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, 2000	Commission File Number: 0-21026

ROCKY SHOES & BOOTS, INC.
(Exact name of registrant as specified in its charter)

OHIO	31-1364046
(State of Incorporation)	(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 X No____

4,489,215 common shares, no par value, outstanding at May 1, 2000

ROCKY SHOES & BOOTS, INC. AND SUBSIDIARIES

FORM 10-Q

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<CAPTION>

PART 1 - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

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

<TABLE>
<CAPTION>

<S>	March 31, 2000 Unaudited <C>	Dec. 31, 1999 <C>
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,859,881	$ 2,330,324
Trade receivables - net	12,989,762	18,712,588
Other receivables	4,193,023	5,227,394
Inventories	39,715,162	32,573,067
Deferred income taxes	1,017,331	1,017,331
Prepaid expenses	2,216,028	1,222,914
Total current assets	63,991,187	61,083,618
FIXED ASSETS - net	26,109,375	26,132,222
OTHER ASSETS	2,117,053	2,117,514
TOTAL ASSETS	$92,217,615	$89,333,354
LIABILITIES AND SHAREHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
Accounts Payable	$ 5,465,413	$ 2,128,112
Current Maturities - Long Term Debt	3,276,351	8,599,897
Accrued Taxes - Other	632,910	412,721
Accrued Salaries and Wages	707,884	569,203
Accrued Other	534,709	905,783
Total Current Liabilities	10,617,267	12,615,716
LONG TERM DEBT - Less current maturities	31,841,303	25,176,918
DEFERRED LIABILITIES	1,145,483	1,311,590
Total liabilities	43,604,053	39,104,224
SHAREHOLDERS' EQUITY:		
Common Stock, no par value; 10,000,000 shares authorized; issued and outstanding 2000 - 4,489,215 shares; 1999 - 4,489,215 shares	35,284,159	35,284,159
Retained Earnings	13,329,403	14,944,971

Total Shareholders' Equity	48,613,562	50,229,130
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$92,217,615	$89,333,354

</TABLE>

See notes to the interim unaudited condensed consolidated financial statements.

ROCKY SHOES & BOOTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
<CAPTION>

<S>	Three Months Ended March 31, 2000 <C>	1999 <C>
NET SALES	$ 14,842,111	$ 13,622,730
COST OF GOODS SOLD	11,598,351	10,444,060
GROSS MARGIN	3,243,760	3,178,670
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	4,986,910	3,344,511
LOSS FROM OPERATIONS	(1,743,150)	(165,841)
OTHER INCOME AND (EXPENSES):		
Interest expense	(658,060)	(506,805)
Other - net	108,503	132,933
Total other - net	(549,557)	(373,872)
LOSS BEFORE INCOME TAXES	(2,292,707)	(539,713)
INCOME TAX BENEFIT	(677,139)	(217,740)
NET LOSS	$ (1,615,568)	$ (321,973)
NET LOSS PER SHARE		
Basic	($0.36)	($0.06)
Diluted	($0.36)	($0.06)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:		
Basic	4,489,215	4,999,544
Diluted	4,489,215	4,999,544

</TABLE>

See notes to the interim unaudited condensed consolidated financial statements.

ROCKY SHOES & BOOTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
<CAPTION>

CASH FLOWS FROM OPERATING ACTIVITIES: <S>	Three Months Ended March 31, 2000 <C>	1999 <C>
Net loss	$ (1,615,568)	$ (321,973)
Adjustments to reconcile net loss to net cash		

provided by (used in) operating activities:		
Depreciation and amortization	1,122,019	858,342
Deferred compensation and pension - net	(166,108)	18,297
Gain on sale of fixed assets	(9,468)	
Change in assets and liabilities:		
Receivables	6,757,197	1,947,714
Inventories	(7,142,095)	(4,122,309)
Other current assets	(993,114)	(555,908)
Prepaid expenses	(7,288)	1,588
Accounts payable	3,433,758	3,883,660
Accrued and other liabilities	(12,204)	(42,515)
Net cash provided by operating activities	1,367,129	1,666,896
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(1,344,343)	(3,341,935)
Proceeds from sale of fixed assets	165,932	
Net cash used in investing activities	(1,178,411)	(3,341,935)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Debt	19,675,000	
Payments on Long Term Debt	(18,334,161)	(2,253,918)
Purchase Treasury Stock		(1,724,481)
Net cash provided by (used in) financing activities	1,340,839	(3,978,399)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,529,557	(5,653,438)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,330,324	7,232,876
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 3,859,881	$ 1,579,438

</TABLE>

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, 2000 and 1999 are not necessarily indicative of the results to be expected for the whole year. Accordingly, these financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Annual Report to the Shareholders on Form 10-K for year ended December 31, 1999.

2. INVENTORIES

Inventories are comprised of the following:

<TABLE>
<CAPTION>

<S>	March 31, 2000 <C>	December 31, 1999 <C>
Raw materials	$7,124,711	$4,133,520

Work-in Process	4,070,441	2,128,738
Manufactured finished good	25,964,906	24,110,469
Factory outlet finished goods	2,630,104	2,645,340
Reserve for obsolescence or lower of cost or market	(75,000)	(445,000)
Total	$39,715,162	$32,573,067

</TABLE>

3. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Three Months Ended March 31, 2000	Three Months Ended March 31, 1999
Interest	$694,853	$520,283
Federal, state and local income taxes	$45,100	$235,000

Accounts payable at March 31, 2000 and December 31, 1999 include a total of $93,202 and $189,659, respectively, relating to the purchase of fixed assets.

4. PER SHARE INFORMATION

Basic earnings per share (EPS) is computed by dividing net income available 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.

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, 2000	Three Months Ended March 31, 1999
Net Sales	100.0%	100.0%
Cost of Goods Sold	78.1%	76.7%
Gross Margin	21.9%	23.3%
Selling, General and Administrative Expenses	33.6%	24.5%
Income from Operations	(11.7%)	(1.2%)

THREE MONTHS ENDED MARCH 31, 2000 COMPARED TO THREE MONTHS ENDED MARCH 31, 1999

Net Sales

Net sales for three months ended March 31, 2000 increased $1,219,381, or 9.0%, to $14,842,111 versus $13,622,730 for the same period a year ago. The increase in net sales was primarily due to increased sales of work/occupational footwear. In addition, prices were approximately 2% higher than during the same period of the previous year.

Gross Margin

Gross margin increased $65,090, or 2.0%, to $3,243,760 for the three months ended March 31, 2000 versus $3,178,670 for the same period a year ago. As a percentage of net sales, gross margin was 21.9% versus 23.3% for the same period a year ago. The decrease in gross margin, as a percentage of net sales, was due to the movement of part of the Company's production from the Nelsonville, Ohio facility to its plant in Puerto Rico. In addition, the Company produced less footwear in the first quarter 2000 than during the comparable period last year due to the implementation of production changes in its factories and to maintain strong management of inventory.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") increased $1,642,399, or 49.1%, to $4,986,910 for the three months ended March 31, 2000, versus $3,344,511 for the same period a year ago. As a percentage of net sales, SG&A was 33.6%, versus 24.5% for the same period a year ago. The increase was primarily the result of increased sales salaries and related expenses for sales persons added following first quarter 1999, tradeshow expenses, and costs associated with developing the Company's key footwear categories. There were also additional depreciation expenses for the finished goods distribution center, which was completed in the fourth quarter of 1999. The Company's SG&A expenses as a percentage of net sales are expected to decrease throughout the remainder of 2000.

The increased selling expenses for first quarter of 2000 were partially responsible for generating a record backlog of orders. The Company's order backlog at March 31, 2000 was $35.0 million versus $23.2 million on the same date last year. Order backlogs are subject to timing differences, cancellations, changes, and are not necessarily reflective of future sales or sales trends.

Interest Expense

Interest expense increased $151,255, or 29.8% to $658,060 for the three months ended March 31, 2000, versus $506,805 for the same period in 1999. The increase is a result of rising interest rates and the completion of mortgage financing for the Company's new distribution center, warehouse, and corporate office building.

Income Taxes

Income tax benefit for the three months ended March 31, 2000 increased to $677,139 compared to an income tax benefit of $217,740 for the same period a year ago. The Company's effective tax benefit rate of 29.5% for the three months ended March 31, 2000 reflects favorable tax treatment in Puerto Rico and the Dominican Republic. The income tax benefit for first quarter 2000 and first quarter 1999 is primarily generated from the Company's domestic operations.

Liquidity and Capital Resources

The Company has principally funded its 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 of each year. 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, 2000, the Company had working capital of $53,373,920 versus $48,467,902, at December 31, 1999.

The Company's line of credit provides for advances based on a percentage of eligible accounts receivable and inventory with maximum borrowings. The maximum dollar amount available under the line of credit is $42,000,000. As of March 31, 2000, the Company had borrowed $27,200,000 against its available line of credit of $29,100,000.

During the quarter, the Company completed mortgage financing with GE Capital for three of its facilities totaling $6,300,000, with monthly payments of $63,100 to 2014. The proceeds were

used to reduce borrowings under the revolving line of credit facility.

The Company's cash flow from operations decreased to $1,367,000 in first quarter 2000 from $1,667,000 for the same period in the prior year. The primary cause of the cash generated from operations for the first quarters of 2000 and 1999 was due to a reduction in accounts receivable and an increase in accounts payable which was partially offset by increased inventory. All of the responsible balance sheet fluctuations are normal and reflect the seasonal nature of the Company's business.

The principal use of cash flows in investing activities for the first quarters of both 2000 and 1999 has been for investment in property, plant, and equipment. In the first quarter of 2000, property, plant, and equipment expenditures were $1,344,000 or $1,998,000 below expenditures for the same period in 1999. The reduction resulted from the completion of the Company's new distribution center effective as of the end of 1999.

The Company's cash flows from financing activities reflect the net increase or decrease in borrowings under its revolving credit facility and its new long-term mortgage facility to finance its working capital requirements and other operating capital expenditures. In addition, in the first quarter of 1999, the Company acquired treasury stock in the amount of $1,724,481.

In March 2000 the Company obtained a waiver from the bank with respect to noncompliance concerning certain covenants of its credit facility. The Company and the bank have had discussions with respect to the possible modification and adjustment of certain terms of the agreement. The Company and the bank expect these discussions to continue in the near future. Based on the Company's projected results of operations for 2000 and the possible modifications of certain covenants, management believes it is probable that the Company will be in compliance with the covenants in 2000. However, if the Company's performance falls below the projected results of operations for 2000, the Company's liquidity and ability to obtain further financing to fund future operating and capital requirements could be negatively impacted.

Capital expenditures for 2000 are expected to be approximately $2,000,000 for machinery and equipment to support increased production and for lasts, dies, and patterns for new footwear styles. The Company believes it will be able to finance such additions and meet operating expenditure requirements in 2000 through available cash on hand, additional long-term borrowings and operating cash flows.

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.

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

This report 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 the intent, belief and expectations of the Company and its management. 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. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes since December 31, 1999.

PART II -- OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 2. Changes in Securities.

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

27. Financial Data Schedule.

(b) Reports on Form 8-K.

None.

Item 7. Changes and Disagreements with Accountants on Accounting and Financial Disclosure.

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, 2000

/S/ David Fraedrich

David Fraedrich, Executive Vice President,
Treasurer, and Chief Financial Officer*
(Principal Financial and Accounting Officer)

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

ROCKY SHOES & BOOTS, INC.
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EXHIBIT INDEX

Exhibit Number	Exhibit Description
27	Financial Data Schedule

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

This schedule contains summary financial information extracted from Rocky Shoes & Boots Inc. interim condensed consolidated financial statements as of March 31, 2000 and for the three months ended March 31, 2000 and is qualified in its entirety by reference to such financial statements.

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