

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): May 8, 2007



NN, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-23486
(Commission File
Number)

62-1096725
(IRS Employer
Identification No.)

2000 Waters Edge Drive
Johnson City, Tennessee
(Address of principal executive offices)

37604
(Zip Code)

Registrant's telephone number, including area code: **(423)743-9151**

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:

- 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 Conditions.

Furnished as Exhibit 99.1 is a copy of the earnings release of NN, Inc. reporting results for the quarter ended March 31, 2007, which was issued on May 8, 2007.

ITEM 9.01 FINANCIAL STATEMENTS AND 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 hte previous or future filings of NN, Inc. under the Securities Act of 1933, as amended, or the Exchange Act.

Exhibits:

| <u>Exhibit Number</u> | <u>Description of Exhibit</u> |
|-----------------------|--|
| 99.1 | Press Release of NN, Inc. dated May 8, 2007. |

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.

Date: May 8, 2007

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

Title: Vice President and Chief Administrative Officer

FINANCIAL
RELATIONS BOARD

RE: NN, Inc.

2000 Waters Edge Drive

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Johnson City, TN 37604

FOR FURTHER INFORMATION:

AT THE
COMPANY

Will Kelly
Vice President and Chief Administrative
Officer
(423) 743-
9151

AT FINANCIAL RELATIONS BOARD

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

FOR IMMEDIATE RELEASE

May 8, 2007

NN, INC. REPORTS FIRST QUARTER 2007 RESULTS

Revenues of \$107.9 Million and Corresponding Earnings per Share of \$0.22 per Diluted Share on Target for 2007

Johnson City, Tenn, May 8, 2006 - NN, Inc. (Nasdaq: NNBR) today reported its financial results for the first quarter ended March 31, 2007. Net sales for the first quarter of 2007 were \$107.9 million, an increase of \$21.9 million or 25.5% from \$86.0 million for the same period of 2006. The acquisition of Whirlaway, which occurred on December 1, 2006, contributed \$18.0 million of this increase. Net income for the first quarter of 2007 totaled \$3.8 million or \$0.22 per diluted share as compared to \$5.3 million or \$0.30 per diluted share for the same period in 2006. First quarter net income for 2006 included an after-tax gain from the sale of excess land of \$1.5 million or \$0.08 per diluted share and an after-tax write-off of certain unused equipment of \$0.7 million or \$0.04 per diluted share.

James H. Dorton, Vice President and Chief Financial Officer commented, "Revenues of \$107.9 million for the first quarter of 2007 were up \$21.9 million, an increase of 25.5% million over the \$86.0 million recorded in the first quarter of 2006. Included in this increase was \$18.0 million of revenue from the Whirlaway acquisition. Additionally, the positive effect of currency translation of approximately \$5.4 million more than offset product mix/price reductions of \$1.5 million.

"As a percentage of net sales, 2007 first quarter cost of goods sold was 78.8% as compared to the 2006 first quarter cost of goods sold of 76.7%. Approximately 50% of the increase of cost of goods sold as a percentage of net sales was associated with the addition of our Whirlaway operation. The remaining factors for the increased costs were efficiency issues related to volume reductions in domestic operations and price/mix issues in European operations. As a percentage of net sales, selling, general and administrative expenses for the first quarter of 2007 was 8.7% as compared to 8.9% for the same period in 2006."

Mr. Dorton continued, "Our reported net income of \$3.8 million or \$0.22 per diluted share compares to 2006 first quarter net income of \$5.3 million or \$0.30 per diluted share. Of note, the 2006 first quarter income includes a net gain of approximately \$0.8 million or \$0.04 per diluted share comprised of an after-tax gain from the sale of excess land located at our Pinerolo, Italy facility of \$1.5 million or \$0.08 per diluted share and offsetting this gain, the write-off of certain unused and obsolete equipment of \$0.7 million or \$0.04 per diluted share, after-tax."

Mr. Dorton added, "During the first quarter our net debt, which is total debt minus cash increased by \$1.9 million. This increase was due to our traditionally higher working capital needs during the first quarter of the year and the timing of inter-company cash flows to pay down debt balances during the quarter. We continue to anticipate meeting our business plan goal of \$12.0 million in total debt reduction for the year."

Roderick R. Baty, Chairman and Chief Executive Officer commented, "During the first quarter we continued to make excellent progress regarding the integration of Whirlaway and the development of our new precision metal component platform. We also are continuing to experience improvements from our Level 3 program. These improvements should more than offset the volume reductions associated with planned market share loss in Europe and general cost inflation in our business. Although our Slovakian and Chinese facilities continued to negatively impact earnings for the quarter, we are expecting improved operating results in both of these facilities for the remainder of the year."

Mr. Baty concluded, "We look forward to the challenges and the opportunities for the remainder of 2007. As previously stated, we are continuing to forecast relatively flat economic conditions for our businesses. We are forecasting continued weakness in certain North American markets, notably, automotive and housing, offset by continuing strength in European automotive markets and industrial markets. We therefore remain committed to our previously stated guidance for estimated total year revenues of approximately \$400 million and full year earnings to be in the range of \$0.98 to \$1.04 per diluted share."

NN, Inc. manufactures and supplies high precision metal bearing components, industrial plastic and rubber products and precision metal components to a variety of markets on a global basis. Headquartered in Johnson City, Tennessee, NN has 14 manufacturing plants in the United States, Western Europe, Eastern Europe and China. NN, Inc. had sales of US \$330 million in 2006.

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, the successful implementation of the global growth plan including development of new products and consummation of potential acquisitions 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, 2006.

Financial Tables Follow

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

| Months Ended | #160; | March 31, | & #160; | |
|--|-------|-----------|------------|-----------|
| | | | & | |
| | | | 2007 | 2006 |
| Net sales | | | \$ 107,944 | \$ 86,017 |
| Cost of goods sold (exclusive of depreciation shown separately below) | | | 85,082 | 65,999 |
| Selling, general and administrative | | | 9,424 | 7,681 |
| Depreciation and amortization | | | 5,523 | 4,162 |
| (Gain) loss on disposal of assets | | | (5) | (730) |
| Income from operations | | | 7,920 | 8,905 |
| Interest expense, net | | | 1,694 | 986 |
| Other income | | | 26 | (209) |
| Income before provision for income taxes | | | 6,200 | 8,128 |
| Provision for income taxes | | | 2,445 | 2,866 |
| Net income | | | \$ 3,755 | \$ 5,262 |
| Diluted income per common share | | | \$ 0.22 | \$ 0.30 |
| Weighted average diluted shares | | | 17,033 | 17,376 |

NN, Inc.
Condensed Balance Sheets
(In thousands)
(Unaudited)

| | March 31, | December 31, |
|---|-------------------|---------------------|
| | 2007 | 2006 |
| Assets | | |
| Current Assets: | | |
| Cash | \$ 17,566 | \$ 11,681 |
| Accounts receivable, net | 72,971 | 63,442 |
| Inventories, net | 44,600 | 43,538 |
| Other current assets | 7,326 | 7,203 |
| Total current assets | 142,463 | 125,864 |
| Property, plant and equipment, net | 156,309 | 156,447 |
| Goodwill, net | 46,419 | 46,147 |
| Other assets | 14,343 | 14,243 |
| Total assets | \$ 359,534 | \$ 342,701 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 51,012 | \$ 52,576 |
| Dividends payable | 1,348 | -- |
| Accrued salaries and wages | 14,784 | 13,519 |
| Current portion of long-term debt | 10,125 | 851 |
| Other liabilities | 10,800 | 7,923 |
| Total current liabilities | 88,069 | 74,869 |
| Deferred income taxes | 16,741 | 16,334 |
| Long-term notes payable and related party debt | 100,490 | 102,016 |
| Other liabilities | 16,333 | 16,313 |
| Total liabilities | 221,633 | 209,532 |
| Total stockholders' equity | 137,901 | 133,169 |
| Total liabilities and stockholders' equity | \$ 359,534 | \$ 342,701 |

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