

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

NN INC

CIK: **918541** | IRS No.: **621096725** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-23486** | Film No.: **05788972**
SIC: **3562** Ball & roller bearings

Mailing Address
2000 WATERS EDGE DR
JOHNSON CITY TN 37604

Business Address
2000 WATERS EDGE DR
JOHNSON CITY TN 37604
4237439151

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): April 28, 2005

NN, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware

0-23486

62-1096725

(State or Other Jurisdiction of
Incorporation or Organization)

(Commission
File Number)

(I.R.S. Employer
Identification Number)

2000 Waters Edge Drive, Johnson City, Tennessee 37604

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code:

(423) 743-9151

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

Furnished as Exhibit 99.1 is a copy of the earnings release of NN, Inc. reporting results for the first quarter of 2005, which was issued on April 28, 2005.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits.

The following exhibit is furnished pursuant to Item 2.02, is not considered "filed" under the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any of the previous or future filings of NN, Inc. under the Securities Act of 1933, as amended, or the Exchange Act:

Exhibits:

Exhibit Number	Description of Exhibit
99.1	Press Release of NN, Inc. dated April 28, 2005

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.

NN, Inc.

Dated: April 28, 2005

By: /s/ William C. Kelly, Jr.

William C. Kelly, Jr.
Secretary, Treasurer and
Chief Administrative Officer

FINANCIAL
RELATIONS BOARDRE: NN, Inc.
2000 Waters Edge Drive
Johnson City, TN 37604

FOR FURTHER INFORMATION:

AT THE COMPANY

Will Kelly
Treasurer & Manager of Investor Relations
(423) 743-9151

AT FINANCIAL RELATIONS BOARD

Marilynn Meek Susan Garland
(General info) (Analyst info)
212-827-3773 212-827-3775

FOR IMMEDIATE RELEASE

April 28, 2005

NN, INC. REPORTS FIRST QUARTER 2005 RESULTS
Revenues Up 12%, Earnings Per Share Up 21%

Johnson City, Tenn, April 28, 2005 - NN, Inc. (Nasdaq: NNBR) today reported its financial results for the first quarter ended March 31, 2005. Net sales for the first quarter of 2005 were \$86.7 million, an increase of 11.7% from \$77.6 million for the same period of 2004. Net income for the first quarter of 2005 totaled \$4.0 million, or \$0.23 per diluted share, compared to \$3.2 million, or \$0.19 per diluted share for the first quarter of 2004, an increase of 25% and 21% respectively.

Roderick R. Baty, Chairman and Chief Executive Officer, commented, "Of the total revenue growth of \$9.1 million in the first quarter, the impact of foreign currency translation accounted for \$3.4 million, price increases associated with raw material pass through accounted for \$3.1 million and market share/volume improvements accounted for \$2.6 million. Our 2005 first quarter revenues reflect flat demand in both the North American and European automotive sectors and strong industrial demand in both markets. As a result, our first quarter revenue of \$86.7 million was slightly lower than anticipated, but we remain on track with the previously announced 2005 full year revenue guidance of \$337.0 million.

"As a percentage of net sales, 2005 first quarter cost of goods sold of 78.0% was essentially flat to the 2004 first quarter cost of goods sold of 77.8%. However, cost of goods sold in the first quarter of 2005 was 3.8% and 1.1% lower than our 2004 fourth quarter and 2004 full year levels, respectively. As a percentage of sales, selling, general and administrative expenses for the first quarter of 2005 was on plan at 8.6% as compared to 9.2% for the same period in 2004 and 9.8% for the full year of 2004.

"Although debt decreased by \$2.4 million during the first quarter, total debt minus cash increased by \$3.9 million, reflecting traditionally higher working capital needs of the first quarter. We anticipate a debt reduction of approximately \$12.0 million to \$13.0 million for the full year 2005.

"Mr. Baty continued, "While we continue to have concerns regarding the overall volatility of steel and raw material inflation, we do expect to recover the impact of any future inflation in the form of price increases to our customers. With the overall competitiveness of the markets our customers serve, this obviously creates a difficult environment for both our customers and NN.

Mr. Baty concluded, "Overall, we are pleased with the progress we have made during the first quarter of 2005. Several actions we implemented in 2004 have positioned the company well for ongoing improved financial performance. This included the start-up investment in both our Slovakian and Chinese facilities as well as strategic restructuring initiatives in Europe and North America which were previously announced in the fourth quarter of 2004. Additionally, our Level 3 initiative is playing an increasingly major role in achieving significant improvements in cost, quality and customer service. The combination of these actions continue to have a positive impact on our global manufacturing operations."

NN, Inc. manufacturers and supplies high precision bearing components consisting

of balls, rollers, seals, and retainers for leading bearing manufacturers on a global basis. In addition, the company manufactures a variety of other plastic components. NN, Inc. had sales of US \$304 million in 2004.

Except for specific historical information, many of the matters discussed in this press release may express or imply projections of revenues or expenditures, statements of plans and objectives or future operations or statements of future economic performance. These, and similar statements are forward-looking statements concerning matters that involve risks, uncertainties and other factors which may cause the actual performance of NN, Inc. and its subsidiaries to differ materially from those expressed or implied by this discussion. All forward-looking information is provided by the Company pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "assumptions", "target", "guidance", "outlook", "plans", "projection", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "potential" or "continue" (or the negative or other derivatives of each of these terms) or similar terminology. Factors which could materially affect actual results include, but are not limited to: general economic conditions and economic conditions in the industrial sector, inventory levels, regulatory compliance costs and the Company's ability to manage these costs, start-up costs for new operations, debt reduction, competitive influences, risks that current customers will commence or increase captive production, risks of capacity underutilization, quality issues, availability and price of raw materials, currency and other risks associated with international trade, the Company's dependence on certain major customers, and other risk factors and cautionary statements listed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on 10-K for the fiscal year ended December 31, 2004.

Financial Tables Follow

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NN, Inc.
Consolidated Statements of Income
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2005	2004
<S>	<C>	<C>
Net sales	\$ 86,715	\$ 77,632
Cost of goods sold (exclusive of depreciation shown separately below)	67,666	60,390
Selling, general and administrative	7,484	7,143
Depreciation and amortization	4,174	3,999
(Gain) loss on disposal of assets	4	(8)
	7,387	6,108
Income from operations		
Interest expense, net	984	841
Other income	(171)	(48)
	6,574	5,315
Income before provision for income taxes		
Provision for income taxes	2,551	2,097
	\$ 4,023	\$ 3,218
Net income		
	\$ 0.23	\$ 0.19
Diluted income per common share		
	17,261	17,189
Weighted average diluted shares		

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NN, Inc.
Condensed Balance Sheets
(In thousands)

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	March 31, 2005	December 31, 2004
	----- <C>	----- <C>
<S>		
Assets		
Current Assets:		
Cash	\$ 4,445	\$ 10,772
Accounts receivable, net	60,110	51,597
Inventories, net	34,272	35,629
Other current assets	13,122	10,340
	-----	-----
Total current assets	111,949	108,338
Property, plant and equipment, net	123,232	131,169
Goodwill, net	43,420	44,457
Other assets	5,983	5,905
	-----	-----
Total assets	\$284,584	\$ 289,869
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 42,012	\$ 45,217
Dividends payable	1,351	--
Accrued salaries and wages	14,285	16,332
Income tax payable	3,229	1,599
Short-term portion of long-term notes payable	7,240	7,160
Other liabilities	5,040	4,123
	-----	-----
Total current liabilities	73,157	74,431
Deferred income taxes	17,432	17,857
Long-term notes payable	65,031	67,510
Accrued Pension and Other	14,306	14,931
	-----	-----
Total liabilities	169,926	174,729
Total stockholders' equity	114,658	115,140
	-----	-----
Total liabilities and stockholders' equity	\$284,584	\$ 289,869
	=====	=====

</TABLE>