \$0.31 for the first half of 2004 compared to \$0.11 in 2003.

## Funded Debt

The Company's funded debt was \$22.0 million at June 30, 2004 or \$3.7 million below funded debt on the same date last year. Borrowing requirements are generally higher during the months of May through October annually for increased inventory to support the Company's higher sales during this period. At December 31, 2003, funded debt was \$18.0 million.

## Inventory

At June 30, 2004, inventory was \$38.6 million compared to \$38.3 million on the same date last year and \$38.1 million at December 31, 2003. Inventory is adequate to support sales of ROCKY® and GATES® products, including recent line extensions of footwear, apparel and accessories. At December 31, 2004, inventory is expected to be lower than on the same date last year.

## Outlook

The Company is maintaining its previous guidance regarding net sales and earnings per share for the year 2004. Net sales are anticipated to be approximately \$133 million for the year 2004, which is \$27 million above net sales for the year 2003. This sales growth is attributable to solid increases in branded products, footwear, apparel and accessories, and shipment of boots for delivery to the U.S. military.

If the Company achieves net sales of at least \$133 million for the year 2004, then net income is expected to be approximately \$1.75 per diluted share for the year. The Company cautions investors that the net sales and earnings outlook for the year ended December 31, 2004 is based on current market conditions and management's expectations. If net sales do not reach \$133 million, then actual earnings may be less than this guidance.

## About Rocky Shoes & Boots, Inc.

Rocky Shoes & Boots, Inc. designs, develops, manufactures and markets premium quality rugged outdoor, occupational, work and casual footwear, as well as branded clothing and accessories. The Company's footwear, clothing and accessories are marketed through several distribution channels, primarily under the registered trademarks, ROCKY and GATES.

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The Company is conducting a conference call at 10 a.m. Eastern Time on Tuesday, July 27, 2004 to discuss the second quarter 2004 financial results and business trends. Persons interested in listening to the call can access it through [www.rockyboots.com](http://www.rockyboots.com) and clicking on the button "Second Quarter 2004 Conference Call".

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, 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 statements in this press release regarding the Company's strategy that includes the introduction of additional footwear, apparel and accessories which leverage the strengths of both brands, and the Company is on target to achieve its business goals for this year (paragraph 3), borrowing requirements are generally higher during the months of May through October annually for increased inventory to support the Company's sales growth (paragraph 9), inventory at December 31, 2004 is expected to be below the December 31, 2003 level (paragraph 10), anticipated net sales for 2004 (paragraph 11), and anticipated net income per diluted share for 2004 (paragraph 12). These forward-looking statements involve numerous risks and uncertainties, including, without limitation, the risks that sales plans will not be met, that present orders may be cancelled or delayed, that the general economy or consumer spending habits will depress the market for the Company's products, that there may be disruption in the shipment of products from overseas to the Company, that the weather in 2004 is drier and warmer than normal, and all of the other various risks inherent in the Company's business as set forth in periodic reports filed with the Securities and Exchange Commission, including, the Company's annual report on Form 10-K for the year ended December 31, 2003. One or more of these factors have affected historical results, and could in the future affect the Company's businesses and financial results in future periods and could cause actual results to differ materially from plans and projections. Therefore there can be no assurance that the forward-looking statements included in this press release will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the Company, or any other person should not regard the inclusion of such information as a representation, that the objectives and plans of the Company will be achieved. All forward-looking statements made in this press release are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statements.

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**Rocky Shoes & Boots, Inc. and Subsidiaries**  
**Condensed Consolidated Income Statements**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
NET SALES	\$27,433,987	\$21,863,148	\$49,316,076	\$35,618,089
COST OF GOODS SOLD	<u>19,657,778</u>	<u>15,128,164</u>	<u>35,921,263</u>	<u>25,417,577</u>
GROSS MARGIN	7,776,209	6,734,984	13,394,813	10,200,512
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>5,396,376</u>	<u>4,944,319</u>	<u>10,724,067</u>	<u>9,194,925</u>
INCOME FROM OPERATIONS	2,379,833	1,790,665	2,670,746	1,005,587
OTHER INCOME AND (EXPENSES):				
Interest expense	(274,868)	(313,438)	(533,441)	(509,618)
Other – net	<u>24,182</u>	<u>88,230</u>	<u>98,388</u>	<u>180,103</u>
Total other – net	<u>(250,686)</u>	<u>(225,208)</u>	<u>(435,053)</u>	<u>(329,515)</u>
INCOME BEFORE INCOME TAX	2,129,147	1,565,457	2,235,693	676,072
INCOME TAX	<u>681,325</u>	<u>469,638</u>	<u>715,420</u>	<u>202,822</u>
NET INCOME	<u>\$1,447,822</u>	<u>\$1,095,819</u>	<u>\$1,520,273</u>	<u>\$473,250</u>
NET INCOME PER SHARE				
Basic	\$0.32	\$0.27	\$.34	\$0.11
Diluted	\$0.29	\$0.25	\$.31	\$0.11
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING				
Basic	<u>4,557,954</u>	<u>4,067,353</u>	<u>4,492,989</u>	<u>4,214,417</u>
Diluted	<u>5,003,936</u>	<u>4,361,037</u>	<u>4,949,805</u>	<u>4,424,355</u>

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**ROCKY SHOES & BOOTS, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>June 30, 2004</u>	<u>December 31, 2003</u>	<u>June 30, 2003</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 492,408	\$ 2,159,050	\$ 1,450,044
Trade receivables – net	27,422,370	19,532,287	21,356,964
Other receivables	863,709	830,131	1,062,552
Inventories	38,641,868	38,068,187	38,332,365
Deferred income taxes	959,810	959,810	578,951
Prepaid expenses	<u>1,105,070</u>	<u>1,045,238</u>	<u>1,706,029</u>
Total current assets	\$ 69,485,235	\$ 62,594,703	\$ 64,486,905
 FIXED ASSETS – net	 19,055,324	 17,610,238	 18,270,014
 DEFERRED PENSION ASSET	 1,499,524	 1,499,524	 1,651,222
 DEFERRED INCOME TAXES	 0	 0	 153,495
 OTHER ASSETS	 <u>4,672,682</u>	 <u>4,470,371</u>	 <u>3,208,827</u>
 TOTAL ASSETS	 <u>\$ 94,712,765</u>	 <u>\$ 86,174,836</u>	 <u>\$ 87,770,463</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 6,829,747	\$ 2,810,161	\$ 7,637,974
Current maturities – long-term debt	518,226	503,934	490,218
Accrued taxes – other	491,828	589,874	471,780
Accrued salaries and wages	988,107	1,885,896	904,834
Accrued plant closing costs	63,228	195,500	210,000
Accrued income taxes	45,064	1,929,808	0
Accrued other	<u>636,076</u>	<u>469,492</u>	<u>753,743</u>
Total current liabilities	9,572,276	8,384,665	10,468,549
 LONG TERM DEBT – less current maturities	 21,493,872	 17,514,994	 25,228,589
 DEFERRED LIABILITIES	 <u>2,225,067</u>	 <u>1,890,500</u>	 <u>1,842,769</u>
 TOTAL LIABILITIES	 33,291,215	 27,790,159	 37,539,907
 <b>SHAREHOLDERS' EQUITY:</b>			
Common stock, no par value	36,396,799	34,880,199	32,653,420
Accumulated other comprehensive loss	(1,950,400)	(1,950,400)	(2,311,749)
Retained earnings	<u>26,975,151</u>	<u>25,454,878</u>	<u>19,888,885</u>
Total shareholders' equity	<u>61,421,550</u>	<u>58,384,677</u>	<u>50,230,556</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 <u>\$ 94,712,765</u>	 <u>\$ 86,174,836</u>	 <u>\$ 87,770,463</u>

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