

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): **July 23, 2014**

Black Diamond, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34767
(Commission File Number)

58-1972600
(IRS Employer
Identification No.)

2084 East 3900 South
Salt Lake City, Utah
(Address of principal executive offices)

84124
(Zip Code)

Registrant's telephone number, including area code: **(801) 278-5552**

N/A

(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:

- ☐ 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 2.01. Completion of Acquisition or Disposition of Assets.

On July 23, 2014, Black Diamond, Inc. (the “Company”) and Gregory Mountain Products, LLC (“Gregory”), its wholly-owned subsidiary, completed the sale of certain assets to Samsonite LLC (“Samsonite”) comprising Gregory’s business of designing, manufacturing, marketing, distributing and selling technical, alpine, backpacking, hiking, mountaineering and active trail products and accessories as well as outdoor-inspired lifestyle bags (the “Business”) pursuant to the terms of that certain Asset Purchase Agreement (the “Purchase Agreement”), dated as of June 18, 2014, by and among the Company, Gregory and Samsonite. Under the terms of the Purchase Agreement, Samsonite paid \$84.135 million in cash for Gregory’s assets comprising the Business and assumed certain specified liabilities.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement, which is included as Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on June 23, 2014, and is incorporated herein by reference as though fully set forth herein.

Item 8.01 Other Events.

On July 23, 2014, the Company issued a press release announcing the closing of the transactions contemplated by the Purchase Agreement. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K (the “Report”) and incorporated herein by reference as though fully set forth herein.

Item 9.01. Financial Statements and Exhibits.

(b) Pro forma financial information. The unaudited interim pro forma condensed consolidated statement of operations for the three months ended March 31, 2014, the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2013 and the unaudited interim pro forma condensed consolidated balance sheet as of March 31, 2014 of Black Diamond, Inc. is hereby included as Exhibit 99.2 to this Report.

(d) Exhibits. The following exhibits are hereby filed as part of this Report:

<u>Exhibit No.</u>	<u>Description</u>
2.1	Asset Purchase Agreement by and among Samsonite LLC, Black Diamond, Inc. and Gregory Mountain Products, LLC, dated as of June 18, 2014 (filed as Exhibit 2.1 to the Company’s Current Report on Form 8-K, filed with the U.S. Securities and Exchange Commission on June 23, 2014, and incorporated herein by reference).
99.1	Press release dated July 23, 2014.
99.2	Pro Forma Financial Information of Black Diamond, Inc.

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.

BLACK DIAMOND, INC.

Dated: July 28, 2014

By: /s/ Aaron J. Kuehne

Name: Aaron J. Kuehne

Title: Chief Financial Officer

Exhibit Index

Exhibit No.	Description
2.1	Asset Purchase Agreement by and among Samsonite LLC, Black Diamond, Inc. and Gregory Mountain Products, LLC, dated as of June 18, 2014 (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the U.S. Securities and Exchange Commission on June 23, 2014, and incorporated herein by reference).
99.1	Press release dated July 23, 2014.
99.2	Pro Forma Financial Information of Black Diamond, Inc.



Black Diamond Completes Sale of Gregory Mountain Products for \$84.1 Million

- Divestiture Solidifies Strategic Pivot to Focus on Core and Fastest-Growing Brands -

SALT LAKE CITY, Utah – July 23, 2014 – Black Diamond, Inc. (NASDAQ: BDE) (the “Company” or “Black Diamond”), a leading global supplier of innovative active outdoor performance equipment and apparel, has completed the asset sale of its Gregory Mountain Products, LLC (“Gregory”) brand for \$84.1 million to Samsonite LLC.

The divestiture represents an integral part of Black Diamond’s plan to focus on its core brands, including POC and Black Diamond apparel. Black Diamond has used a portion of the proceeds from the sale to pay down its debt with Zions Bank and plans to reinvest the remainder to support the continued growth and long-term development of its core brands.

“Closing the sale of Gregory marks a critical point in our strategic pivot initiated last fall,” said Peter Metcalf, president and CEO of Black Diamond. “We believe that we are now positioned for enhanced growth from our core and fastest-growing brands.”

The Company has realized net proceeds of approximately \$68.4 million after fees, expenses and taxes. The Company previously had approximately \$26.7 million of outstanding debt under its credit facility with Zions Bank as of March 31, 2014, which was paid-off in full with the closing of the transaction.

The Company plans to provide revised second half and full year guidance when it reports its second quarter results in August 2014.

Rothschild served as financial advisors and Kane Kessler, P.C. served as legal advisors to Black Diamond for the divestiture.

About Black Diamond, Inc.

Black Diamond, Inc. is a global leader in designing, manufacturing and marketing innovative active outdoor performance equipment and apparel for climbing, mountaineering, backpacking, skiing, cycling and a wide range of other year-round outdoor recreation activities. The Company's principal brands, Black Diamond®, POC™ and PIEPS™, are iconic in the active outdoor, ski and cycling industries and linked intrinsically with the modern history of these sports. Black Diamond is synonymous with performance, innovation, durability and safety that the outdoor and action sport communities rely on and embrace in their active lifestyle. Headquartered in Salt Lake City at the base of the Wasatch Mountains, the Company's products are created and tested on some of the best alpine peaks, slopes, crags, roads and trails in the world. These close connections to the Black Diamond lifestyle enhance the authenticity of the Company's brands, inspire product innovation and strengthen customer loyalty. Black Diamond's products are sold in approximately 50 countries around the world. For additional information, please visit the Company's websites at www.blackdiamond-inc.com, www.blackdiamondequipment.com, www.pocsports.com or www.pieps.com.

Forward-Looking Statements

Please note that in this press release we may use words such as “appears,” “anticipates,” “believes,” “plans,” “expects,” “intends,” “future,” and similar expressions which constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on our expectations and beliefs concerning future events impacting the Company and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties that could cause the actual results of operations or financial condition of the Company to differ materially from those expressed or implied by forward-looking statements in this release include, but are not limited to, the overall level of consumer spending on our products; general economic conditions and other factors affecting consumer confidence; disruption and volatility in the global capital and credit markets; the financial strength of the Company's customers; the Company's ability to implement its growth strategy, including its ability to organically grow each of its historical product lines, its new apparel line and its recently acquired businesses; the Company's ability to successfully integrate and grow acquisitions; the Company's exposure to product liability or product warranty claims and other loss contingencies; stability of the Company's manufacturing facilities and foreign suppliers; the Company's ability to protect trademarks and other intellectual property rights; fluctuations in the price, availability and quality of raw materials and contracted products; foreign currency fluctuations; our ability to utilize our net operating loss carryforwards; and legal, regulatory, political and economic risks in international markets. More information on potential factors that could affect the Company's financial results is included from time to time in the Company's public reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. All forward-looking statements included in this press release are based upon information available to the Company as of the date of this press release, and speak only as of the date hereof. We assume no obligation to update any forward-looking statements to reflect events or circumstances after the date of this press release.

Company Contact:

Warren B. Kanders
Executive Chairman
Tel 203-428-2000
warren.kanders@bdel.com

or

Peter Metcalf
Chief Executive Officer
Tel 801-278-5552
peter.metcalf@bdel.com

Investor Relations:

Liolios Group, Inc.
Scott Liolios or Cody Slach
Tel 949-574-3860
BDE@liolios.com

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated balance sheet and statements of operations are based upon the historical consolidated financial statements of Black Diamond, Inc. ("Black Diamond," the "Company," "we," or "our"). The unaudited pro forma condensed consolidated financial information has been prepared to illustrate the effect of the sale (the "GMP Disposition") by Black Diamond's wholly owned subsidiary, Gregory Mountain Products, LLC ("Gregory"), of certain assets comprising Gregory's business of designing, manufacturing, marketing, distributing and selling technical, alpine, backpacking, hiking, mountaineering and active trail products and accessories as well as outdoor-inspired lifestyle bags pursuant to an Asset Purchase Agreement dated as of June 18, 2014, by and among the Company, Gregory and Samsonite LLC. For a description of the GMP Disposition please see Note 1 of the unaudited pro forma condensed consolidated financial information.

The unaudited pro forma condensed consolidated balance sheet as of March 31, 2014 has been prepared by including the unaudited historical condensed consolidated balance sheet of Black Diamond as of March 31, 2014, adjusted to reflect the pro forma effect as if the GMP Disposition had been consummated on that date. The interim unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 2014 and the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2013 have been prepared by including the Company's historical condensed consolidated statements of operations, adjusted to reflect the pro forma effect as if the GMP Disposition had been consummated on January 1, 2013.

The historical consolidated financial statements referred to above for Black Diamond were included in its Quarterly Report on Form 10-Q for the three months ended March 31, 2014 and Annual Report on Form 10-K for the year ended December 31, 2013, each previously filed with the Securities and Exchange Commission (the "SEC"). The accompanying unaudited pro forma condensed consolidated financial information and the historical consolidated financial information presented herein should be read in conjunction with the historical consolidated financial statements and notes thereto of Black Diamond.

The unaudited pro forma condensed consolidated balance sheet and statements of operations include pro forma adjustments which reflect transactions and events that (a) are directly attributable to the GMP Disposition, (b) are factually supportable, and (c) with respect to the statements of operations, have a continuing impact on consolidated results. The pro forma adjustments are described in the accompanying notes to the unaudited pro forma condensed consolidated financial information.

The unaudited pro forma condensed consolidated financial information was prepared for information purposes only and is not necessarily indicative of the financial position or results of operations that would have occurred if the GMP Disposition had been completed on the dates indicated, nor is it indicative of the future financial position or results of operations of the Company. Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in connection with the unaudited pro forma condensed consolidated financial information. The accounting for the GMP Disposition is dependent upon final balances related to the assets and liabilities at the close date that have yet to progress to a stage where there is sufficient information for a definitive measurement. Due to the fact that the unaudited pro forma condensed consolidated financial information has been prepared based upon preliminary estimates, and account balances other than those on the actual GMP Disposition date, the final amounts recorded for the GMP Disposition may differ materially from the information presented.

The unaudited pro forma condensed consolidated financial information does not reflect future events that may occur after the GMP Disposition, including potential general and administrative cost savings. The pro forma adjustments are subject to change and are based upon currently available information.

BLACK DIAMOND, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2014
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Historical	Pro Forma Adjustments		Pro Forma
Assets				
Current assets				
Cash	\$ 4,385	\$ 54,919	A	\$ 59,304
Accounts receivable, net	44,279	(8,624)	B	35,655
Inventories	51,902	(6,794)	B	45,108
Prepaid and other current assets	4,893	(86)	B	4,807
Income tax receivable	170	-		170
Deferred income taxes	2,724	(287)	C	2,437
Total current assets	<u>108,353</u>	<u>39,128</u>		<u>147,481</u>
Property and equipment, net	17,211	(195)	B	17,016
Definite lived intangible assets, net	34,572	(4,370)	B	30,202
Indefinite lived intangible assets	51,627	(13,050)	B	38,577
Goodwill	57,649	(11,097)	B	46,552
Deferred income taxes	51,888	(9,455)	C	42,433
Other long-term assets	1,965	-		1,965
Total assets	<u>\$ 323,265</u>	<u>\$ 961</u>		<u>\$ 324,226</u>
Liabilities and Stockholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	\$ 23,940	\$ (3,421)	B	\$ 20,519
Income tax payable	-	12,677	C	12,677
Current portion of long-term debt	1,992	(865)	A	1,127
Total current liabilities	<u>25,932</u>	<u>8,391</u>		<u>34,323</u>
Long-term debt	43,378	(25,801)	A	17,577
Deferred income taxes	6,190	(4,333)	C	1,857
Other long-term liabilities	1,627	-		1,627
Total liabilities	<u>77,127</u>	<u>(21,743)</u>		<u>55,384</u>
Stockholders' Equity				
Preferred stock, \$.0001 par value; 5,000 shares authorized; none issued	-	-		-
Common stock, \$.0001 par value; 100,000 shares authorized; 32,565 issued and 32,490 outstanding	3	-		3
Additional paid in capital	478,392	1,701	D	480,093
Accumulated deficit	(238,531)	21,003	E	(217,528)
Treasury stock, at cost	(2)	-		(2)
Accumulated other comprehensive income	6,276	-		6,276
Total stockholders' equity	<u>246,138</u>	<u>22,704</u>		<u>268,842</u>
Total liabilities and stockholders' equity	<u>\$ 323,265</u>	<u>\$ 961</u>		<u>\$ 324,226</u>

See notes to unaudited pro forma condensed consolidated financial information.

BLACK DIAMOND, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Historical	Pro Forma Adjustments		Pro Forma
Sales				
Domestic sales	\$ 78,855	\$ (10,628)	F	\$ 68,227
International sales	124,181	(24,299)	F	99,882
Total sales	203,036	(34,927)		168,109
Cost of goods sold	125,551	(18,499)	F	107,052
Gross profit	77,485	(16,428)		61,057
Operating expenses				
Selling, general and administrative	81,381	(6,844)	F	74,537
Restructuring charge	175	-		175
Merger and integration	565	-		565
Transaction costs	54	-		54
Total operating expenses	82,175	(6,844)		75,331
Operating loss	(4,690)	(9,584)		(14,274)
Other (expense) income				
Interest expense, net	(3,583)	1,006	A	(2,577)
Other, net	330	20	F	350
Total other expense, net	(3,253)	1,026		(2,227)
Loss before income tax	(7,943)	(8,558)		(16,501)
Income tax benefit	(2,073)	(3,081)	H	(5,154)
Net loss	<u>\$ (5,870)</u>	<u>\$ (5,477)</u>		<u>\$ (11,347)</u>
Loss per share:				
Basic	\$ (0.18)			\$ (0.35)
Diluted	(0.18)			(0.35)
Weighted average shares outstanding:				
Basic	32,007			32,007
Diluted	32,007			32,007

See notes to unaudited pro forma condensed consolidated financial information.

BLACK DIAMOND, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Historical	Pro Forma Adjustments		Pro Forma
Sales				
Domestic sales	\$ 20,698	\$ (3,569)	F	\$ 17,129
International sales	33,841	(6,538)	F	27,303
Total sales	54,539	(10,107)		44,432
Cost of goods sold	33,614	(5,824)	F	27,790
Gross profit	20,925	(4,283)		16,642
Operating expenses				
Selling, general and administrative	22,632	(1,819)	F	20,813
Transaction costs	355	(355)	G	-
Total operating expenses	22,987	(2,174)		20,813
Operating loss	(2,062)	(2,109)		(4,171)
Other expense				
Interest expense, net	(895)	269	A	(626)
Other, net	(147)	20	F	(127)
Total other expense, net	(1,042)	289		(753)
Loss before income tax	(3,104)	(1,820)		(4,924)
Income tax benefit	(1,777)	(655)	H	(2,432)
Net loss	\$ (1,327)	\$ (1,165)		\$ (2,492)
Loss per share:				
Basic	\$ (0.04)			\$ (0.08)
Diluted	(0.04)			(0.08)
Weighted average shares outstanding:				
Basic	32,474			32,474
Diluted	32,474			32,474

See notes to unaudited pro forma condensed consolidated financial information.

Black Diamond, Inc.
Notes to Unaudited Pro Forma Condensed Consolidated Financial Information
(In thousands, except per share amounts)

1 Description of Transaction

On July 23, 2014, Black Diamond, Inc.'s ("Black Diamond," the "Company," "we," or "our") wholly owned subsidiary, Gregory Mountain Products, LLC ("Gregory"), sold certain assets ("GMP Disposition") comprising Gregory's business of designing, manufacturing, marketing, distributing and selling technical, alpine, backpacking, hiking, mountaineering and active trail products and accessories as well as outdoor-inspired lifestyle bags pursuant to an Asset Purchase Agreement (the "Asset Purchase Agreement") dated as of June 18, 2014, by and among the Company, GMP and Samsonite LLC ("Samsonite"). Under the terms of the Asset Purchase Agreement, Samsonite paid \$85,000 in cash (before closing adjustments of \$865 relating to non-cash working capital) for the GMP Disposition and assumed certain specified liabilities.

2 Basis of Presentation

The unaudited pro forma condensed consolidated balance sheet and statements of operations are based upon the historical consolidated financial statements of Black Diamond, which were included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and its Quarterly Report on Form 10-Q for the three months ended March 31, 2014, each previously filed with the Securities and Exchange Commission. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2014 has been prepared by including the unaudited historical condensed consolidated balance sheet of Black Diamond as of March 31, 2014, adjusted to reflect the pro forma effect as if the GMP Disposition had been consummated on that date. The interim unaudited pro forma condensed consolidated statement of operations for the three months ended March 31, 2014 and the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2013 have been prepared by including the Company's historical condensed consolidated statements of operations, adjusted to reflect the pro forma effect as if the GMP Disposition had been consummated on January 1, 2013.

3 Pro Forma Adjustments

The pro forma adjustments reflect transactions and events that (a) are directly attributable to the GMP Disposition, (b) are factually supportable, and (c) with respect to the statements of operations, have a continuing impact on consolidated results. The pro forma adjustments are based on available information and certain assumptions the Company believes are reasonable.

The following pro forma adjustments are included in the unaudited pro forma condensed consolidated balance sheet and/or the unaudited pro forma condensed consolidated statements of operations:

- A** Reflects cash proceeds of the \$85,000 sale price (before closing adjustments of \$865 relating to non-cash working capital). This is offset by estimated direct transaction expenses of \$2,550 and the repayment of the Company's line of credit and the term loan with Zions First National Bank totaling \$26,666. The effect of the payment on the line of credit and term loan is a decrease in interest expense of \$1,006 and \$269 for the year ended December 31, 2013 and the three months ended March 31, 2014, respectively.
 - B** Reflects the elimination of assets and liabilities included in the GMP Disposition.
 - C** Reflects the reversal of deferred income taxes relating to the assets and liabilities included in the GMP Disposition and the related income taxes payable due from the GMP Disposition.
 - D** Represents the recognition of excess tax benefits from previously vested share-based payment awards. The excess tax benefits reduce the income tax payable due on the built in gain.
 - E** Reflects the effect on accumulated deficit related to the estimated gain on sale attributable to the Company due to the GMP Disposition.
 - F** Reflects the elimination of GMP historical revenues and expenses.
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Black Diamond, Inc.
Notes to Unaudited Pro Forma Condensed Consolidated Financial Information
(In thousands, except per share amounts)

G Total GMP Disposition-related transaction costs of \$355 have been incurred by Black Diamond during the three months ended March 31, 2014 and have been removed from the interim unaudited pro forma condensed consolidated statement of operations as they reflect non-recurring charges directly related to the GMP Disposition.

H The income tax effect resulting from the pro forma effect of the GMP Disposition based on the statutory tax rates in effect.

4 Gain on Sale

The gain on the GMP Disposition, as if the transaction had been completed on March 31, 2014, is estimated at \$40,790 with related taxes of \$19,787. The taxes related to the GMP Disposition relate primarily to the built in gain that carried forward from the acquisition of GMP. The gain on sale is not considered in the pro forma condensed consolidated statements of operations as it is a nonrecurring credit. The actual amount of the gain will be based on the balances as of the closing date and may differ materially from the pro forma gain amount.
