

**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 3, 2006

**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))
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**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 quarter ended March 31, 2006, which was issued on May 3, 2006.

**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:

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press Release of NN, Inc. dated May 3, 2006.

## 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 3, 2006**

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

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Title: Vice President and  
Chief Administrative Officer



## NEWS

FINANCIAL  
RELATIONS BOARD

RE: NN, Inc.  
2000 Waters Edge Drive  
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 3, 2006

**NN, INC. REPORTS FIRST QUARTER 2006 RESULTS**

**Earnings Per Diluted Share Up 30%, Includes Net Gain On Disposal  
Of Assets of \$0.04 Per Diluted Share**

**Johnson City, Tenn, May 3, 2006** - NN, Inc. (Nasdaq: NNBR) today reported its financial results for the first quarter ended March 31, 2006. Net sales for the first quarter of 2006 were \$86.0 million, a decrease of 1.0% from \$86.7 million for the same period of 2005. Net income for the first quarter of 2006 totaled \$5.3 million or \$0.30 per diluted share and includes 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 \$667,000 or \$0.04 per diluted share. This compares to net income of \$4.0 million, or \$0.23 per diluted share for the first quarter of 2005.

James H. Dorton, Vice President and Chief Financial Officer commented, "Revenues of \$86.0 million in the first quarter of 2006 were down slightly from \$86.7 million recorded in the first quarter of the prior year. Increases in volume and mix of approximately \$1.6 million as well as selling price increases related to material cost pass through of approximately \$2.8 million were offset by the negative result of currency translation of \$5.1 million.

"As a percentage of net sales, 2006 first quarter cost of goods sold was 76.7% of net sales as compared to the 2005 first quarter cost of goods sold of 78.0%. Our Level 3 initiatives made a major contribution to this margin improvement. As a percentage of net sales, selling, general and administrative expenses for the first quarter of 2006 was 8.9% as compared to 8.6% for the same period in 2005. This increase was mainly due to stock compensation related expenses."

Mr. Dorton continued, "Our reported net income of \$5.3 million or \$0.30 per diluted share includes a net gain of approximately \$784,000 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 \$667,000 or \$0.04 per diluted share, after-tax.

“Due to the proceeds realized from the sale of this land, we were able to pay down debt during the quarter by \$3.2 million. We anticipate reducing debt by approximately \$10 million for the full year. This assumes fully funding the previously announced stock repurchase plan up to \$10 million and excludes the impact of any potential new acquisitions that may occur during 2006.”

Mr. Dorton concluded, “During the quarter we purchased 20,474 shares under our recently announced stock repurchase program. This program allows for the purchase of up to \$10.0 million of the Company’s outstanding stock which commenced in mid March of 2006 and will continue for 18 months thereafter.”

Roderick R. Baty, Chairman and Chief Executive Officer commented, “We are very pleased with the financial results for the first quarter of 2006. Each of our business units contributed positively to the excellent operating results. Our Level 3 program continues to play a major role in achieving significant improvements in cost reductions and operating efficiencies. The cost savings realized by this program have allowed us to offset substantially higher energy costs in our global operations as well as start-up expenses associated with our new facility in China.”

Mr. Baty concluded, “We look forward to both the challenges and the opportunities for the remainder of 2006. As I previously stated in our 2005 fourth quarter earnings release, we are forecasting relatively flat economic conditions in the U.S. and Europe for 2006, therefore our guidance for the total year remains unchanged with estimated total year revenues at approximately \$325 million and full year earnings to be in the range of \$0.86 to \$0.92 per diluted share.”

NN, Inc. manufactures 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 \$321 million in 2005.

*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, 2005.*

*Financial Tables Follow*

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

Months Ended	March 31,	2006	2005
#160;	#160;		
Net sales		\$ 86,017	\$ 86,715
Cost of goods sold (exclusive of depreciation shown separately below)		65,999	67,666
Selling, general and administrative		7,681	7,484
Depreciation and amortization		4,162	4,174
(Gain) loss on disposal of assets		<u>(730)</u>	<u>4</u>
Income from operations		8,905	7,387
Interest expense, net		986	984
Other income		<u>(209)</u>	<u>(171)</u>
Income before provision for income taxes		8,128	6,574
Provision for income taxes		<u>2,866</u>	<u>2,551</u>
Net income		<u>\$ 5,262</u>	<u>\$ 4,023</u>
Diluted income per common share		<u>\$ 0.30</u>	<u>\$ 0.23</u>
Weighted average diluted shares		<u>17,376</u>	<u>17,261</u>

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

	<u>March 31,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
<b>Assets</b>		
Current Assets:		
Cash	\$ 7,537	\$ 10,856
Accounts receivable, net	59,881	47,297
Inventories, net	36,770	38,096
Other current assets	10,596	9,701
<b>Total current assets</b>	<b>114,784</b>	<b>105,950</b>
Property, plant and equipment, net	117,605	118,829
Assets held for sale	--	1,072
Goodwill, net	42,090	41,648
Other assets	2,084	2,156
<b>Total assets</b>	<b>\$ 276,563</b>	<b>\$ 269,655</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 41,270	\$ 41,660
Dividends payable	1,377	--
Accrued salaries and wages	12,062	12,407
Income taxes payable	3,960	2,093
Short-term portion of long-term notes payable	1,509	4,668
Other liabilities	4,833	4,011
<b>Total current liabilities</b>	<b>65,011</b>	<b>64,839</b>
Deferred income taxes	15,337	15,128
Long-term notes payable	57,900	57,900
Accrued Pension and Other	12,212	11,783
Other liabilities	3,963	3,931
<b>Total liabilities</b>	<b>154,423</b>	<b>153,581</b>
<b>Total stockholders' equity</b>	<b>122,140</b>	<b>116,074</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 276,563</b>	<b>\$ 269,655</b>

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