

May 30, 2007



Rocky Brands Completes \$40 Million Private Placement of Senior Notes

NELSONVILLE, Ohio--(BUSINESS WIRE)--

Rocky Brands, Inc. (Nasdaq: RCKY) today announced that it has concluded a private placement of \$40 million in fixed rate Senior Notes with Laminar Direct Capital and Whitebox Advisors. The Senior Notes accrue interest at a fixed rate of 11.50% and are due on May 25, 2012. Piper Jaffray acted as lead arranger on this transaction.

The Company used the proceeds from the private placement to repay all outstanding amounts under its existing term loans, including a \$15 million term loan with a second lien lender at an interest rate of LIBOR plus 8.5% and \$16 million amortizing term loans with GMAC Commercial Finance at an interest rate of LIBOR plus 3.5%. The remaining proceeds will be used for working capital and general corporate purposes.

Mike Brooks, Chairman and Chief Executive Officer, commented, "We are very pleased to have completed this new financing which provides us with additional working capital to help fund our future growth. Equally important, a substantial portion of our debt is now at a fixed rate as a result of this restructuring, reducing our exposure to any potential increases in interest rates."

The Company stated that as a result of the early retirement of its term loans with its existing second lien lender and GMAC Commercial Finance, it expects to incur a non-cash charge of approximately \$0.7 million, or \$0.08 per diluted share in the second quarter of fiscal 2007, to write off prepaid financing costs related to the retired loans.

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(R), Georgia Boot(R), Durango(R), Lehigh(R), and the licensed brands Dickies(R), Zumfoot(R) and Michelin(R).

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 use of proceeds (paragraph 2) and the expected non-cash charge (paragraph 4). These forward-looking statements involve numerous risks and uncertainties, including, without limitation, the completion and auditor review of the financial statements for the second quarter of 2007 and 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) and quarterly report on Form 10-Q for the quarter ended March 31, 2007 (filed May 9, 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.

Source: Rocky Brands, Inc.