

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) February 25, 2014

ROCKY BRANDS, INC.

(Exact name of registrant as specified in its charter)

Ohio	001-34382	31-1364046
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
39 East Canal Street, Nelsonville, Ohio		45764
(Address of principal executive offices)		(Zip Code)

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))

Item 2.02 Results of Operations and Financial Condition.

On February 25, 2014, Rocky Brands, Inc. (the “Company”) issued a press release entitled “Rocky Brands, Inc. Announces Fourth Quarter and Fiscal 2013 Results” regarding its consolidated financial results for the quarter and year ended December 31, 2013. A copy of the Company’s press release is furnished as Exhibit 99.1 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 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. 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, 2012 (filed March 4, 2013 and amended on March 5, 2013) and quarterly reports on Form 10-Q for the quarters ended March 31, 2013 (filed April 25, 2013), June 30, 2013 (filed July 29, 2013) and September 30, 2013 (filed November 6, 2013). 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.

<i>Exhibit No.</i>	<i>Description</i>
99.1*	Press Release, dated February 25, 2014, entitled "Rocky Brands, Inc. Announces Fourth Quarter and Fiscal 2013 Results."

* Such press release is being "furnished" (not filed) as part 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: February 25, 2014

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) as part of this Current Report on Form 8-K.

ROCKY BRANDS, INC.

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

Investor Relations: ICR, Inc.
Brendon Frey
(203) 682-8200

ROCKY BRANDS, INC. ANNOUNCES FOURTH QUARTER AND FISCAL 2013 RESULTS

NELSONVILLE, Ohio, February 25, 2014 – Rocky Brands, Inc. (NASDAQ: RCKY) today announced financial results for its fourth quarter and fiscal year ended December 31, 2013.

Fourth Quarter 2013 Sales and Income

Fourth quarter net sales increased 5.7% to \$61.6 million, which included zero revenue from the Creative Recreation acquisition that closed on December 13, 2013, versus net sales of \$58.3 million in the fourth quarter of 2012. The Company reported fourth quarter net income of \$1.8 million, or \$0.24 per diluted share compared with net income of \$2.5 million, or \$0.34 per diluted share in the fourth quarter of 2012. The fourth quarter of 2013 included a one-time expense of \$1.0 million and a one-time gain of \$0.6 million related to the acquisition of Creative Recreation. Also included in the fourth quarter of 2013 were expenses of \$172,000 associated with the ongoing operations of Creative Recreation. Excluding all expenses and income related to Creative Recreation, fourth quarter 2013 net income was \$2.2 million, or \$0.29 per diluted share. (See below for a reconciliation of fourth quarter 2013 income per diluted share on a GAAP basis to a non-GAAP basis).

Fiscal Year 2013 Sales and Income

For fiscal year 2013, net sales increased 7.1% to \$244.9 million versus net sales of \$228.5 million in fiscal year 2012. The Company reported net income of \$7.4 million, or \$0.98 per diluted share, for fiscal year 2013, compared with net income of \$8.9 million, or \$1.18 per diluted share, for fiscal 2012. Excluding the aforementioned expenses and income related to Creative Recreation, fiscal year 2013 net income was \$7.9 million, or \$1.04 per diluted share. (See below for a reconciliation of fiscal year 2013 income per diluted share on a GAAP basis to a non-GAAP basis).

David Sharp, President and Chief Executive Officer, commented, “We finished 2013 with a strong performance from our work category which benefited from cold, snowy conditions across much of the U.S. during the fourth quarter. Despite a difficult holiday season for less weather sensitive footwear categories, we experienced solid demand for the Durango brand as consumers continue to respond positively to our broader product offering. While the overall retail environment remains challenging, we are optimistic about our prospects in 2014. The addition of Creative Recreation is an exciting new growth vehicle that we are confident will over time benefit from our operational and supply chain capabilities. At the same time, we believe there are opportunities to expand our market share in work, western and outdoor through compelling new product introductions and further evolving our direct to consumer channel.”

Fourth Quarter Review

Net sales for the fourth quarter increased 5.7% to \$61.6 million compared to \$58.3 million a year ago. Wholesale sales for the fourth quarter were \$47.7 million compared to \$46.2 million for the same period in 2012. The \$1.5 million increase was driven by a \$3.8 million or 9.0% increase in footwear sales partially offset by a \$2.3 million decrease in apparel sales. The decrease in apparel sales was the result of the Company’s decision to transition some apparel to a licensing model in early 2013. Retail sales for the fourth quarter increased to \$12.9 million compared to \$12.0 million for the same period last year. Military segment sales for the fourth quarter increased to \$1.0 million compared to no military sales in the fourth quarter of 2012.

Gross margin in the fourth quarter of 2013 was \$21.8 million, or 35.4% of sales, compared to \$20.9 million, or 36.0% of sales, for the same period last year. The 60 basis point decrease was driven by increased military sales versus the year ago period, which carry lower gross margins.

Selling, general and administrative (SG&A) expenses, excluding the aforementioned expense associated with the ongoing operations of Creative Recreation, were \$18.4 million, or 29.9% of net sales, for the fourth quarter of 2013 compared to \$16.8 million, or 28.8% of net sales, a year ago. The 110 basis point increase in SG&A as a percent of net sales was driven primarily by the reversal of incentive compensation accruals in the fourth quarter of 2012.

Income from operations, excluding the aforementioned expenses associated with the acquisition and ongoing operations of Creative Recreation was \$3.4 million, or 5.6% of net sales, compared to \$4.1 million, or 7.1% of net sales, a year ago.

Interest expense was \$0.2 million for the fourth quarter of 2013, versus \$0.2 million for the same period last year.

The Company's funded debt was \$38.4 million at December 31, 2013 versus \$23.5 million at December 31, 2012, with the majority of the increase related to additional borrowings to fund the acquisition of Creative Recreation.

Inventory increased 16.3% or \$11.0 million to \$78.2 million at December 31, 2013 compared with \$67.2 million on the same date a year ago. Inventory at December 31, 2013 included approximately \$1.0 million associated with the acquisition of Creative Recreation.

Conference Call Information

The Company's conference call to review fourth quarter and fiscal 2013 results will be broadcast live over the internet today, Tuesday, February 25, 2014 at 4:30 pm Eastern Time. The broadcast will be hosted at <http://www.rockybrands.com>.

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®, Georgia Boot®, Durango®, Lehigh®, Creative Recreation®, and the licensed brand Michelin®.

Safe Harbor Language

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 market share (paragraph 4). 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, 2012 (filed March 4, 2013 and amended on March 5, 2013) and quarterly reports on Form 10-Q for the quarters ended March 31, 2013 (filed April 25, 2013), June 30, 2013 (filed July 29, 2013) and September 30, 2013 (filed November 6, 2013). 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

	December 31, 2013 Unaudited	December 31, 2012 Audited
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,215,617	\$ 4,022,579
Trade receivables – net	49,069,668	44,555,057
Other receivables	325,888	575,984
Inventories	78,171,670	67,196,245
Income tax receivable	242,228	-
Deferred income taxes	1,104,050	1,252,030
Prepaid expenses	2,529,407	2,127,726
Total current assets	<u>135,658,528</u>	<u>119,729,621</u>
FIXED ASSETS – net	26,205,080	24,252,465
IDENTIFIED INTANGIBLES	36,807,099	30,498,802
OTHER ASSETS	354,051	363,527
TOTAL ASSETS	<u>\$ 199,024,758</u>	<u>\$ 174,844,415</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
Accounts payable	\$ 11,486,473	\$ 9,930,518
Accrued expenses:		
Taxes - other	901,116	704,064
Income tax payable	-	335,210
Other	5,028,850	3,324,668
Total current liabilities	<u>17,416,439</u>	<u>14,294,460</u>
LONG TERM DEBT	38,388,198	23,461,340
DEFERRED INCOME TAXES	11,750,718	11,148,333
DEFERRED LIABILITIES	255,906	303,406
TOTAL LIABILITIES	<u>67,811,261</u>	<u>49,207,539</u>
SHAREHOLDERS' EQUITY:		
Common stock, no par value;		
25,000,000 shares authorized; issued and outstanding December 31, 2013 - 7,536,448; December 31, 2012 - 7,503,568	70,153,570	69,694,770
Retained earnings	<u>61,059,927</u>	<u>55,942,106</u>
Total shareholders' equity	<u>131,213,497</u>	<u>125,636,876</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 199,024,758</u>	<u>\$ 174,844,415</u>

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

	Three Months Ended December 31,		Year Ended December 31,	
	2013	2012	2013	2012
	Unaudited	Unaudited	Unaudited	Audited
NET SALES	\$ 61,559,288	\$ 58,263,374	\$ 244,870,731	\$ 228,537,050
COST OF GOODS SOLD	<u>39,737,764</u>	<u>37,313,685</u>	<u>161,328,280</u>	<u>148,031,073</u>
GROSS MARGIN	21,821,524	20,949,689	83,542,451	80,505,977
OPERATING EXPENSES				
Selling, general and administrative expenses	18,548,044	16,799,780	71,351,688	66,679,761
Acquisition related expenses	<u>1,028,526</u>	<u>-</u>	<u>1,172,047</u>	<u>-</u>
Total operating expenses	19,576,570	16,799,780	72,523,735	66,679,761
INCOME FROM OPERATIONS	2,244,954	4,149,909	11,018,716	13,826,216
OTHER INCOME AND (EXPENSES):				
Interest expense	(211,621)	(183,671)	(688,502)	(650,873)
Gain on bargain purchase	601,975	-	601,975	-
Other – net	<u>(189,938)</u>	<u>(230,962)</u>	<u>(116,665)</u>	<u>(87,924)</u>
Total other - net	200,416	(414,633)	(203,192)	(738,797)
INCOME BEFORE INCOME TAXES	2,445,370	3,735,276	10,815,524	13,087,419
INCOME TAX EXPENSE	<u>671,186</u>	<u>1,187,199</u>	<u>3,442,768</u>	<u>4,232,654</u>
NET INCOME	<u>\$ 1,774,184</u>	<u>\$ 2,548,077</u>	<u>\$ 7,372,756</u>	<u>\$ 8,854,765</u>
INCOME PER SHARE				
Basic	\$ 0.24	\$ 0.34	\$ 0.98	\$ 1.18
Diluted	\$ 0.24	\$ 0.34	\$ 0.98	\$ 1.18
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	<u>7,520,361</u>	<u>7,503,568</u>	<u>7,517,364</u>	<u>7,503,494</u>
Diluted	<u>7,520,361</u>	<u>7,503,568</u>	<u>7,517,364</u>	<u>7,503,494</u>

Reconciliation of Income per Diluted Share on a GAAP Basis to a Non-GAAP Basis

	Three Months Ended December 31, 2013 (Unaudited)			
	GAAP Basis	Acquisition Related Expenses and Income	Creative Recreation December Operations	Non GAAP Basis
NET SALES	\$ 61,559,288	\$ -	\$ -	\$ 61,559,288
COST OF GOODS SOLD	39,737,764	-	-	39,737,764
GROSS MARGIN	21,821,524	-	-	21,821,524
OPERATING EXPENSES				
Selling, general and administrative expenses	18,548,044	-	172,418	18,375,626
Acquisition related expenses	1,028,526	1,028,526	-	-
Total operating expenses	19,576,570	1,028,526	172,418	18,375,626
INCOME FROM OPERATIONS	2,244,954	(1,028,526)	(172,418)	3,445,898
OTHER INCOME AND (EXPENSES):				
Interest expense	(211,621)	-	-	(211,621)
Gain on bargain purchase	601,975	601,975	-	-
Other – net	(189,938)	-	-	(189,938)
Total other - net	200,416	601,975	-	(401,559)
INCOME BEFORE INCOME TAXES	2,445,370	(426,551)	(172,418)	3,044,339
INCOME TAX EXPENSE	671,186	(149,293)	(60,346)	880,825
NET INCOME	\$ 1,774,184	\$ (277,258)	\$ (112,072)	\$ 2,163,514
INCOME PER DILUTED SHARE	\$ 0.24	\$ (0.04)	\$ (0.01)	\$ 0.29
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	7,520,361	7,520,361	7,520,361	7,520,361
Diluted	7,520,361	7,520,361	7,520,361	7,520,361

Reconciliation of Income per Diluted Share on a GAAP Basis to a Non-GAAP Basis

	Year Ended December 31, 2013 (Unaudited)			
	GAAP Basis	Acquisition Related Expenses and Income	Creative Recreation December Operations	Non GAAP Basis
NET SALES	\$ 244,870,731	\$ -	\$ -	\$ 244,870,731
COST OF GOODS SOLD	161,328,280	-	-	161,328,280
GROSS MARGIN	83,542,451	-	-	83,542,451
OPERATING EXPENSES				
Selling, general and administrative expenses	71,351,688	-	172,418	71,179,270
Acquisition related expenses	1,172,047	1,172,047	-	-
Total operating expenses	72,523,735	1,172,047	172,418	71,179,270
INCOME FROM OPERATIONS	11,018,716	(1,172,047)	(172,418)	12,363,181
OTHER INCOME AND (EXPENSES):				
Interest expense	(688,502)	-	-	(688,502)
Gain on bargain purchase	601,975	601,975	-	-
Other – net	(116,665)	-	-	(116,665)
Total other - net	(203,192)	601,975	-	(805,167)
INCOME BEFORE INCOME TAXES	10,815,524	(570,072)	(172,418)	11,558,014
INCOME TAX EXPENSE	3,442,768	(199,525)	(60,346)	3,702,639
NET INCOME	\$ 7,372,756	\$ (370,547)	\$ (112,072)	\$ 7,855,375
INCOME PER DILUTED SHARE	\$ 0.98	\$ (0.05)	\$ (0.01)	\$ 1.04
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	7,520,361	7,520,361	7,520,361	7,520,361
Diluted	7,520,361	7,520,361	7,520,361	7,520,361