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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

October 23, 2007

ROCKY BRANDS, INC.

(Exact name of registrant as specified in its charter)

Ohio

0-21026

31-1364046

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

39 East Canal Street, Nelsonville, Ohio

45764

Registrant's telephone number, including area code

(740) 753-1951

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On October 23, 2007, Rocky Brands, Inc. (the "Company") issued a press release entitled "Rocky Brands, Inc. Announces Third Quarter Fiscal 2007 Results" regarding its consolidated financial results for the third quarter ended September 30, 2007. A copy of the Company's press release is furnished as Exhibit 99 to this Form 8-K and is incorporated herein by reference.

The information in this Form 8-K and accompanying press release is being furnished under Item 2.02 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

The information contained or incorporated by reference in this Form 8-K contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act, 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 the accompanying press release regarding margins for 2008 and expected 2007 revenues and earnings (paragraphs 3 and 10 of the press release). These forward-looking statements involve numerous risks and uncertainties, including, without limitation, the 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, 2006 (filed March 15, 2007), quarterly report on Form 10-Q for the quarter ended March 31, 2007 (filed May 7, 2007) and quarterly report on Form 10-Q for the quarter ended June 30, 2007 (filed July 31, 2007). 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 contained or incorporated by reference in this Form 8-K will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included or incorporated by reference 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 contained or incorporated by reference in this Form 8-K are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statements.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.

Description

99* Press Release, dated October 23, 2007, entitled "Rocky Brands, Inc. Announces Third Quarter Fiscal 2007 Results."

* Such press release is being "furnished" (not filed) under Item 2.02 of this Current Report on Form 8-K.

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 Brands, Inc.

Date: October 23, 2007

By: /s/ James E. McDonald

James E. McDonald, Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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* Such press release is being "furnished" (not filed) under Item 2.02 of this Current Report on Form 8-K.

ROCKY BRANDS, INC.

Company Contact: Jim McDonald
Chief Financial Officer
(740) 753-1951

Investor Relations: Integrated Corporate Relations, Inc.
Brendon Frey/Chad Jacobs
(203) 682-8200

ROCKY BRANDS, INC. ANNOUNCES THIRD QUARTER FISCAL 2007 RESULTS

NELSONVILLE, Ohio, October 23, 2007 — Rocky Brands, Inc. (Nasdaq: RCKY) today announced financial results for its third quarter ended September 30, 2007.

For the third quarter of 2007, net sales increased 5.4% to \$82.3 million versus net sales of \$78.1 million in the third quarter of 2006. The Company reported net income of \$1.1 million, or \$0.21 per diluted share versus net income of \$4.2 million or \$0.76 per diluted share a year ago.

Mike Brooks, Chairman and Chief Executive Officer, commented, “While our third quarter sales were in-line with our projections our earnings were lower than we anticipated due to a combination of factors. During the quarter we experienced a 550 basis point decline in gross margin as a result of significant pricing pressure and an increase in product costs. In addition, we made the strategic decision to increase our retail operating expenses in order to capitalize on the near-term prospects created by the bankruptcy of a key competitor. We are committed to driving further top-line gains in both our wholesale and retail divisions while at the same time evaluating all our opportunities in an effort to return to more normalized margins beginning in 2008.”

Third Quarter Results

Net sales for the third quarter increased to \$82.3 million compared to \$78.1 million a year ago. The increase in sales was primarily driven by a 25.0% increase in retail revenues, combined with a slight increase in wholesale sales.

Gross profit in the third quarter of 2007 was \$29.3 million, or 35.6% of sales, compared to \$32.1 million or 41.1% of sales, for the same period last year. The decline was primarily due to pricing pressure and an increase in product costs.

Selling, general and administrative (SG&A) expenses were \$25.1 million, or 30.5% of sales, for the third quarter of 2007 compared to \$22.6 million, or 28.9% of sales, a year ago. The increase in SG&A was driven by additional selling and distribution expenses to support the future growth of the retail division.

Income from operations was \$4.2 million, or 5.1% of net sales, for the period compared to \$9.5 million, or 12.2% of net sales, in the prior year.

Funded Debt and Interest Expense

The Company’s funded debt at September 30, 2007 was \$122.8 million versus \$127.3 million at September 30, 2006. Interest expense was \$2.9 million for the third quarter of 2007 versus \$2.9 million for the same period last year.

Inventory

Inventory decreased \$2.6 million, or 3.0%, to \$85.1 million at September 30, 2007 compared with \$87.7 million on the same date a year ago. The decrease in inventory is due to our focus on improved inventory management through the scheduling of receipts to more closely coincide with projected shipments and the reduction of discontinued products.

Outlook

The Company stated that based on actual third quarter results and better visibility into the fourth quarter, it now expects net sales for fiscal 2007 to be approximately \$280 million compared to its previous guidance of approximately \$277 million, and earnings per share of approximately \$0.30 versus its previous guidance of approximately \$1.16.

About Rocky Brands, Inc.

Rocky Brands, Inc. is a leading designer, manufacturer and marketer of premium quality footwear and apparel marketed under a portfolio of well recognized brand names including Rocky Outdoor Gear®, Georgia Boot®, Durango®, Lehigh®, and the licensed brands Dickies®, Zumfoot® and Michelin®.

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 margins in 2008 (paragraph 3) and expected 2007 revenues and earnings (paragraph 10). These forward-looking statements involve numerous risks and uncertainties, including, without limitation, the 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, 2006 (filed March 15, 2007), the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2007 (filed May 9, 2007) and the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2007 (filed July 31, 2007). 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.

Rocky Brands, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	September 30, 2007 Unaudited	December 31, 2006	September 30, 2006 Unaudited
ASSETS:			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 2,707,273	\$ 3,731,253	\$ 2,327,977
Trade receivables-net	81,279,819	65,259,580	81,054,978
Other receivables	1,064,827	1,159,444	987,939
Inventories	85,081,978	77,948,976	87,710,315
Deferred income taxes	3,902,775	3,902,775	133,783
Income tax receivable	2,743,633	3,632,808	10,873
Prepaid expenses	1,494,045	1,581,303	2,320,048
Total current assets	178,274,350	157,216,139	174,545,913
FIXED ASSETS-net	25,233,363	24,349,674	24,245,710
DEFERRED PENSION ASSET	53,866	13,564	1,563,639
IDENTIFIED INTANGIBLES & GOODWILL	61,548,322	61,979,659	62,844,903
OTHER ASSETS	2,618,442	2,796,776	2,815,654
TOTAL ASSETS	\$ 267,728,343	\$ 246,355,812	\$ 266,015,819
LIABILITIES AND SHAREHOLDERS' EQUITY:			
CURRENT LIABILITIES:			
Accounts payable	\$ 15,514,243	\$ 10,162,291	\$ 16,290,173
Current maturities-long term debt	318,024	7,288,474	7,282,374
Accrued expenses:			
Taxes-other	571,718	552,782	255,598
Other	6,150,386	3,643,503	3,606,520
Total current liabilities	22,554,371	21,647,050	27,434,665
LONG TERM DEBT-less current maturities	122,438,442	103,203,107	120,040,154
DEFERRED INCOME TAXES	17,009,025	17,009,025	13,477,939
DEFERRED LIABILITIES	335,534	368,580	379,144
TOTAL LIABILITIES	162,337,372	142,227,762	161,331,902
SHAREHOLDERS' EQUITY:			
Common stock, no par value;			
25,000,000 shares authorized; issued and outstanding			
September 30, 2007 - 5,488,293; December 31, 2006 -			
5,417,198; September 30, 2006 - 5,405,098	53,897,100	53,238,841	52,723,651
Accumulated other comprehensive loss	(916,463)	(993,182)	—
Retained earnings	52,410,334	51,882,391	51,960,266
Total shareholders' equity	105,390,971	104,128,050	104,683,917
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 267,728,343	\$ 246,355,812	\$ 266,015,819

Rocky Brands, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
NET SALES	\$ 82,308,547	\$ 78,114,725	\$ 202,763,235	\$ 192,937,394
COST OF GOODS SOLD	<u>53,030,023</u>	<u>45,998,535</u>	<u>123,477,571</u>	<u>111,831,955</u>
GROSS MARGIN	29,278,524	32,116,190	79,285,664	81,105,439
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>25,108,505</u>	<u>22,606,038</u>	<u>70,222,025</u>	<u>65,166,515</u>
INCOME FROM OPERATIONS	4,170,019	9,510,152	9,063,639	15,938,924
OTHER INCOME AND (EXPENSES):				
Interest expense	(2,943,139)	(2,883,656)	(8,786,060)	(8,295,285)
Other-net	<u>131,365</u>	<u>73,056</u>	<u>95,364</u>	<u>131,518</u>
Total other-net	(2,811,774)	(2,810,600)	(8,690,696)	(8,163,767)
INCOME BEFORE INCOME TAXES	1,358,245	6,699,552	372,943	7,775,157
INCOME TAX EXPENSE/(BENEFIT)	<u>209,000</u>	<u>2,480,000</u>	<u>(155,000)</u>	<u>2,878,000</u>
NET INCOME	<u>\$ 1,149,245</u>	<u>\$ 4,219,552</u>	<u>\$ 527,943</u>	<u>\$ 4,897,157</u>
NET INCOME PER SHARE				
Basic	\$ 0.21	\$ 0.78	\$ 0.10	\$ 0.91
Diluted	\$ 0.21	\$ 0.76	\$ 0.09	\$ 0.88
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	<u>5,484,923</u>	<u>5,400,647</u>	<u>5,472,233</u>	<u>5,386,254</u>
Diluted	<u>5,594,707</u>	<u>5,553,028</u>	<u>5,590,879</u>	<u>5,588,616</u>