

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended June 30, 1998

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from ----- to -----

Commission File Number 0-23486

NN Ball & Roller, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

62-1096725
(I.R.S. Employer
Identification Number)

800 Tennessee Road
Erwin, Tennessee 37650
(Address of principal executive offices, including zip code)

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

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 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 90 days. Yes X No

As of August 13, 1998 there were 14,804,244 shares of the registrant's
common stock, par value \$0.01 per share, outstanding.

NN Ball & Roller, Inc.

INDEX

	Page No.

Part I. Financial Information	
Item 1. Financial Statements:	
Condensed Statements of Income for the three and six months ended June 30, 1998 and 1997	2
Condensed Balance Sheets at June 30, 1998 and December 31, 1997	3
Condensed Statements of Changes in Stockholders' Equity for the six months ended June 30, 1998 and 1997	4
Condensed Statements of Cash Flows for the six months ended June 30, 1998 and 1997	5
Notes to Condensed Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	8
Part II. Other Information	
Item 4. Submission of Matters to a Vote of Security Holders	13
Item 5. Other Information	13
Item 6. Exhibits and Reports on Form 8-K	13
Signatures	14
Index To Exhibits	15

PART I. FINANCIAL INFORMATION

NN Ball & Roller, Inc.
Condensed Statements of Income
(Unaudited)

Thousands of Dollars, Except Per Share Data	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
Net sales	\$ 19,674	\$ 20,964	\$ 40,560	\$ 41,283
Cost of goods sold	13,563	14,307	27,740	28,145
Gross profit	6,111	6,657	12,820	13,138
Selling, general and administrative	1,530	1,227	2,834	2,532
Depreciation	1,179	1,052	2,338	2,104
Income from operations	3,402	4,378	7,648	8,502
Interest expense	18	--	33	19
Income before provision for income taxes	3,384	4,378	7,615	8,483
Provision for income taxes	1,060	1,646	2,624	3,112
Net income	\$ 2,324	\$ 2,732	\$ 4,991	\$ 5,371
Other comprehensive income:				
Foreign currency translation	72	--	(189)	--
Other comprehensive income	72	--	(189)	--
Comprehensive income	\$ 2,396	\$ 2,732	\$ 4,802	\$ 5,371
Net income per common share (Note 3):	\$ 0.16	\$ 0.19	\$ 0.34	\$ 0.37
Weighted average number of shares outstanding (Note 3)	14,827,626	14,712,626	14,810,770	14,713,463

See accompanying notes.

NN Ball & Roller, Inc.
Condensed Balance Sheets

Thousands of Dollars	June 30, 1998 (Unaudited)	December 31, 1997
<hr style="border-top: 1px dashed black;"/>		
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,216	\$ 366
Accounts receivable, net	16,822	12,449
Inventories, net (Note 2)	12,245	11,865
Other current assets	1,332	1,505
	-----	-----
Total current assets	31,615	26,185
Property, plant and equipment, net	37,376	37,088
	-----	-----
Total assets	\$ 68,991	\$ 63,273
	-----	-----
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 5,213	\$ 3,662
Revolving credit facility	2,650	1,480
Accrued vacation expense	643	519
Deferred Income	818	458
Other current liabilities	1,432	1,352
	-----	-----
Total current liabilities	10,756	7,471
Deferred income taxes	2,831	2,831
	-----	-----
Total liabilities	13,587	10,302
Total stockholders' equity	55,404	52,971
	-----	-----
Total liabilities and stockholders' equity	\$ 68,991	\$ 63,273
	-----	-----

See accompanying notes.

NN Ball & Roller, Inc.
Condensed Statements of Changes in Stockholders' Equity
(Unaudited)

Thousands of Dollars	Common stock Number of shares	Par Value	Additional paid in capital	Retained earnings (deficit)	Accumulated other comprehensive income	Total
Balance, January 1, 1997	14,629	\$ 146	\$26,983	\$21,581	\$ --	\$48,710
Net income				5,371		5,371
Dividends				(2,329)		(2,329)
Stock repurchased	(86)	--	(999)	--		(999)
Balance, June 30, 1997	14,543	\$ 146	\$25,984	\$24,623	\$ --	\$50,753
Balance, January 1, 1998	14,804	\$ 149	\$27,902	\$25,387	\$ (467)	\$52,971
Net income				4,991		4,991
Dividends				(2,369)		(2,369)
Other comprehensive income					(189)	(189)
Balance, June 30, 1998	14,804	\$ 149	\$27,902	\$28,009	\$ (656)	\$55,404

See accompanying notes.

NN Ball & Roller, Inc.
Condensed Statements of Cash Flows
(Unaudited)

Thousands of Dollars	Six Months Ended June 30,	
	1998	1997
Operating Activities:		
Net income	\$ 4,991	\$ 5,371
Adjustments to reconcile net income:		
Depreciation	2,338	2,104
Changes in operating assets and liabilities:		
Accounts receivable	(4,373)	1,750
Inventories	(380)	(145)
Taxes Refundable/Payable	(221)	620
Other current assets	394	(189)
Accounts payable	1,551	1,094
Other liabilities	564	156
	4,864	10,761
Investing Activities:		
Acquisition of plant, property, and equipment	(2,626)	(2,407)
Other assets	--	44
	(2,626)	(2,363)
Financing Activities:		
Proceeds (Payments) under revolving credit facility	1,170	(2,308)
Dividends	(2,369)	(2,329)
Stock options exercised	--	--
Stock repurchased	--	(999)
Cumulative effect of currency translation	(189)	--
	(1,388)	(5,636)
Net Change in Cash and Cash Equivalents	850	2,762
Cash and Cash Equivalents at Beginning of Period	366	--
	\$ 1,216	\$ 2,762
Cash and Cash Equivalents at End of Period		

See accompanying notes.

NN Ball & Roller, Inc.
Notes To Condensed Financial Statements

Note 1. Interim Financial Statements

The accompanying condensed financial statements of NN Ball & Roller, Inc. have not been audited by independent accountants, except for the balance sheet at December 31, 1997. In the opinion of the Company's management, the financial statements reflect all adjustments necessary to present fairly the results of operations for the three and six month periods ended June 30, 1998 and 1997, the Company's financial position at June 30, 1998 and December 31, 1997, and the cash flows for the six month periods ended June 30, 1998 and 1997. These adjustments are of a normal recurring nature and are, in the opinion of management, necessary for fair presentation of the financial position and operating results for the interim periods.

In June 1997, the FASB issued Statement No. 130 "Reporting Comprehensive Income" (FAS 130), which established standards for reporting and displaying comprehensive income and its components within an entity's financial statements. FAS 130, which is effective for the Company's 1998 first quarter financial reporting, defines the components of other comprehensive income to include foreign currency translation adjustments, unrealized gains and losses on marketable securities and minimum pension adjustments. Currently the Company's only component of comprehensive income is foreign currency translation which is presented before tax due to the Company's intention to indefinitely reinvest earnings of its subsidiary outside the United States.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted from the interim financial statements presented in this Quarterly Report on Form 10-Q.

The results for the first and second quarters of 1998 are not necessarily indicative of future results.

Note 2. Inventories

Inventories are stated at the lower of cost or market, with cost being determined by the first-in, first-out method.

Inventories are comprised of the following (in thousands):

	June 30, 1998 (Unaudited)	December 31, 1997
	-----	-----
Raw materials	\$ 2,401	\$ 2,911
Work in process	3,058	2,793
Finished goods	6,846	6,221
	-----	-----
	12,305	11,925
Less - Reserve for excess and obsolete inventory	60	60
	-----	-----
	\$ 12,245	\$11,865
	-----	-----
	-----	-----

Note 3. Net Income Per Share

Thousands of Dollars, Except Share and Per Share Data	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1997	1998	1997
Net income	\$ 2,324	\$ 2,732	\$ 4,991	\$ 5,371
Adjustments to net income	--	--	--	--
Net income	\$ 2,324	\$ 2,732	\$ 4,991	\$ 5,371
Basic shares outstanding	14,804,244	14,543,242	14,804,244	14,543,242
Effect of dilutive stock options	23,382	169,384	6,526	170,221
Dilutive shares outstanding	14,827,626	14,712,626	14,810,770	14,712,638
Basic net income per share	\$ 0.16	\$ 0.19	\$ 0.34	\$ 0.37
Diluted net income per share	\$ 0.16	\$ 0.19	\$ 0.34	\$ 0.37

Excluded from the shares outstanding for the second quarter ended June 30, 1998 and 1997 were 70,750 and 452,250 antidilutive options, respectively, which had exercise prices ranging from \$11.50 to \$15.50. Excluded from the shares outstanding for the six months ended June 30, 1998 and 1997 were 426,500 and 452,250 antidilutive options, respectively, which had exercise prices ranging from \$11.13 to \$15.50.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Three Months Ended June 30, 1998 Compared to the Three Months Ended June 30, 1997

Net Sales. Net sales decreased by approximately \$1.3 million, or 6.2%, from \$21.0 million for the second quarter of 1997 to \$19.7 million for the second quarter of 1998. Foreign sales decreased \$600,000, or 6.1%, from \$9.8 million in the second quarter of 1997 to \$9.3 million during the second quarter of 1998. The decrease in foreign sales was due primarily to the financial crisis in Asia and the impact of the continued strengthening of the U.S. dollar against world currencies. Partially offsetting this effect was the strengthening of European economies and resulting increased sales into this region. Domestic sales decreased \$700,000, or 6.3%, from \$11.1 million in the second quarter of 1997 to \$10.4 million in the second quarter of 1998. This decrease was due primarily to decreased sales to an existing customer.

Gross Profit. Gross profit decreased \$546,000, or 8.2%, from \$6.6 million for the second quarter of 1997 to \$6.1 million for the second quarter of 1998. As a percentage of net sales, gross profit decreased from 31.8% in the second quarter of 1997 to 31.1% for the same period in 1998. This decrease in gross profit as a percentage of net sales was due primarily to decreased levels of volume during the second quarter of 1998 as compared to the second quarter of 1997 and related capacity under-utilization.

Selling, General and Administrative. Selling, general and administrative expenses increased by \$303,000 or 24.7%, from \$1.2 million in the second quarter of 1997 to \$1.5 million in the second quarter of 1998. This increase was due primarily to increased expenses related to the Ireland facility, which began production in the fourth quarter of 1997, as well as planned increases to implement the Company's strategic plan. As a percentage of net sales, selling, general and administrative expenses increased from 5.8% for the second quarter of 1997 to 7.8% for the same period in 1998.

Depreciation. Depreciation expense increased from \$1.1 million for the second quarter of 1997 to \$1.2 million for the same period in 1998. This increase was due primarily to purchases of capital equipment related to the new Ireland facility start-up in the fourth quarter of 1997. As a percentage of net sales, depreciation expense increased from 5.0% in the second quarter of 1997 to 6.0% in the second quarter of 1998.

Net Income. Net income decreased by \$408,000 or 14.9%, from \$2.7 million for the second quarter of 1997 to \$2.3 million for the same period in 1998. As a percentage of net sales, net income decreased from 13.0% in the second quarter of 1997 to 11.8% for the second quarter of 1998.

Six Months Ended June 30, 1998 Compared to the Six Months Ended June 30, 1997

Net Sales. Net sales decreased by approximately \$723,000, or 1.8%, from \$41.3 million for the first six months of 1997 to \$40.6 million for the same period in 1998. Foreign sales decreased \$200,000, or 1.0%, from \$19.6 million in the first six months of 1997 to \$19.4 million during the same period of 1998. The decrease in foreign sales was due primarily to the financial crisis in Asia and the impact of the continued strengthening of the U.S. dollar against world currencies. Partially offsetting this effect was the strengthening of European economies and resulting increased sales into this region. Domestic sales decreased \$500,000, or 2.3%, from \$21.7 million in the first six months of 1997 to \$21.2 million in the same period of 1998. This decrease was due primarily to decreased sales to an existing customer.

Gross Profit. Gross profit decreased \$318,000, or 2.4%, from \$13.1 million for the first six months of 1997 to \$12.8 million for the same period of 1998. As a percentage of net sales, gross profit decreased slightly from 31.8% in the first six months of 1997 to 31.7% in the same period of 1998. This decrease in gross profit as a percentage of net sales was due primarily to decreased levels of volume during the first half of 1998 as compared to the first half of 1997 and related capacity under-utilization.

Selling, General and Administrative. Selling, general and administrative expenses increased by \$302,000, or 11.9%, from \$2.5 million in the first six months of 1997 to \$2.8 million in the same period of 1998. This increase was due primarily to increased expenses related to the Ireland facility, which began production in the fourth quarter of 1997, as well as planned increases to implement the Company's strategic plan. As a percentage of net sales, selling, general and administrative expenses increased from 6.1% in the first six months of 1997 to 7.1% for the same period in 1998.

Depreciation. Depreciation expense increased from \$2.1 million for the first six months of 1997 to \$2.3 million for the same period in 1998. This increase was due primarily to purchases of capital equipment related to the new Ireland facility start-up in the fourth quarter of 1997. As a percentage of net sales, depreciation expense increased from 5.1% for the first six months of 1997 to 5.8% for the same period in 1998.

Net Income. Net income decreased by \$380,000, or 7.1%, from \$5.4 million for the first six months of 1997 to \$5.0 million for the same period for 1998. As a percentage of net sales, net income decreased from 13.0% for the first six months of 1997 to 12.3% for the same period for 1998.

Liquidity and Capital Resources

In July 1997, the Company terminated its \$10.0 million revolving credit facility and entered into a loan agreement with First American National Bank ("First American"). This loan agreement provides for a revolving credit facility of up to \$25 million, which will expire on June 30, 2000.

Amounts outstanding under the revolving facility are unsecured and bear interest at a floating rate equal to, at the Company's option, either LIBOR plus 0.65% or the Fed Funds effective rate plus 1.5%. The loan agreement contains customary financial and operating restrictions on the Company, including covenants restricting the Company, without First American's consent, from incurring additional indebtedness from, or pledging any of its assets to, other lenders and from disposing of a substantial portion of its assets. In addition, the Company is prohibited from declaring any dividend if a default exists under the revolving credit facility at the time of, or would occur as a result of, such declaration. The loan agreement also contains customary financial covenants with respect to the Company, including a covenant that the Company's earnings will not decrease in any year by more than fifty percent of earnings in the Company's immediately preceding fiscal year. The Company is in compliance with all such covenants.

The Company's arrangements with its domestic customers typically provide that payments are due within 30 days following the date of the Company's shipment of goods, while arrangements with foreign customers (other than foreign customers that have entered into an inventory management program with the Company) generally provide that payments are due within either 90 or 120 days following the date of shipment. Under the Company's inventory management program, payments typically are due within 30 days after the product is used by the customer. Due to the continuing expansion of the Company's foreign sales, management believes that the Company's working capital requirements will increase as a result of longer payment terms provided to foreign customers. The Company's net sales historically have not been of a seasonal nature. However, as foreign sales have increased as a percentage of total sales, seasonality has become a factor for the Company in that many foreign customers cease production during the month of August.

In the fourth quarter of 1997, upon commencement of production in its Kilkenny, Ireland facility, the Company began to bill and receive payment from some of its foreign customers in their own currency. To

date, the Company has not been materially adversely affected by currency fluctuations or foreign exchange restrictions. Nonetheless, as a result of these sales, the Company's foreign exchange risk has increased. Various strategies to manage this risk are under development and implementation, including a hedging program. In addition, a strengthening of the U.S. dollar against foreign currencies could impair the ability of the Company to compete with international competitors for foreign as well as domestic sales.

Working capital, which consists principally of cash and cash equivalents, accounts receivable and inventories was \$20.9 million at June 30, 1998 as compared to \$18.7 million at December 31, 1997. The ratio of current assets to current liabilities decreased from 3.5:1 at December 31, 1997 to 2.9:1 at June 30, 1998. Cash flow from operations decreased from \$10.8 million during the first half 1997 to \$4.9 million during the first half of 1998. This decrease was primarily attributed to the increase in accounts receivable of \$4.4 million, the decrease in net income of \$380,000, the increase in inventories of \$380,000 and the increase in taxes refundable of \$221,000.

During 1998, the Company plans to spend approximately \$6.0 million on capital expenditures (of which \$2.6 million has been spent through June 30, 1998) including the purchase of machinery and equipment for all four of the Company's facilities. The Company intends to finance these activities with cash generated from operations and funds available under the credit facility described above. The Company believes that funds generated from operations and borrowings from the credit facility will be sufficient to finance the Company's working capital needs and projected capital expenditure requirements through December 1998.

On August 4, 1998 the Company's Board of Directors authorized the repurchase of up to 740,213 shares of its Common Stock, equaling 5% of the Company's issued and outstanding shares as of August 4, 1998. The program may be extended or discontinued at any time, and there is no assurance that the Company will purchase the full amount authorized.

Year 2000

The Year 2000 issue is the result of computer programs written using two digits rather than four to define the applicable year. Without corrective action, programs with time-sensitive software could potentially recognize a date ending in "00" as the year 1900 rather than the year 2000, causing many computer applications to fail or create erroneous results. The Company has evaluated its current computer systems in light of the Year 2000 issue and has chosen to implement a new company-wide system rather than modify and upgrade existing systems. This implementation process, which is expected to cause the Company to incur costs of approximately \$1 million, is expected to be completed by mid- 1999. The Company has also identified and is in the process of contacting key customers and suppliers to determine if these entities have an effective plan in place to address the Year 2000 issue.

Recently issued accounting standards

In June 1997, the FASB issued SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" which requires companies to report selected information about operating segments and related disclosures about products and services, geographic areas and major customers. The Company will provide disclosures in accordance with this statement effective with its December 31, 1998 financial reporting.

In February 1998, the FASB issued SFAS No. 132 "Employers' Disclosures about Pensions and Other Postretirement Benefits" which revises the disclosure requirements for pensions and other Postretirement benefits and is effective for the Company's December 31, 1998 financial reporting. The adoption of this standard by the Company is not expected to result in significant adjustments to existing financial reporting practices as the Company does not currently provide pension or postretirement benefits which are subject to the disclosure provisions of FAS 132.

In June 1998, the FASB issued SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" which establishes accounting and reporting standards for derivative instruments and hedging activities and is effective for the Company's 2000 reporting cycle. The adoption of this standard by the Company is not expected to result in significant adjustments to existing accounting practices as the Company does not currently hold any derivative financial instruments or participate in hedging activities.

Cautionary Statements for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

The Company wishes to caution readers that this report contains, and future filings by the Company, press releases and oral statements made by the Company's authorized representatives may contain, forward looking statements that involve certain risks and uncertainties. The Company's actual results could differ materially from those expressed in such forward looking statements due to important factors bearing on the Company's business, many of which already have been discussed in this filing and in the Company's prior filings.

The following paragraphs discuss the risk factors the Company regards as the most significant, although the Company wishes to caution that other factors that are currently not considered significant or that currently cannot be foreseen may in the future prove to be important in affecting the Company's results of operations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Industry Risks. The precision ball and roller industry is cyclical and tends to decline in response to overall declines in industrial production. The Company's sales in the past have been negatively affected, and in the future very likely would be negatively affected, by adverse conditions in the industrial production sector of the economy or by adverse global or national economic conditions generally.

Competition. The precision ball and roller market is highly competitive, and many of the ball and roller manufacturers in the market are larger and have substantially greater resources than the Company. The Company's competitors are continuously exploring and implementing improvements in technology and manufacturing processes in order to improve product quality, and the Company's ability to remain competitive will depend, among other things, on whether it is able, in a cost effective manner, to keep pace with such quality improvements. In addition, the Company competes with many of its customers that, in addition to producing bearings, also internally produce balls and rollers for sale to third parties. The Company also faces a risk that its customers will decide to produce balls and rollers internally rather than outsourcing their needs to the Company.

Rapid Growth. The Company has significantly expanded its production facilities and capacity over the last several years, and is currently in the process of purchasing and renovating an additional manufacturing plant in Kilkenny, Ireland. The Company currently is not operating at full capacity and faces risks of further under-utilization or inefficient utilization of its production facilities in future years. The Company also faces risks associated with inefficiencies, delays and increased depreciation costs associated with its plant expansions.

Raw Material Shortages. Because the balls and rollers manufactured by the Company have highly-specialized applications, their production requires the use of very particular types of steel. Due to quality constraints, the Company obtains the majority of its steel from overseas suppliers. Steel shortages or transportation problems, particularly with respect to 52100 Steel, could have a detrimental effect on the Company's business.

Risks Associated with International Trade. Because the Company obtains a majority of its raw materials from overseas suppliers and sells to a large number of international customers, the Company faces risks associated with (i) adverse foreign currency fluctuations, (ii) changes in trade, monetary and fiscal policies, laws and regulations, and other activities of governments, agencies and similar organizations, (iii)

the imposition of trade restrictions or prohibitions, (iv) the imposition of import or other changes or taxes, and (v) unstable governments or legal systems in countries in which the Company's suppliers and customers are located. An increase in the value of the United States dollar relative to foreign currencies may adversely affect the ability of the Company to compete with its foreign-based competitors for international as well as domestic sales.

Dependence on Major Customers. During 1997, the Company's ten largest customers accounted for approximately 77% of its net sales. Sales to various US and foreign divisions of SKF, which is one of the largest bearing manufacturers in the world, accounted for approximately 37% of net sales in 1997, and sales to FAG accounted for approximately 10% of net sales. None of the Company's other customers accounted for more than 10% of its net sales in 1997, but sales to three of its customers each represented more than 5% of the Company's 1997 net sales. The loss of all or a substantial portion of sales to these customers would have a material adverse effect on the Company's business.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

The Company's Annual Meeting of Stockholders was held on May 7, 1998. As of March 25, 1998, the record date for the meeting, there were 14,804,271 shares of common stock outstanding and entitled to vote at the meeting. There were present at said meeting, in person or by proxy, stockholders holding 9,930,845 shares of common stock, constituting approximately 67% of the shares of common stock outstanding and entitled to vote, which constituted a quorum.

The first matter voted upon at the meeting was the election of Michael D. Huff and Michael E. Werner as Class I Directors to serve for three-year terms. The results of the voting in connection with such elections were as follows:

	FOR	WITHHELD
Michael D. Huff	9,655,126	275,719
Michael E. Werner	9,465,635	465,210

Accordingly, all nominees were elected to serve until the 2001 Annual Meeting of Stockholders and until their successors are duly elected and qualified. In addition to the foregoing directors, G. Ronald Morris and Steven T. Warsaw are serving terms to expire at the 1999 Annual Meeting of Stockholders, and Richard D. Ennen and Roderick R. Baty are serving terms which are to expire at the 2000 Annual Meeting of Stockholders. Deborah Ennen Bagierek resigned from her position as a director of the Company effective May 7, 1998. Mr. Ennen, the Company's founder, continues in his position as Chairman of the Company's Board of Directors.

The second matter voted upon at the 1998 Annual Meeting of Stockholders was the ratification of Price Waterhouse, LLP as independent public accountants to audit the Company's accounts for the fiscal year ending December 31, 1998. The vote was 9,921,343 For and 4,052 Against, and there were 5,450 Abstentions.

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits Required by Item 601 of Regulation S-K

27 Financial Data Schedules (for information of SEC only)

(b) No reports on Form 8-K were filed during the quarter ending June 30, 1997.

INDEX TO EXHIBITS

Exhibit Number	Description
10.13	Loan Agreement, dated as of July 25, 1997, between the Company and First American National Bank (filed herewith)
27	Financial Data Schedules (for information of SEC only)

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.

NN Ball & Roller, Inc.

(Registrant)

Date: August 13, 1998

/s/ Roderick R. Baty

Roderick R. Baty,
President and Chief Executive
Officer
(Duly Authorized Officer)

Date: August 13, 1998

/s/ David Dyckman

David Dyckman
Chief Financial Officer
(Principal Financial Officer)
(Duly Authorized Officer)

Date: August 13, 1998

/s/ William C. Kelly, Jr.

William C. Kelly, Jr.,
Treasurer, Assistant Secretary and
Chief Accounting Officer
(Principal Accounting Officer)
(Duly Authorized Officer)

3-MOS

	DEC-31-1998	
	JUN-30-1998	
		1,216
		0
	17,137	
	(315)	
	12,245	
	31,615	
		62,689
	(25,243)	
	68,991	
10,756		0
	0	
		0
		146
	55,258	
68,491		
		19,674
	19,674	
		13,563
	13,563	
	2,709	
	0	
	18	
	3,384	
	1,060	
2,324		
	0	
	0	
		0
	2,324	
	0.16	
	0.16	