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, 1998	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)

(614) 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

5,451,915 common shares, no par value, outstanding at May 1, 1998.

PART 1 - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

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

<TABLE>
<CAPTION>

<S>	March 31, 1998 <C>	December 31, 1997 <C>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 1,203,205	$ 8,556,883
Trade Receivables	12,271,952	17,789,329
Other Receivables	574,598	475,593
Inventories	41,601,557	32,894,236
Deferred Income Taxes	1,547,755	1,474,799
Other Current Assets	1,474,799	850,018
Total Current Assets	58,673,866	62,040,858
Fixed Assets - Net	18,123,354	17,608,454
Other Assets	1,294,732	1,305,526
Total Assets	$78,091,952	$80,954,838

LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current Liabilities:		
Accounts Payable	$ 5,344,873	$ 2,414,936
Current Maturities - Long Term Debt	1,127,096	1,173,840
Accrued Liabilities	1,848,362	2,464,511
Total Current Liabilities	8,320,331	6,053,287
Long-Term Debt-less current maturities	7,893,042	13,406,962
Deferred Liabilities	2,375,955	2,298,059
Total Liabilities	18,589,328	21,758,308
Shareholders' Equity:		
Preferred Stock, Series A, no par value; 1998-no shares issued and outstanding; 1997-100,000 shares issued and 82,857 shares outstanding		5,400
Common Stock, no par value; 10,000,000 shares authorized; issued 1998-5,444,025 shares; 1997-5,476,620 shares and outstanding 1998-5,444,025 shares; 1997-5,359,668 shares	41,398,406	42,604,658
Common Stock in Treasury, at cost		(1,226,059)
Retained Earnings	18,104,218	17,812,531
Total Shareholders' Equity	59,502,624	59,196,530
Total Liabilities and shareholders' Equity	$78,091,952	$80,954,838

</TABLE>

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

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	1998	1997
<S>	<C>	<C>
Net Sales	$12,956,930	$12,262,073
Cost of Goods Sold	9,375,903	8,985,198
Gross Margin	3,581,027	3,276,875
Selling, General and Administrative Expenses	3,071,607	2,576,538
Income From Operations	509,420	700,337
Other Income And (Expenses):		
Interest Expense	(192,492)	(465,267)
Other - net	78,679	14,431
Total other - net	(113,813)	(450,836)
Income Before Income Taxes	395,607	249,501
Income Taxes	103,920	60,522
Net Income	$ 291,687	$ 188,979

Net Income Per Share:		
Basic	$ 0.05	$ 0.05
Diluted	$ 0.05	$ 0.05
Weighted Average Number of Shares Outstanding:		
Basic	5,413,809	3,687,034
Diluted	5,611,078	3,896,273

</TABLE>

The accompanying notes are an integral part of the financial statements

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

<TABLE>
<CAPTION>

	Three Months Ended March 31, 1998	1997
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 291,687	$ 188,979
Adjustments to Reconcile Net Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation and Amortization	994,475	684,260
Deferred Taxes and Other	77,896	75,573
Changes in Assets and Liabilities:		
Receivables	5,418,372	2,920,870
Inventories	(8,707,321)	(9,582,059)
Other current assets	(697,737)	(141,660)
Other Assets	6,640	(5,556)
Accounts Payable	2,570,228	7,362,659
Accrued and Other Liabilities	(616,149)	(1,351,658)
Net Cash Provided By (Used In) Operating Activities	(661,909)	151,408
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,145,510)	(531,828)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Debt	7,200,000	5,960,000
Payments on Long Term Debt	(12,760,665)	(5,993,270)
Proceeds from exercise of stock options including related income tax benefit	14,406	361,778
Net Cash Provided By (Used In)	(5,546,259)	328,508
Financing Activities		
DECREASE IN CASH AND CASH EQUIVALENTS	(7,353,678)	(51,912)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	8,556,883	349,637
CASH AND CASH EQUIVALENTS,		

END OF PERIOD	$ 1,203,205	$ 297,725

</TABLE>

The accompanying notes are an integral part of the financial statements

ROCKY SHOES & BOOTS, INC.
AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. INTERIM FINANCIAL REPORTING

In the opinion of management, the unaudited financial statements include all normal recurring adjustments the Company considers necessary for a fair presentation of such financial statements in accordance with generally accepted accounting principles.

2. INVENTORIES

Inventories are comprised of the following:

<TABLE>
<CAPTION>

<S>	March 31, 1998 <C>	December 31, 1997 <C>
Raw materials	$10,045,345	$ 6,210,161
Work-in Process	5,342,424	3,348,275
Manufactured finished goods	23,662,114	21,140,951
Factory outlet finished goods	2,551,674	2,194,849
Total	$41,601,557	$32,894,236

</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, 1998	1997
Interest	$224,923	$478,266
Federal, state and local income taxes	$238,570	$973,300

Accounts payable at March 31, 1998 and December 31, 1997 include a total of $492,726 and $133,017, respectively relating to the purchase of fixed assets.

4. PER SHARE INFORMATION

A reconciliation of the shares used in the basic and diluted income per share computation for the quarter ended March 31, 1998 and 1997 is as follows:

	Three Months Ended March 31,	
	1998	1997
Basic-Weighted average shares outstanding	5,413,809	3,687,034
Dilutive securities:		
Preferred Stock	29,460	92,857
Stock options	167,809	116,382
Diluted-weighted average shares outstanding	5,611,078	3,896,273

5. RECENTLY ISSUED FINANCIAL ACCOUNTING STANDARDS

In June 1997, the financial Accounting Standard Board issued SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information" which requires adoption in 1998. SFAS No. 131 requires companies to report financial and descriptive information about its reportable operating segments. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. The Company has not yet determined what, if any, impact the adoption of this Statement will have on its financial statements

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 Consolidated Financial Statements, expressed as a percentage of net sales. The discussion that follows the table should be read in conjunction with the Consolidated Financial Statements of the Company.

	PERCENTAGE OF NET SALES	
	Three months Ended March 31,	
	1998	1997
Net Sales	100.0%	100.0%
Cost of Goods Sold	72.4%	73.3%
Gross Margin	27.6%	26.7%
Selling, General and Administrative Expenses	23.7%	21.0%
Income from Operations	3.9%	5.7%

THREE MONTHS ENDED MARCH 31, 1998 COMPARED TO THREE MONTHS ENDED MARCH 31, 1997

Net Sales

Net sales for the three months ended March 31, 1998 increased $694,857, or 5.7%, to $12,956,930, versus $12,262,073 for the same period a year ago. The increased sales were a result of increased shipments of rugged outdoor and occupational footwear. Sales prices were approximately 2% higher than a year ago.

Gross Margin

Gross margin increased $304,152, or 9.3%, to $3,581,027, for the three months ended March 31, 1998, versus $3,276,875 for the same period a year ago. As a percentage of net sales, gross margin was 27.6%, versus 26.7% for the same period a year ago. The increase in gross margin was a result of increased shipments of products with higher margin.

Selling, General and Administrative Expenses

Selling, general and administrative expense ("SG&A") increased $495,069, or 19.2%, to $3,071,607 for the three months ended March 31, 1998, versus $2,576,538 for the same period a year ago. As a percentage of net sales SG&A was 23.7%, versus 21.0% for the same period a year ago. The increase was primarily a result of increased salaries and fringe benefit costs.

Interest Expense

Interest expense decreased $272,775 to $192,492 for the three months ended March 31, 1998, versus $465,267 for the same period a year ago. Interest expense decreased due to lower outstanding balances on the Company's bank line of credit. The Company successfully completed a follow on common stock offering in October 1997, the net proceeds of which were $26.9 million, which was used to reduce outstanding debt.

Income Taxes

Income taxes increased $43,398 to $103,920 for the quarter ended March 31, 1998, versus $60,522 for the previous year. The Company's relatively low effective tax rate of 26.3% resulted from favorable income tax treatment afforded for income earned by the Company's subsidiary in Puerto Rico and local tax abatements available to the Company's subsidiary in Puerto Rico.

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, and in fiscal 1997, through issuance of additional shares of common stock. 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 footwear styles.

At March 31, 1998, the Company had working capital of $50,353,535 versus $55,987,571, at December 31, 1997. During the fourth quarter of 1997, the Company received $26.9 million of net proceeds from a follow-on common stock offering and the exercise of the underwriters' over-allotment option in connection therewith. The proceeds were used to reduce outstanding debt and for working capital.

The company has a revolving line of credit which provides for advances based on a percentage of eligible accounts receivable and inventory with maximum borrowing limits of $25,000,000 until May 16, 1998, when the line increases to $42,000,000. The line of credit reduces again to $25,000,000 on January 1, 1999. The line of credit expires April 30, 1999. Changes in the line of credit during the year match the Company's seasonal requirements for working capital. As of March 31, 1998, the Company had borrowed $5,340,000 against its available line of credit of $29,616,361.

Capital expenditures for 1998 are expected to be approximately $4,500,000 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 1998 through available cash on hand, additional long-term borrowing and operating cash flows.

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, the 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 from time to time with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements.

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.

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.

Date: May 14, 1998

/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 duely authorized to sign this report on behalf of the Registrant.

ROCKY SHOES & BOOTS, INC.
AND SUBSIDIARIES
FORM 10-Q
EXHIBIT INDEX

Exhibit Number	Exhibit Description
27	Financial Data Schedule

<TABLE> <S> <C>

<ARTICLE> 5
<CIK> 0000895456
<NAME> ROCKY SHOES & BOOTS, INC.

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1998
<PERIOD-START>	JAN-01-1998
<PERIOD-END>	MAR-31-1998
<CASH>	1,203,205
<SECURITIES>	0
<RECEIVABLES>	13,841,944
<ALLOWANCES>	995,394
<INVENTORY>	41,601,557
<CURRENT-ASSETS>	58,673,866
<PP&E>	32,062,988
<DEPRECIATION>	13,939,634
<TOTAL-ASSETS>	78,091,952
<CURRENT-LIABILITIES>	8,320,331
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	41,398,406
<OTHER-SE>	18,104,218
<TOTAL-LIABILITY-AND-EQUITY>	78,091,952
<SALES>	12,956,930
<TOTAL-REVENUES>	12,956,930
<CGS>	9,375,903
<TOTAL-COSTS>	12,447,510
<OTHER-EXPENSES>	7,511
<LOSS-PROVISION>	36,744
<INTEREST-EXPENSE>	192,492
<INCOME-PRETAX>	395,607
<INCOME-TAX>	103,920
<INCOME-CONTINUING>	291,687
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	291,687
<EPS-PRIMARY>	0.05
<EPS-DILUTED>	0.05

</TABLE>