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

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended: **June 30, 2015**

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: **001-34767**

BLACK DIAMOND, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**58-1972600** (I.R.S. Employer Identification Number)
2084 East 3900 South **Salt Lake City, Utah** (Address of principal executive offices)	**84124** (Zip code)

(801) 278-5552
(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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Non-accelerated filer	☐
Accelerated filer	☒	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 4, 2015, there were 32,762,671 shares of common stock, par value $0.0001, outstanding.

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BLACK DIAMOND, INC.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BLACK DIAMOND, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except per share amounts)

	June 30, 2015	December 31, 2014
Assets		
Current assets		
Cash	$ 34,409	$ 31,034
Marketable securities	9,925	9,902
Accounts receivable, less allowance for doubtful accounts of $713 and $724, respectively	25,154	38,734
Inventories	62,230	64,481
Prepaid and other current assets	7,704	6,111
Income tax receivable	1,883	5,333
Deferred income taxes	2,832	2,965
Total current assets	144,137	158,560
Property and equipment, net	13,558	13,760
Other intangible assets, net	22,520	24,912
Indefinite lived intangible assets	34,528	35,600
Goodwill	40,885	41,983
Deferred income taxes	39,246	37,877
Other long-term assets	2,492	2,821
Total assets	$ 297,366	$ 315,513
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 21,426	$ 28,639
Deferred income taxes	130	26
Current portion of long-term debt	2,649	3,875
Total current liabilities	24,205	32,540
Long-term debt	19,339	18,562
Deferred income taxes	3,822	5,076
Other long-term liabilities	2,257	2,142
Total liabilities	49,623	58,320
Stockholders' Equity		
Preferred stock, $.0001 par value; 5,000 shares authorized; none issued	-	-
Common stock, $.0001 par value; 100,000 shares authorized; 32,859 and 32,801 issued and 32,763 and 32,704 outstanding	3	3
Additional paid in capital	484,115	482,985
Accumulated deficit	(230,319)	(223,197)
Treasury stock, at cost	(186)	(186)
Accumulated other comprehensive loss	(5,870)	(2,412)
Total stockholders' equity	247,743	257,193
Total liabilities and stockholders' equity	$ 297,366	$ 315,513

See accompanying notes to condensed consolidated financial statements.

BLACK DIAMOND, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended	
	June 30, 2015	June 30, 2014
Sales		
Domestic sales	$ 18,211	$ 14,430
International sales	16,868	19,992
Total sales	35,079	34,422
Cost of goods sold	22,220	22,078
Gross profit	12,859	12,344
Operating expenses		
Selling, general and administrative	18,129	17,984
Restructuring charge	1,408	410
Transaction costs	689	-
Total operating expenses	20,226	18,394
Operating loss	(7,367)	(6,050)
Other (expense) income		
Interest expense, net	(695)	(623)
Other, net	92	319
Total other expense, net	(603)	(304)
Loss before income tax	(7,970)	(6,354)
Income tax benefit	(2,523)	(1,911)
Loss from continuing operations	(5,447)	(4,443)
Discontinued operations, net of tax	-	(540)
Net loss	(5,447)	(4,983)
Other comprehensive income (loss), net of tax:		
Unrealized loss on marketable securities	(12)	-
Foreign currency translation adjustment	2,055	(1,838)
Unrealized (loss) income on hedging activities	(1,142)	74
Other comprehensive income (loss)	901	(1,764)
Comprehensive loss	$ (4,546)	$ (6,747)
Loss from continuing operations per share:		
Basic	$ (0.17)	$ (0.14)
Diluted	(0.17)	(0.14)
Net loss per share:		
Basic	$ (0.17)	$ (0.15)
Diluted	(0.17)	(0.15)
Weighted average shares outstanding:		
Basic	32,723	32,515
Diluted	32,723	32,515

See accompanying notes to condensed consolidated financial statements.

BLACK DIAMOND, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(In thousands, except per share amounts)

	Six Months Ended	
	June 30, 2015	**June 30, 2014**
Sales		
Domestic sales	$ 39,090	$ 31,559
International sales	46,252	47,295
Total sales	85,342	78,854
Cost of goods sold	53,487	49,868
Gross profit	31,855	28,986
Operating expenses		
Selling, general and administrative	37,286	38,797
Restructuring charge	1,876	410
Transaction costs	988	-
Total operating expenses	40,150	39,207
Operating loss	(8,295)	(10,221)
Other (expense) income		
Interest expense, net	(1,397)	(1,249)
Other, net	(159)	192
Total other expense, net	(1,556)	(1,057)
Loss before income tax	(9,851)	(11,278)
Income tax benefit	(2,729)	(3,433)
Loss from continuing operations	(7,122)	(7,845)
Discontinued operations, net of tax	-	1,535
Net loss	(7,122)	(6,310)
Other comprehensive loss, net of tax:		
Unrealized income on marketable securities	15	-
Foreign currency translation adjustment	(3,584)	(2,183)
Unrealized income on hedging activities	111	132
Other comprehensive loss	(3,458)	(2,051)
Comprehensive loss	$ (10,580)	$ (8,361)
Loss from continuing operations per share:		
Basic	$ (0.22)	$ (0.24)
Diluted	(0.22)	(0.24)
Net loss per share:		
Basic	$ (0.22)	$ (0.19)
Diluted	(0.22)	(0.19)
Weighted average shares outstanding:		
Basic	32,714	32,495
Diluted	32,714	32,495

See accompanying notes to condensed consolidated financial statements.

BLACK DIAMOND, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six Months Ended	
	June 30, 2015	**June 30, 2014**
Cash Flows From Operating Activities:		
Net loss	$ (7,122)	$ (6,310)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation of property and equipment	1,884	2,107
Amortization of intangible assets	1,301	1,755
Accretion of notes payable	742	645
Loss on disposition of assets	37	16
Stock-based compensation	1,038	537
Deferred income taxes	(2,738)	(2,676)
Changes in operating assets and liabilities:		
Accounts receivable	13,441	4,093
Inventories	2,378	(10,732)
Prepaid and other current assets	(896)	(542)
Accounts payable and accrued liabilities	(7,306)	3,438
Income taxes	3,450	-
Other	(351)	-
Net cash provided by (used in) operating activities	5,858	(7,669)
Cash Flows From Investing Activities:		
Proceeds from disposition of property and equipment	74	4
Purchase of property and equipment	(1,628)	(1,382)
Net cash used in investing activities	(1,554)	(1,378)
Cash Flows From Financing Activities:		
Net (repayments of) proceeds from revolving credit facilities	(971)	9,200
Repayments of long-term debt	(14)	(483)
Proceeds from issuance of long-term debt	44	-
Proceeds from exercise of stock options	92	643
Net cash (used in) provided by financing activities	(849)	9,360
Effect of foreign exchange rates on cash	(80)	(186)
Change in cash	3,375	127
Cash, beginning of period	31,034	4,478
Cash, end of period	$ 34,409	$ 4,605
Supplemental Disclosure of Cash Flow Information:		
Cash (received) paid for income taxes	$ (3,431)	$ 346
Cash paid for interest	$ 660	$ 1,229
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Property and equipment purchased with accounts payable	$ 254	$ 184

See accompanying notes to condensed consolidated financial statements.

BLACK DIAMOND, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(in thousands, except per share amounts)

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated financial statements of Black Diamond, Inc. and subsidiaries ("Black Diamond" or the "Company," which may be referred to as "we," "us" or "our") as of and for the three and six months ended June 30, 2015 and 2014, have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the unaudited condensed consolidated financial statements have been included. The results of the three and six months ended June 30, 2015 are not necessarily indicative of the results to be obtained for the year ending December 31, 2015. These interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the Securities and Exchange Commission (the "Commission").

On July 23, 2014, the Company and Gregory Mountain Products, LLC ("Gregory" or "GMP"), its then 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 "GMP Purchase Agreement"), dated as of June 18, 2014, by and among the Company, Gregory and Samsonite. Under the terms of the GMP Purchase Agreement, Samsonite paid $84,135 in cash for Gregory's assets comprising the Business and assumed certain specified liabilities (the "GMP Sale"). The activities of Gregory have been segregated and reported as discontinued operations for all periods presented. See Note 2. Discontinued Operations to the notes to the unaudited condensed consolidated financial statements.

Nature of Business

Black Diamond 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. Our principal brands include Black Diamond®, POC™ and PIEPS™ and are targeted not only to the demanding requirements of core climbers, skiers and cyclists, but also to the more general outdoor performance enthusiasts and consumers interested in outdoor-inspired gear for their backcountry and urban activities. Our Black Diamond®, POC™ and PIEPS™ brands are iconic in the active outdoor, ski and cycling industries and linked intrinsically with the modern history of the sports we serve. We believe our brands are synonymous with the performance, innovation, durability and safety that the outdoor and action sports communities rely on and embrace in their active lifestyle.

On March 16, 2015, the Company announced that it engaged Rothschild Inc. and Robert W. Baird & Co., Incorporated as financial advisors to lead an exploration of a full range of strategic alternatives, including a sale of the entire Company and the potential sales of the Company's Black Diamond Equipment (including PIEPS) and POC brands in two separate transactions. There can be no assurance as to the outcome of the strategic alternatives process, that any particular strategic alternative will be pursued or that any transaction will occur.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The more significant estimates relate to derivatives, revenue recognition, income taxes, and valuation of long-lived assets, goodwill, and other intangible assets. Certain costs are estimated for the full year and allocated to interim periods based on estimates of time expired, benefit received, or activity associated with the interim period. We base our estimates on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Significant Accounting Policies

There have been no significant changes to the Company's significant accounting policies as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

Accounting Pronouncements Issued Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Updated ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for annual reporting periods beginning after December 15, 2017, and interim periods within those annual periods. Early adoption is permitted, but not before the original effective date (periods beginning after December 15, 2016). The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In June 2014, the FASB issued ASU 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*. This guidance requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition of the award. A reporting entity should apply existing guidance in Accounting Standards Codification Topic 718, *Compensation-Stock Compensation*, as it relates to such awards. The guidance is effective for fiscal years beginning after December 15, 2015, and may be applied prospectively or retrospectively. Early adoption is permitted. We do not believe the adoption of this guidance will have a significant impact on the Company's consolidated statements and related disclosures.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern.* The guidance requires an entity to evaluate whether there are conditions or events, in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the financial statements are available to be issued when applicable) and to provide related footnote disclosures in certain circumstances. The guidance is effective for the annual period ending after December 15, 2016, and for annual and interim periods thereafter. Early application is permitted. We do not believe the adoption of this guidance will have a significant impact on the Company's consolidated statements and related disclosures.

In January 2015, the FASB issued ASU 2015-01, *Income Statement - Extraordinary and Unusual Items (Subtopic 225-20)*, which eliminates the concept of extraordinary items from U.S. GAAP as part of its simplification initiative. The ASU does not affect disclosure guidance for events or transactions that are unusual in nature or infrequent in their occurrence. The ASU is effective for interim and annual periods in fiscal years beginning after December 15, 2015. The ASU allows prospective or retrospective application. Early adoption is permitted. We do not believe the adoption of this guidance will have a significant impact on the Company's consolidated statements and related disclosures.

In April 2015, the FASB issued ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which intends to simplify the presentation of debt issuance costs. The guidance requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The guidance is effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. We do not believe the adoption of this guidance will have a significant impact on the Company's consolidated statements and related disclosures.

NOTE 2. DISCONTINUED OPERATIONS

As discussed above, during the year ended December 31, 2014, the Company and Gregory, its then wholly-owned subsidiary, completed the GMP Sale pursuant to the terms of the GMP Purchase Agreement. The Company received $84,135 in cash for the GMP Sale and paid $2,995 in transaction fees for net proceeds of $81,140. The Company recognized a pre-tax gain on such sale of $39,491 and tax expense of $19,424. Summarized results of discontinued operations are as follows:

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Sales	$ -	8,502	-	18,609
Income from operations of GMP	-	622	-	2,442
Income tax expense	-	(1,162)	-	(907)
(Loss) income from discontinued operations, net of tax	$ -	$ (540)	$ -	$ 1,535

In connection with the GMP Sale, all interest related to outstanding debt that was required to be repaid pursuant to the terms of the Company's amended and restated loan agreement with Zions First National Bank is allocated to discontinued operations in our condensed consolidated financial statements. Total interest expense allocated to discontinued operations for the three months ended June 30, 2015 and 2014 was $0 and $332, respectively, and for the six months ended June 30, 2015 and 2014 was $0 and $601.

NOTE 3. INVENTORIES

Inventories, as of June 30, 2015 and December 31, 2014, were as follows:

	June 30, 2015	December 31, 2014
Finished goods	$ 52,049	$ 53,274
Work-in-process	1,885	1,177
Raw materials and supplies	8,296	10,030
	$ 62,230	$ 64,481

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment, net as of June 30, 2015 and December 31, 2014, were as follows:

	June 30, 2015	December 31, 2014
Land	$ 2,850	$ 2,850
Building and improvements	4,406	4,167
Furniture and fixtures	4,417	4,412
Computer hardware and software	5,255	5,154
Machinery and equipment	12,672	11,892
Construction in progress	400	547
	30,000	29,022
Less accumulated depreciation	(16,442)	(15,262)
	$ 13,558	$ 13,760

(in thousands, except per share amounts)

NOTE 5. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

There was a decrease in goodwill during the six months ended June 30, 2015, from $41,983 to $40,885, due to the impact of foreign currency exchange rates. The following table summarizes the changes in goodwill:

Balance at December 31, 2014	$	41,983
Impact of foreign currency exchange rates		(1,098)
Balance at June 30, 2015	$	40,885

Indefinite Lived Intangible Assets

The Company owns certain tradenames and trademarks which provide Black Diamond Equipment, Ltd. ("Black Diamond Equipment" or "BDEL"), POC Sweden AB and its subsidiaries (collectively, "POC") and PIEPS Holding GmbH and its subsidiaries (collectively, "PIEPS") with the exclusive and perpetual rights to manufacture and sell their respective products. There was a decrease in tradenames and trademarks during the six months ended June 30, 2015, due to the impact of foreign currency exchange rates. The following table summarizes the changes in indefinite lived intangible assets:

Balance at December 31, 2014	$	35,600
Impact of foreign currency exchange rates		(1,072)
Balance at June 30, 2015	$	34,528

Other Intangible Assets, net

Intangible assets such as certain customer relationships, core technologies and product technologies are amortizable over their estimated useful lives. There was a decrease in gross other intangible assets subject to amortization during the six months ended June 30, 2015 due to the impact of foreign currency exchange rates. The following table summarizes the changes in gross other intangible assets:

Gross balance at December 31, 2014	$	33,437
Impact of foreign currency exchange rates		(1,400)
Gross balance at June 30, 2015	$	32,037

Other intangible assets, net of amortization as of June 30, 2015 and December 31, 2014, were as follows:

	June 30, 2015		December 31, 2014	
Customer lists and relationships	$	22,316	$	23,096
Product technologies		7,024		7,530
Trade name		1,750		1,864
Core technologies		947		947
		32,037		33,437
Less accumulated amortization		(9,517)		(8,525)
	$	22,520	$	24,912

(in thousands, except per share amounts)

NOTE 6. LONG-TERM DEBT

Long-term debt, net as of June 30, 2015 and December 31, 2014, was as follows:

	June 30, 2015	December 31, 2014
Revolving credit facilities (a)	$ -	$ -
Foreign credit facilities (b)	2,632	3,844
5% Senior Subordinated Notes due 2017 (refer to Note 16)	19,233	18,491
Term notes (c)	123	102
	21,988	22,437
Less current portion	(2,649)	(3,875)
	$ 19,339	$ 18,562

(a) As of June 30, 2015, the Company had drawn $0 on a $20,000 revolving credit facility with Zions First National Bank (the "Lender") with a maturity date of April 1, 2017.

(b) The Company's foreign subsidiaries have a revolving credit facility with a financial institution which matures on January 31, 2016.

(c) Various term loans are payable to financial institutions and a government entity with interest rates ranging from 0.75% to 5.50% and monthly installments ranging from $0 to $2. The notes mature between January 2016 and March 2017, and are secured by certain equipment.

NOTE 7. OTHER LONG-TERM LIABILITIES

Other long-term liabilities were $2,257 and $2,142 as of June 30, 2015 and December 31, 2014, respectively, with $2,257 and $2,131 of the balance as of June 30, 2015 and December 31, 2014, respectively, relating to a pension liability with respect to the benefit plan maintained for the benefit of the Company's employees in Switzerland that, under U.S. GAAP, is considered to be a defined benefit plan. The Company also has an insurance policy whereby any underfunded amounts related to the pension liability are expected to be recoverable. The Company has recorded a receivable of $2,257 and $2,131 as other long-term assets for the underfunded amount as of June 30, 2015 and December 31, 2014, respectively.

NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS

The Company's primary exchange rate risk management objective is to mitigate the uncertainty of anticipated cash flows attributable to changes in foreign currency exchange rates. The Company primarily focuses on mitigating changes in cash flows resulting from sales denominated in currencies other than the U.S. dollar. The Company manages this risk primarily by using currency forward and option contracts. If the anticipated transactions are deemed probable, the resulting relationships are formally designated as cash flow hedges.

At June 30, 2015, the Company's derivative contracts had a remaining maturity of less than one year. The counterparty to these transactions had both long-term and short-term investment grade credit ratings. The maximum net exposure of the Company's credit risk to the counterparty is generally limited to the aggregate unrealized loss of all contracts with that counterparty. At June 30, 2015 there was no such exposure to the counterparty. The Company's exposure of counterparty credit risk is limited to the aggregate unrealized gain of $3,839 on all contracts at June 30, 2015. The Company's derivative counterparty has strong credit ratings and as a result, the Company does not require collateral to facilitate transactions.

(in thousands, except per share amounts)

The Company held the following contracts designated as hedged instruments as of June 30, 2015 and December 31, 2014:

	June 30, 2015	
	Notional Amount	Latest Maturity
Foreign exchange contracts - Canadian Dollars	7,471	February 2016
Foreign exchange contracts - British Pounds	1,497	February 2016
Foreign exchange contracts - Euros	23,332	February 2016
Foreign exchange contracts - Swiss Francs	16,924	February 2016

	December 31, 2014	
	Notional Amount	Latest Maturity
Foreign exchange contracts - Canadian Dollars	12,053	February 2016
Foreign exchange contracts - British Pounds	2,739	February 2016
Foreign exchange contracts - Euros	36,673	February 2016
Foreign exchange contracts - Swiss Francs	31,344	February 2016

The Company accounts for these contracts as cash flow hedges and tests effectiveness by determining whether changes in the expected cash flow of the derivative offset, within a range, changes in the expected cash flow of the hedged item. For contracts that qualify as effective hedge instruments, the effective portion of gains and losses resulting from changes in fair value of the instruments are included in accumulated other comprehensive loss and reclassified to sales in the period the underlying hedge item is recognized in earnings. Gains (losses) of $1,058 and $(287) were reclassified to sales during the three months ended June 30, 2015 and 2014, respectively, and $2,764 and $(621) were reclassified to sales during the six months ended June 30, 2015 and 2014, respectively.

As of December 31, 2014, the Company reported an accumulated derivative instrument gain of $1,891. During the six months ended June 30, 2015, the Company reported an adjustment to accumulated other comprehensive income of $111, as a result of the change in fair value of these contracts and reclassifications to sales, resulting in an accumulated derivative instrument gain of $2,002 reported as of June 30, 2015.

The following table presents the balance sheet classification and fair value of derivative instruments as of June 30, 2015 and December 31, 2014:

	Classification	June 30, 2015	December 31, 2014
Derivative instruments in asset positions:			
Forward exchange contracts	Prepaid and other current assets	$ 3,839	$ 3,066
Forward exchange contracts	Other long-term assets	$ -	$ 446
Derivative instruments in liability positions:			
Forward exchange contracts	Accounts payable and accrued liabilities	$ -	$ 79
Forward exchange contracts	Other long-term liabilities	$ -	$ 11

(in thousands, except per share amounts)

NOTE 9. ACCUMULATED OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive (loss) income ("AOCI") primarily consists of unrealized losses in our marketable securities, foreign currency translation adjustments and changes in our forward foreign exchange contracts. The components of AOCI, net of tax, were as follows:

	Unrealized Losses on Marketable Securities	Foreign Currency Translation Adjustments	Unrealized Gains on Cash Flow Hedges	Total
Balance as of December 31, 2014	$ (59)	$ (4,244)	$ 1,891	$ (2,412)
Other comprehensive income (loss) before reclassifications	15	(3,584)	1,869	(1,700)
Amounts reclassified from other comprehensive income (loss)	-	-	(1,758)	(1,758)
Net current period other comprehensive income (loss)	15	(3,584)	111	(3,458)
Balance as of June 30, 2015	$ (44)	$ (7,828)	$ 2,002	$ (5,870)

The effects on net loss of amounts reclassified from unrealized gains on cash flow hedges for foreign exchange contracts for the three and six months ended June 30, 2015, were as follows:

	Gains reclassified from AOCI to the Consolidated Statement of Comprehensive Loss	
Affected line item in the Condensed Consolidated Statement of Comprehensive Loss	For the Three Months Ended June 30, 2015	For the Six Months Ended June 30, 2015
Sales	$ 1,058	$ 2,764
Less: Income tax expense	385	1,006
Amount reclassified, net of tax	$ 673	$ 1,758

NOTE 10. FAIR VALUE MEASUREMENTS

We measure certain financial assets and liabilities at fair value on a recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, under a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1- inputs to the valuation methodology are quoted market prices for identical assets or liabilities in active markets.

Level 2- inputs to the valuation methodology include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3- inputs to the valuation methodology are based on prices or valuation techniques that are unobservable.

Assets and liabilities measured at fair value on a recurring basis at June 30, 2015 and December 31, 2014 were as follows:

	June 30, 2015			
	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities	$ 9,925	$ -	$ -	$ 9,925
Forward exchange contracts	-	3,839	-	3,839
	$ 9,925	$ 3,839	$ -	$ 13,764
Liabilities				
Forward exchange contracts	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Marketable securities	$ 9,902	$ -	$ -	$ 9,902
Forward exchange contracts	-	3,512	-	3,512
	$ 9,902	$ 3,512	$ -	$ 13,414
Liabilities				
Forward exchange contracts	$ -	$ 90	$ -	$ 90
	$ -	$ 90	$ -	$ 90

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature and liquidity of these financial instruments. Marketable securities are recorded at fair value based on quoted market prices. Derivative financial instruments are recorded at fair value based on current market pricing models. The Company estimates that, based on current market conditions, the fair value of its long-term debt obligations under its revolving credit facility and senior subordinated notes payable approximate the carrying values at June 30, 2015 and December 31, 2014.

NOTE 11. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing earnings (loss) by the weighted average number of common shares outstanding during each period. Diluted earnings (loss) per share is computed by dividing earnings (loss) by the total of the weighted average number of shares of common stock outstanding during each period, plus the effect of dilutive outstanding stock options and unvested restricted stock grants. Potentially dilutive securities are excluded from the computation of diluted earnings per share if their effect is anti-dilutive to loss from continuing operations.

The following table is a reconciliation of basic and diluted shares of common stock outstanding used in the calculation of earnings per share:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Weighted average shares outstanding - basic	32,723	32,515	32,714	32,495
Effect of dilutive stock awards	-	-	-	-
Weighted average shares outstanding - diluted	32,723	32,515	32,714	32,495
Loss from continuing operations per share:				
Basic	$ (0.17)	$ (0.14)	$ (0.22)	$ (0.24)
Diluted	(0.17)	(0.14)	(0.22)	(0.24)
Income (loss) from discontinued operations per share:				
Basic	$ -	$ (0.01)	$ -	$ 0.05
Diluted	-	(0.01)	-	0.05
Net loss per share:				
Basic	$ (0.17)	$ (0.15)	$ (0.22)	$ (0.19)
Diluted	(0.17)	(0.15)	(0.22)	(0.19)

For the three months ended June 30, 2015 and 2014, equity awards of 3,323 and 3,295, respectively, and for the six months ended June 30, 2015 and 2014, equity awards of 3,365 and 3,293, respectively, were outstanding and anti-dilutive and therefore not included in the calculation of loss per share for these periods.

(in thousands, except per share amounts)

NOTE 12. STOCK-BASED COMPENSATION PLAN

Under the Company's 2005 Stock Incentive Plan (the "2005 Plan"), the Company's Board of Directors (the "Board of Directors") has flexibility to determine the type and amount of awards to be granted to eligible participants, who must be employees, directors, officers or consultants of the Company or its subsidiaries. The 2005 Plan allows for grants of incentive stock options, nonqualified stock options, restricted stock awards, stock appreciation rights, and restricted units. The aggregate number of shares of common stock that may be granted through awards under the 2005 Plan to any employee in any calendar year may not exceed 500 shares. The 2005 Plan continued in effect until June 2015.

During the six months ended June 30, 2015, the Company issued 10 stock options under the 2005 Plan to employees of the Company, which options granted will vest in three installments as follows: 4 shall vest on December 31, 2016, and the remaining shares shall vest equally on December 31, 2017 and December 31, 2018.

For computing the fair value of the stock-based awards, the fair value of each option grant has been estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Options Granted During the Six Months Ended June 30, 2015

Number of options	10
Option vesting period	4 Years
Grant price	$6.67
Dividend yield	0.00%
Expected volatility (a)	53.00%
Risk-free interest rate	1.86%
Expected life (years) (b)	6.45
Weighted average fair value	$3.53

(a) Since the Company's historical volatility was not representative of the ongoing future business, the Company's expected volatility was based on a combination of the Company's historical volatility and the historical volatility of a peer group of companies within similar industries and similar size as the Company.

(b) Because the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term for these grants, the Company utilized the simplified method in developing an estimate of the expected term of these options.

Using these assumptions, the fair value of all stock options granted during the six months ended June 30, 2015 was $35, which will be recognized over the vesting period of the options.

The total non-cash stock compensation expense related to restricted stock, stock options and stock awards recorded by the Company for the three months ended June 30, 2015 and 2014 was $575 and $318, respectively, and for the six months ended June 30, 2015 and 2014 was $1,038 and $537, respectively. The fair value of unvested restricted stock awards is determined based on the market price of our shares of common stock on the grant date or using the Monte-Carlo pricing model. As of June 30, 2015, there were 648 unvested stock options and unrecognized compensation cost of $1,596 related to unvested stock options, as well as 310 unvested restricted stock awards and unrecognized compensation cost of $65 related to unvested restricted stock awards. As of June 30, 2015, the Company has unvested restricted stock awards which vest based upon satisfaction of a performance condition. Achievement of the performance condition is currently not considered probable. Consequently, the Company has not recorded compensation costs associated with the performance condition awards.

NOTE 13. RESTRUCTURING

The Company initiated a restructuring plan in 2014 to realign resources within the organization and anticipates completing the plan in 2015. During the three and six months ended June 30, 2015, we incurred restructuring charges of $1,408 and $1,876, respectively. During the three and six months ended June 30, 2014, we incurred restructuring charges of $410. Restructuring charges of $700 were incurred during the three and six months ended June 30, 2015, which related to the write-off of inventory that was distinguishable and directly attributable to the Company's restructuring plan and not as a result of external market factors associated with the ongoing business. We have incurred $5,459 of cumulative restructuring charges since the commencement of the restructuring plan in 2014. We estimate that we will incur restructuring costs related to employee-related costs and facility exit costs during the remainder of 2015.

(in thousands, except per share amounts)

The following table summarizes the restructuring charges, payments and the remaining accrual related to employee termination costs and facility exit costs.

Balance at December 31, 2014	$	199
Charges to expense:		
Employee termination benefits		843
Inventory write-off		700
Other costs		333
Total restructuring charges		1,876
Cash payments and non-cash charges:		
Cash payments		(859)
Inventory write-off		(700)
Balance at June 30, 2015	$	516

As of June 30, 2015, termination costs and restructuring costs remained in accrued liabilities and are expected to be paid during the remainder of 2015.

NOTE 14. COMMITMENTS AND CONTINGENCIES

The Company is involved in various legal disputes and other legal proceedings that arise from time to time in the ordinary course of business. Based on currently available information, the Company does not believe that it is reasonably possible that the disposition of any of the legal disputes the Company or its subsidiaries is currently involved in will have a material adverse effect upon the Company's consolidated financial condition, results of operations or cash flows. There is a reasonable possibility of loss from contingencies in excess of the amounts accrued by the Company in the accompanying condensed consolidated balance sheets; however, the actual amounts of such possible losses cannot currently be reasonably estimated by the Company at this time. It is possible that, as additional information becomes available, the impact on the Company could have a different effect.

The Company leases office, warehouse and distribution space under non-cancelable operating leases. As leases expire, it can be expected that, in the normal course of business, certain leases will be renewed or replaced. Certain lease agreements include escalating rents over the lease terms. The Company expenses rent on a straight-line basis over the lease term which commences on the date the Company has the right to control the property. The cumulative expense recognized on a straight-line basis in excess of the cumulative payments is included in accounts payable and accrued liabilities and other long-term liabilities in the accompanying condensed consolidated balance sheets.

Total rent expense of the Company for the three months ended June 30, 2015 and 2014 was $511 and $600, respectively, and for the six months ended June 30, 2015 and 2014 was $1,056 and $1,191, respectively.

NOTE 15. INCOME TAXES

The Company's foreign operations that are considered to be permanently reinvested have statutory tax rates ranging from 20% - 35%.

As of December 31, 2014, the Company's gross deferred tax asset was $73,465. The Company has recorded a valuation allowance of $16,081, resulting in a net deferred tax asset of $57,384, before deferred tax liabilities of $21,644. The Company has provided a valuation allowance against a portion of the net deferred tax assets as of December 31, 2014, because the ultimate realization of those assets does not meet the more likely than not criteria.

(in thousands, except per share amounts)

In assessing the realizability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and net operating loss and credit carryforwards expire. In order to utilize the recorded U.S. deferred tax assets the Company will need to generate approximately $137,000 of future U.S. taxable income, of which approximately $117,000 will need to be generated by 2022 to utilize the net operating losses that management considers realizable. The estimates and judgments associated with the Company's valuation allowance on deferred tax assets are considered critical due to the amount of deferred tax assets recorded by the Company on its consolidated balance sheet and the judgment required in determining the Company's future taxable income. The Company's conclusion that the deferred tax assets are more likely than not to be realized reflects, among other things, its ability to generate taxable income to utilize the available net operating loss and credit carryforwards. The ability of the Company to generate taxable income and meet management's projections of future taxable income are dependent upon the growth of U.S. based sales, including apparel sales; the maintaining of gross margins and the controlling of other operating expenses in order to increase the U.S. based taxable income; and/or the generation of tax planning strategies in the future. While the Company believes that its estimate of future taxable income is reasonable, it is inherently uncertain. If the Company's taxable income does not grow as management currently projects over an extended time period, or if the Company realizes unforeseen significant losses in the future, additions to the valuation allowance which reduce the deferred tax assets could be recorded.

As of December 31, 2014, the Company had net operating loss, research and experimentation credit and alternative minimum tax credit carryforwards for U.S. federal income tax purposes of $167,303 ($294 relates to excess tax benefits related to share based payment compensation, which will not be recorded until an income tax payable exists), $1,337 and $56, respectively. The Company believes its U.S. Federal net operating loss ("NOL") will substantially offset its future U.S. Federal income taxes, excluding the amount subject to U.S. Federal Alternative Minimum Tax ("AMT"). AMT is calculated as 20% of AMT income. For purposes of AMT, a maximum of 90% of income is offset by available NOLs.

NOLs available to offset taxable income, subject to compliance with Section 382 of the Internal Revenue Code, as amended (the "Code") begin to expire based upon the following schedule:

Net Operating Loss Carryforward Expiration Dates
December 31, 2014

Expiration Dates December 31,	Net Operating Loss Amount
2021	$ 32,428
2022	115,000
2023	5,712
2024	3,566
2025 and beyond	10,597
Total	167,303
Excess stock based payment tax deductions	(294)
After limitations	$ 167,009

NOTE 16. RELATED PARTY TRANSACTIONS

5% Unsecured Subordinated Notes due May 28, 2017

As part of the consideration payable to the stockholders of Gregory when the Company acquired Gregory, the Company issued $14,517, $7,539, and $554 in 5% Unsecured Subordinated Notes due May 28, 2017 (the "Merger Consideration Subordinated Notes") to Kanders GMP Holdings, LLC, Schiller Gregory Investment Company, LLC, and five former employees of Gregory, respectively. Mr. Warren B. Kanders, the Company's Executive Chairman and a member of its Board of Directors, is a majority member and a trustee of the manager of Kanders GMP Holdings, LLC. The sole manager of Schiller Gregory Investment Company, LLC is Mr. Robert R. Schiller, the Company's Executive Vice Chairman and a member of its Board of Directors. The principal terms of the Merger Consideration Subordinated Notes are as follows: (i) the principal amount is due and payable on May 28, 2017 and is prepayable by the Company at any time; (ii) interest will accrue on the principal amount at the rate of 5% per annum and shall be payable quarterly in cash; (iii) the default interest rate shall accrue at the rate of 10% per annum during the occurrence of an event of default; and (iv) events of default, which can only be triggered with the consent of Kanders GMP Holdings, LLC, are: (a) the default by the Company on any payment due under a Merger Consideration Subordinated Note; (b) the Company's failure to perform or observe any other material covenant or agreement contained in the Merger Consideration Subordinated Notes; or (c) the Company's instituting or becoming subject to a proceeding under the Bankruptcy Code (as defined in the Merger Consideration Subordinated Notes). The Merger Consideration Subordinated Notes are junior to all senior indebtedness of the Company, except that payments of interest continue to be made under the Merger Consideration Subordinated Notes as long as no event of default exists under any senior indebtedness.

Given the below market interest rate for comparably secured notes and the relative illiquidity of the Merger Consideration Subordinated Notes, we have discounted the notes to \$8,640, \$4,487 and \$316, respectively, at the date of acquisition. We are accreting the discount on the Merger Consideration Subordinated Notes to interest expense using the effective interest method over the term of the Merger Consideration Subordinated Notes.

On April 7, 2011, Schiller Gregory Investment Company, LLC transferred its Merger Consideration Subordinated Note in equal amounts to the Robert R. Schiller Cornerstone Trust and the Deborah Schiller 2005 Revocable Trust. On June 24, 2013, the Robert R. Schiller Cornerstone Trust dated September 9, 2010 transferred its Merger Consideration Subordinated Note in the amount of \$3,769 to the Robert R. Schiller 2013 Cornerstone Trust dated June 24, 2013. During the three and six months ended June 30, 2015, \$182 and \$363 in interest was paid to Kanders GMP Holdings, LLC, respectively, and \$94 and \$188 in interest, respectively, was paid to the Robert R. Schiller 2013 Cornerstone Trust and the Deborah Schiller 2005 Revocable Trust pursuant to the outstanding Merger Consideration Subordinated Notes.

On May 29, 2012 and August 13, 2012, five former employees of Gregory exercised certain sales rights and sold Merger Consideration Subordinated Notes in the aggregate principal amount of approximately \$365 to Kanders GMP Holdings, LLC and in the aggregate principal amount of approximately \$189 to Schiller Gregory Investment Company, LLC. During the three and six months ended June 30, 2015, \$4 and \$9 in interest was paid to Kanders GMP Holdings, LLC, respectively, and \$3 and \$5 in interest, respectively, was paid to Schiller Gregory Investment Company, LLC, pursuant to these outstanding Merger Consideration Subordinated Notes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Please note that in this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q 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 results of the Company's review of strategic alternatives; the Company's ability to successfully integrate and grow acquisitions; the Company's exposure to product liability of product warranty claims and other loss contingencies; stability of the Company's manufacturing facilities and foreign suppliers; the Company's ability to protect trademarks, patents 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 Quarterly Report on Form 10-Q are based upon information available to the Company as of the date of this Quarterly Report on Form 10-Q, and speak only as the date hereof. We assume no obligation to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

Overview

Black Diamond, Inc. (which may be referred to as "Black Diamond," "Company," "we," "our" or "us") 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. Our principal brands include Black Diamond®, POC™ and PIEPS™ and are targeted not only to the demanding requirements of core climbers, skiers and cyclists, but also to the more general outdoor performance enthusiasts and consumers interested in outdoor-inspired gear for their backcountry and urban activities. Our Black Diamond®, POC™ and PIEPS™ brands are iconic in the active outdoor, ski and cycling industries and linked intrinsically with the modern history of the sports we serve. We believe our brands are synonymous with the performance, innovation, durability and safety that the outdoor and action sports communities rely on and embrace in their active lifestyle.

We offer a broad range of products including: high performance apparel (such as jackets, shells, pants and bibs) rock-climbing equipment (such as carabiners, protection devices, harnesses, belay devices, helmets, and ice-climbing gear); technical backpacks and high-end day packs; tents; trekking poles; headlamps and lanterns; and gloves and mittens. We also offer advanced design helmets, body armor, and goggles for skiing, mountain and road cycling, as well as eyewear, skis, ski poles, ski bindings, ski boots, ski skins, and ski safety products, including avalanche transceivers, shovels, and probes.

On July 23, 2014, the Company and Gregory Mountain Products, LLC ("Gregory" or "GMP"), its then 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 "GMP Purchase Agreement"), dated as of June 18, 2014, by and among the Company, Gregory and Samsonite. Under the terms of the GMP Purchase Agreement, Samsonite paid $84,135 in cash for Gregory's assets comprising the Business and assumed certain specified liabilities (the "GMP Sale"). The activities of Gregory have been segregated and reported as discontinued operations for all periods presented. See Note 2. Discontinued Operations to the notes to the unaudited condensed consolidated financial statements.

On March 16, 2015, the Company announced that it engaged Rothschild Inc. and Robert W. Baird & Co., Incorporated as financial advisors to lead an exploration of a full range of strategic alternatives, including a sale of the entire Company and the potential sales of the Company's Black Diamond Equipment (including PIEPS) and POC brands in two separate transactions. There can be no assurance as to the outcome of the strategic alternatives process, that any particular strategic alternative will be pursued or that any transaction will occur.

Critical Accounting Policies and Use of Estimates

Management's discussion of our financial condition and results of operations is based on the consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of the consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting periods. We continually evaluate our estimates and assumptions including those related to derivatives, revenue recognition, income taxes and valuation of long-lived assets, goodwill and other intangible assets. We base our estimates on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

There have been no significant changes to our critical accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2014.

Accounting Pronouncements Issued Not Yet Adopted

See "Recent Accounting Pronouncements" in Note 1 to the notes to the unaudited condensed consolidated financial statements.

BLACK DIAMOND, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Results of Operations

Consolidated Three Months Ended June 30, 2015 Compared to Consolidated Three Months Ended June 30, 2014

The following presents a discussion of consolidated operations for the three months ended June 30, 2015, compared with the consolidated three months ended June 30, 2014.

	Three Months Ended	
	June 30, 2015	June 30, 2014
Sales		
Domestic sales	$ 18,211	$ 14,430
International sales	16,868	19,992
Total sales	35,079	34,422
Cost of goods sold	22,220	22,078
Gross profit	12,859	12,344
Operating expenses		
Selling, general and administrative	18,129	17,984
Restructuring charge	1,408	410
Transaction costs	689	-
Total operating expenses	20,226	18,394
Operating loss	(7,367)	(6,050)
Other (expense) income		
Interest expense, net	(695)	(623)
Other, net	92	319
Total other expense, net	(603)	(304)
Loss before income tax	(7,970)	(6,354)
Income tax benefit	(2,523)	(1,911)
Loss from continuing operations	(5,447)	(4,443)
Discontinued operations, net of tax	-	(540)
Net loss	$ (5,447)	$ (4,983)

Sales

Consolidated sales increased $657, or 1.9%, to $35,079 during the three months ended June 30, 2015, compared to consolidated sales of $34,422 during the three months ended June 30, 2014. The increase in sales was primarily attributable to an increase in the quantity of new and existing climb, ski, and wheels products sold during the period, which included additional apparel sold by Black Diamond Equipment. This increase was offset by a decrease in sales of $1,658 during the three months ended June 30, 2015 compared to the prior period due to the weakening of foreign currencies against the U.S. dollar.

Consolidated domestic sales increased $3,781, or 26.2%, to $18,211 during the three months ended June 30, 2015, compared to consolidated domestic sales of $14,430 during the three months ended June 30, 2014. The increase in domestic sales was primarily attributable to an increase in the quantity of new and existing climb, mountain, ski, and wheels products sold during the period, which included additional apparel sold by Black Diamond Equipment.

Consolidated international sales decreased $3,124, or 15.6%, to $16,868 during the three months ended June 30, 2015, compared to consolidated international sales of $19,992 during the three months ended June 30, 2014. The decrease in international sales was primarily attributable to a decrease in sales of $1,658 due to the weakening of foreign currencies against the U.S. dollar during the three months ended June 30, 2015 compared to the prior period and a decrease in the quantity of new and existing climb and mountain products sold during the period. This decrease was partially offset by an increase in wheels products sold during the period.

Cost of Goods Sold

Consolidated cost of goods sold increased $142, or 0.6%, to $22,220 during the three months ended June 30, 2015, compared to consolidated cost of goods sold of $22,078 during the three months ended June 30, 2014. The increase in cost of goods sold was primarily attributable to an increase in sales.

Gross Profit

Consolidated gross profit increased $515, or 4.2%, to $12,859 during the three months ended June 30, 2015, compared to consolidated gross profit of $12,344 during the three months ended June 30, 2014. Consolidated gross margin was 36.7% during the three months ended June 30, 2015, compared to a consolidated gross margin of 35.9% during the three months ended June 30, 2014. Consolidated gross margin during the three months ended June 30, 2015, increased compared to the prior year due to a favorable mix in product and channel distribution.

Selling, General and Administrative

Consolidated selling, general, and administrative expenses increased $145, or 0.8%, to $18,129 during the three months ended June 30, 2015, compared to consolidated selling, general, and administrative expenses of $17,984 during the three months ended June 30, 2014. The increase in selling, general and administrative expenses was primarily attributable to termination benefits provided to the Company's former President, Ms. Zeena Freeman, offset by the Company's realization of savings from its restructuring plan implemented during 2014 to realign resources within the organization. The Company anticipates completing the plan during 2015.

Restructuring Charges

Consolidated restructuring expense increased $998, or 243.4%, to $1,408 during the three months ended June 30, 2015, compared to consolidated restructuring expense of $410 during the three months ended June 30, 2014. Restructuring expenses incurred during the three months ended June 30, 2015, related to the write-off of inventory that was directly attributable to the Company's restructuring plan of $700, benefits provided to employees who were or will be terminated due to the Company's reduction-in-force as part of its continued realignment of resources within the organization of $455, and other restructuring costs of $253.

Transaction Costs

Consolidated transaction expense increased to $689 during the three months ended June 30, 2015, compared to consolidated transaction expense of $0 during the three months ended June 30, 2014, which consisted of expenses related to the Company's exploration of a full range of strategic alternatives for each of the Company's brands, Black Diamond, POC and PIEPS.

Interest Expense, net

Consolidated interest expense, net, increased $72, or 11.6%, to $695 during the three months ended June 30, 2015, compared to consolidated interest expense, net, of $623 during the three months ended June 30, 2014. The increase in interest expense, net, was primarily attributable to higher average outstanding foreign credit debt amounts during the three months ended June 30, 2015, compared to the same period in 2014.

Other, net

Consolidated other, net, decreased $227, or 71.2%, to income of $92 during the three months ended June 30, 2015 compared to consolidated other, net income of $319 during the three months ended June 30, 2014. The decrease in other, net, was primarily attributable to losses on mark-to-market adjustment on non-hedged foreign currency contracts partially offset by an increase in remeasurement gains recognized on the Company's foreign denominated accounts receivable and accounts payable.

Income Taxes

Consolidated income tax benefit increased $612, or 32.0%, to a benefit of $2,523 during the three months ended June 30, 2015, compared to a consolidated income tax benefit of $1,911 during the same period in 2014. The increase in tax benefit is due to the increase in the effective tax rate and increase in loss before income tax recorded during the three months ended June 30, 2015, compared to the same period in 2014.

Our effective income tax rate was 31.7% for the three months ended June 30, 2015, compared to 30.1% for the same period in 2014. Factors that could cause our annual effective tax rate to differ materially from our quarterly effective tax rates include changes in the geographic mix of taxable income and discrete events that may occur. There were no meaningful discrete events recorded in the Company's effective income tax rate calculation for the three months ended June 30, 2015.

Discontinued Operations

The Company sold the assets and liabilities of Gregory for $84,135 effective July 23, 2014 and as a result we recognized a pre-tax gain of $39,491. Discontinued operations increased to $0 during the three months ended June 30, 2015, compared to discontinued operations loss of $540 during the three months ended June 30, 2014. There was no activity for Gregory during the three months ended June 30, 2015.

BLACK DIAMOND, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Consolidated Six Months Ended June 30, 2015 Compared to Consolidated Six Months Ended June 30, 2014

The following presents a discussion of consolidated operations for the six months ended June 30, 2015, compared with the consolidated six months ended June 30, 2014.

	Six Months Ended	
	June 30, 2015	**June 30, 2014**
Sales		
Domestic sales	$ 39,090	$ 31,559
International sales	46,252	47,295
Total sales	85,342	78,854
Cost of goods sold	53,487	49,868
Gross profit	31,855	28,986
Operating expenses		
Selling, general and administrative	37,286	38,797
Restructuring charge	1,876	410
Transaction costs	988	-
Total operating expenses	40,150	39,207
Operating loss	(8,295)	(10,221)
Other (expense) income		
Interest expense, net	(1,397)	(1,249)
Other, net	(159)	192
Total other expense, net	(1,556)	(1,057)
Loss before income tax	(9,851)	(11,278)
Income tax benefit	(2,729)	(3,433)
Loss from continuing operations	(7,122)	(7,845)
Discontinued operations, net of tax	-	1,535
Net loss	$ (7,122)	$ (6,310)

Sales

Consolidated sales increased $6,488, or 8.2%, to $85,342 during the six months ended June 30, 2015, compared to consolidated sales of $78,854 during the six months ended June 30, 2014. The increase in sales was primarily attributable to an increase in the quantity of new and existing climb, ski, and wheels products sold during the period, which included additional apparel sold by Black Diamond Equipment. This increase was offset by a decrease in sales of $3,849 during the six months ended June 30, 2015 compared to the prior period due to the weakening of foreign currencies against the U.S. dollar.

Consolidated domestic sales increased $7,531, or 23.9%, to $39,090 during the six months ended June 30, 2015, compared to consolidated domestic sales of $31,559 during the six months ended June 30, 2014. The increase in domestic sales was primarily attributable to an increase in the quantity of new and existing mountain, climb, ski, and wheels products sold during the period, which included additional apparel sold by Black Diamond Equipment.

Consolidated international sales decreased $1,043, or 2.2%, to $46,252 during the six months ended June 30, 2015, compared to consolidated international sales of $47,295 during the six months ended June 30, 2014. The decrease in international sales was primarily attributable to a decrease in sales of $3,849 due to the weakening of foreign currencies against the U.S. dollar during the six months ended June 30, 2015 compared to the prior period. This decrease was offset by an increase in the quantity of new and existing climb and wheels products sold during the period, which included additional apparel sold by Black Diamond Equipment.

Cost of Goods Sold

Consolidated cost of goods sold increased $3,619, or 7.3%, to $53,487 during the six months ended June 30, 2015, compared to consolidated cost of goods sold of $49,868 during the six months ended June 30, 2014. The increase in cost of goods sold was primarily attributable to an increase in sales.

Gross Profit

Consolidated gross profit increased $2,869, or 9.9%, to $31,855 during the six months ended June 30, 2015, compared to consolidated gross profit of $28,986 during the six months ended June 30, 2014. Consolidated gross margin was 37.3% during the six months ended June 30, 2015, compared to a consolidated gross margin of 36.8% during the six months ended June 30, 2014. Consolidated gross margin during the six months ended June 30, 2015, increased compared to the prior year due to a favorable mix in product and channel distribution.

Selling, General and Administrative

Consolidated selling, general, and administrative expenses decreased $1,511, or 3.9%, to $37,286 during the six months ended June 30, 2015, compared to consolidated selling, general, and administrative expenses of $38,797 during the six months ended June 30, 2014. The decrease in selling, general and administrative expenses was attributable to the Company's realization of savings from its restructuring plan implemented during 2014 to realign resources within the organization. The Company anticipates completing the plan during 2015. The decrease was partially offset by termination benefits provided to the Company's former President, Ms. Zeena Freeman, during the six months ended June 30, 2015.

Restructuring Charges

Consolidated restructuring expense increased $1,466, or 357.6%, to $1,876 during the six months ended June 30, 2015, compared to consolidated restructuring expense of $410 during the six months ended June 30, 2014. Restructuring expenses incurred during the six months ended June 30, 2015, related to the write-off of inventory that was directly attributable to the Company's restructuring plan of $700, benefits provided to employees who were or will be terminated due to the Company's reduction-in-force as part of its continued realignment of resources within the organization of $843, and other restructuring costs of $333.

Transaction Costs

Consolidated transaction expense increased to $988 during the six months ended June 30, 2015, compared to consolidated transaction expense of $0 during the six months ended June 30, 2014, which consisted of expenses related to the Company's exploration of a full range of strategic alternatives for each of the Company's brands, Black Diamond, POC and PIEPS.

Interest Expense, net

Consolidated interest expense, net, increased $148, or 11.8%, to $1,397 during the six months ended June 30, 2015, compared to consolidated interest expense, net, of $1,249 during the six months ended June 30, 2014. The increase in interest expense, net, was primarily attributable to higher average outstanding foreign credit debt amounts during the six months ended June 30, 2015, compared to the same period in 2014.

Other, net

Consolidated other, net, decreased to expense of $159 during the six months ended June 30, 2015 compared to consolidated other, net income of $192 during the six months ended June 30, 2014. The decrease in other, net, was primarily attributable to remeasurement losses recognized on the Company's foreign denominated accounts receivable and accounts payable partially offset by a decrease in losses on mark-to-market adjustments on non-hedged foreign currency contracts.

(in thousands, except per share amounts)

Income Taxes

Consolidated income tax benefit decreased $704, or 20.5%, to a benefit of $2,729 during the six months ended June 30, 2015, compared to a consolidated income tax benefit of $3,433 during the same period in 2014. The decrease in tax benefit is due to the decrease in the effective tax rate and decrease in loss before income tax recorded during the six months ended June 30, 2015, compared to the same period in 2014.

Our effective income tax rate was 27.7% for the six months ended June 30, 2015, compared to 30.4% for the same period in 2014. Factors that could cause our annual effective tax rate to differ materially from our quarterly effective tax rates include changes in the geographic mix of taxable income and discrete events that may occur. There were no meaningful discrete events recorded in the Company's effective income tax rate calculation for the six months ended June 30, 2015.

Discontinued Operations

The Company sold the assets and liabilities of Gregory for $84,135 effective July 23, 2014 and as a result we recognized a pre-tax gain of $39,491. Discontinued operations decreased to $0 during the six months ended June 30, 2015, compared to discontinued operations of $1,535 during the six months ended June 30, 2014. There was no activity for Gregory during the six months ended June 30, 2015.

Liquidity and Capital Resources

Consolidated Six months ended June 30, 2015 Compared to Consolidated Six months ended June 30, 2014

The following presents a discussion of cash flows for the consolidated six months ended June 30, 2015, compared with the consolidated six months ended June 30, 2014. Our primary ongoing funding requirements are for working capital, expansion of our operations and general corporate needs, as well as investing activities associated with the expansion into new product categories. We plan to fund our future expansion of operations and investing activities through a combination of our future operating cash flows, revolving credit facilities, and the net proceeds from the GMP Sale. We believe that our liquidity requirements for at least the next 12 months will be adequately covered by existing cash, marketable securities, cash provided by operations and our existing revolving credit facilities. At June 30, 2015, we had total cash of $34,409 and marketable securities of $9,925, compared with a cash balance of $31,034 and marketable securities of $9,902 at December 31, 2014, which was substantially all controlled by the Company's U.S. entities. At June 30, 2015, the Company had $808 of the $34,409 in cash held by foreign entities; however, this cash is available for repatriation without significant tax consequence.

	Six Months Ended	
	June 30, 2015	**June 30, 2014**
Net cash provided by (used in) operating activities	$ 5,858	$ (7,669)
Net cash used in investing activities	(1,554)	(1,378)
Net cash (used in) provided by financing activities	(849)	9,360
Effect of foreign exchange rates on cash	(80)	(186)
Change in cash	3,375	127
Cash, beginning of period	31,034	4,478
Cash, end of period	$ 34,409	$ 4,605

Net Cash From Operating Activities

Consolidated net cash provided by operating activities was $5,858 during the six months ended June 30, 2015, compared to consolidated net cash used in operating activities of $7,669 during the six months ended June 30, 2014. The increase in net cash provided by operating activities during 2015 is primarily due to a decrease in net operating assets or non-cash working capital of $14,810 during the six months ended June 30, 2015, compared to the same period in 2014.

Free cash flow, defined as net cash provided by (used in) operating activities less capital expenditures, was free cash flows provided of $4,230 during the six months ended June 30, 2015 compared to free cash flows used of $9,051 during the same period in 2014. The Company believes that the non-GAAP measure, free cash flow, provides an understanding of the capital required by the Company to expand its asset base. A reconciliation of free cash flows to comparable GAAP financial measures is set forth below:

(in thousands, except per share amounts)

	Six Months Ended	
	June 30, 2015	**June 30, 2014**
Net cash provided by (used in) operating activities	$ 5,858	$ (7,669)
Purchase of property and equipment	(1,628)	(1,382)
Free cash flow	$ 4,230	$ (9,051)

Net Cash From Investing Activities

Consolidated net cash used in investing activities increased by $176 to $1,554 during the six months ended June 30, 2015, compared to consolidated net cash used in investing activities of $1,378 during the six months ended June 30, 2014. The increase in investing activities in the current year relates to additional capital expenditures offset by proceeds received from the disposition of property and equipment.

Net Cash From Financing Activities

Consolidated net cash used in financing activities was $849 during the six months ended June 30, 2015, compared to consolidated cash provided by financing activities of $9,360 during the six months ended June 30, 2014. The cash provided during the six months ended June 30, 2014 was primarily a result of net borrowing on the revolving line of credit of $9,200. The cash used during the six months ended June 30, 2015 was primarily a result of net repayments of revolving credit facilities.

Net Operating Loss

As of December 31, 2014, the Company had net operating loss, research and experimentation credit and alternative minimum tax credit carryforwards for U.S. federal income tax purposes of $167,303 ($294 relates to excess tax benefits related to share based payment compensation, which will not be realized until an income tax payable exists), $1,337 and $56, respectively. The Company believes its U.S. Federal net operating loss (“NOL”) will substantially offset its future U.S. Federal income taxes, excluding the amount subject to U.S. Federal Alternative Minimum Tax (“AMT”). AMT is calculated as 20% of AMT income. For purposes of AMT, a maximum of 90% of income is offset by available NOLs. The majority of the Company’s pre-tax income is currently earned and expected to be earned in the U.S., or taxed in the U.S. as Subpart F income and will be offset with the NOL. $167,303 of net operating losses available to offset taxable income does not expire until 2021 or later, subject to compliance with Section 382 of the Internal Revenue Code of 1986, as amended.

As of December 31, 2014, the Company’s gross deferred tax asset was $73,465. The Company has recorded a valuation allowance of $16,081, resulting in a net deferred tax asset of $57,384, before deferred tax liabilities of $21,644. The Company has provided a valuation allowance against a portion of the net deferred tax assets as of December 31, 2014, because the ultimate realization of those assets does not meet the more likely than not criteria. The ultimate realization of U.S. deferred tax assets is dependent upon the generation of approximately $137,000 of future U.S. taxable income during the periods in which those temporary differences become deductible and net operating loss and credit carryforwards expire; approximately $117,000 of future U.S. taxable income must be generated by 2022 to realize the net recorded deferred tax asset for net operating loss carryforwards.

Revolving Credit Facility

On October 31, 2014, the Company together with its direct and indirect domestic subsidiaries entered into a second amended and restated loan agreement (the “Second Amended and Restated Loan Agreement”) with Zions First National Bank (the “Lender”), which matures on April 1, 2017. Under the Second Amended and Restated Loan Agreement, the Company has a $20,000 revolving line of credit (the “Revolving Line of Credit”) pursuant to a second amended and restated promissory note (revolving loan) (the “Revolving Line of Credit Promissory Note”) and a $10,000 accordion option (the “Accordion”) available to the Company to increase the Revolving Line of Credit on a seasonal or permanent basis for funding general corporate needs including working capital, capital expenditures, permitted loans or investments in subsidiaries, and the issuance of letters of credit. Also pursuant to the Second Amended and Restated Loan Agreement, the Company terminated its outstanding term loan facility which previously allowed the Company to borrow up to $10,000 and certain additional changes were made to the original amended and restated loan agreement and the covenants contained therein.

All debt associated with the Second Amended and Restated Loan Agreement bears interest at one-month London Interbank Offered Rate ("LIBOR") plus an applicable margin as determined by the ratio of Total Senior Debt to Trailing Twelve Month EBITDA as follows: (i) one month LIBOR plus 4.00% per annum at all times that Total Senior Debt to Trailing Twelve Month EBITDA ratio is greater than or equal to 2.00; (ii) one month LIBOR plus 3.00% per annum at all times that Total Senior Debt to Trailing Twelve Month EBITDA ratio is greater than 1.00 and less than 2.00; and (iii) one month LIBOR plus 2.00% per annum at all times that Total Senior Debt to Trailing Twelve Month EBITDA ratio is less than 1.00 or if the Company has cash or marketable securities equal to or greater than $30,000. The Second Amended and Restated Loan Agreement requires the payment of any unused commitment fee of (i) .6% per annum at all times that Total Senior Debt to Trailing Twelve Month EBITDA ratio is greater than or equal to 2.00; (ii) .5% per annum at all times that Total Senior Debt to Trailing Twelve Month EBITDA ratio is greater than 1.00 and less than 2.00; and (iii) .4% per annum at all times that Total Senior Debt to Trailing Twelve Month EBITDA ratio is less than 1.00.

The Second Amended and Restated Loan Agreement contains certain restrictive debt covenants that require the Company and its subsidiaries to maintain an EBITDA based minimum Trailing Twelve Month EBITDA, a minimum net worth, a positive amount of asset coverage, and limitations on capital expenditures all as calculated in the Second Amended and Restated Loan Agreement. In addition, the Second Amended and Restated Loan Agreement contains covenants restricting the Company and its subsidiaries from pledging or encumbering their assets, with certain exceptions, and from engaging in acquisitions other than acquisitions permitted by the Second Amended and Restated Loan Agreement. The Second Amended and Restated Loan Agreement contains customary events of default (with grace periods where customary) including, among other things, failure to pay any principal or interest when due; any materially false or misleading representation, warranty, or financial statement; failure to comply with or to perform any provision of the Second Amended and Restated Loan Agreement; and default on any debt or agreement in excess of certain amounts.

5% Senior Subordinated Notes due May 28, 2017

As part of the consideration payable to the stockholders of Gregory when the Company acquired Gregory, the Company issued $14,517, $7,539, and $554 in 5% Unsecured Subordinated Notes due May 28, 2017 (the "Merger Consideration Subordinated Notes") to Kanders GMP Holdings, LLC, Schiller Gregory Investment Company, LLC, and five former employees of Gregory, respectively. Mr. Warren B. Kanders, the Company's Executive Chairman and a member of its Board of Directors, is a majority member and a trustee of the manager of Kanders GMP Holdings, LLC. The sole manager of Schiller Gregory Investment Company, LLC is Mr. Robert R. Schiller, the Company's Executive Vice Chairman and a member of its Board of Directors. The principal terms of the Merger Consideration Subordinated Notes are as follows: (i) the principal amount is due and payable on May 28, 2017 and is prepayable by the Company at any time; (ii) interest will accrue on the principal amount at the rate of 5% per annum and shall be payable quarterly in cash; (iii) the default interest rate shall accrue at the rate of 10% per annum during the occurrence of an event of default; and (iv) events of default, which can only be triggered with the consent of Kanders GMP Holdings, LLC, are: (a) the default by the Company on any payment due under a Merger Consideration Subordinated Note; (b) the Company's failure to perform or observe any other material covenant or agreement contained in the Merger Consideration Subordinated Notes; or (c) the Company's instituting or becoming subject to a proceeding under the Bankruptcy Code (as defined in the Merger Consideration Subordinated Notes). The Merger Consideration Subordinated Notes are junior to all senior indebtedness of the Company, except that payments of interest continue to be made under the Merger Consideration Subordinated Notes as long as no event of default exists under any senior indebtedness.

Given the below market interest rate for comparably secured notes and the relative illiquidity of the Merger Consideration Subordinated Notes, we have discounted the notes to $8,640, $4,487 and $316, respectively, at the date of acquisition. We are accreting the discount on the Merger Consideration Subordinated Notes to interest expense using the effective interest method over the term of the Merger Consideration Subordinated Notes.

On April 7, 2011, Schiller Gregory Investment Company, LLC transferred its Merger Consideration Subordinated Note in equal amounts to the Robert R. Schiller Cornerstone Trust and the Deborah Schiller 2005 Revocable Trust. On June 24, 2013, the Robert R. Schiller Cornerstone Trust dated September 9, 2010 transferred its Merger Consideration Subordinated Note in the amount of $3,769 to the Robert R. Schiller 2013 Cornerstone Trust dated June 24, 2013. During the three and six months ended June 30, 2015, $182 and $363 in interest was paid to Kanders GMP Holdings, LLC, respectively, and $94 and $188 in interest, respectively, was paid to the Robert R. Schiller 2013 Cornerstone Trust and the Deborah Schiller 2005 Revocable Trust pursuant to the outstanding Merger Consideration Subordinated Notes.

On May 29, 2012 and August 13, 2012, five former employees of Gregory exercised certain sales rights and sold Merger Consideration Subordinated Notes in the aggregate principal amount of approximately $365 to Kanders GMP Holdings, LLC and in the aggregate principal amount of approximately $189 to Schiller Gregory Investment Company, LLC. During the three and six months ended June 30, 2015, $4 and $9 in interest was paid to Kanders GMP Holdings, LLC, respectively, and $3 and $5 in interest, respectively, was paid to Schiller Gregory Investment Company, LLC, pursuant to these outstanding Merger Consideration Subordinated Notes.

Off-Balance Sheet Arrangements

We do not engage in any transactions or have relationships or other arrangements with unconsolidated entities. These include special purpose and similar entities or other off-balance sheet arrangements. We also do not engage in energy, weather or other commodity-based contracts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has not been any material change in the market risk disclosure contained in our Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management carried out an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, its principal executive officer and principal financial officer, respectively, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) as of June 30, 2015, pursuant to Exchange Act Rule 13a-15. Such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the appropriate management on a basis that permits timely decisions regarding disclosure. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures as of June 30, 2015, were effective.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during our fiscal quarter ended June 30, 2015, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Legal Proceedings

The Company is involved in various legal disputes and other legal proceedings that arise from time to time in the ordinary course of business. Based on currently available information, the Company does not believe that it is reasonably possible that the disposition of any of the legal disputes the Company or its subsidiaries is currently involved in will have a material adverse effect upon the Company's consolidated financial condition, results of operations or cash flows. There is a reasonable possibility of loss from contingencies in excess of the amounts accrued by the Company in the accompanying condensed consolidated balance sheets; however, the actual amounts of such possible losses cannot currently be reasonably estimated by the Company at this time. It is possible that, as additional information becomes available, the impact on the Company could have a different effect.

Litigation

The Company is involved in various lawsuits arising from time to time that the Company considers ordinary routine litigation incidental to its business. Amounts accrued for litigation matters represent the anticipated costs (damages and/or settlement amounts) in connection with pending litigation and claims and related anticipated legal fees for defending such actions. The costs are accrued when it is both probable that a liability has been incurred and the amount can be reasonably estimated. The accruals are based upon the Company's assessment, after consultation with counsel (if deemed appropriate), of probable loss based on the facts and circumstances of each case, the legal issues involved, the nature of the claim made, the nature of the damages sought and any relevant information about the plaintiffs and other significant factors that vary by case. When it is not possible to estimate a specific expected cost to be incurred, the Company evaluates the range of probable loss and records the minimum end of the range. Based on current information, the Company believes that the ultimate conclusion of the various pending litigations of the Company, in the aggregate, will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Product Liability

As a consumer goods manufacturer and distributor, the Company faces the risk of product liability and related lawsuits involving claims for substantial money damages, product recall actions and higher than anticipated rates of warranty returns or other returns of goods. The Company is therefore vulnerable to various personal injury and property damage lawsuits relating to its products and incidental to its business.

Based on current information, there are no pending product liability claims and lawsuits of the Company, which the Company believes in the aggregate will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A. of the Company's Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 6. EXHIBITS

Exhibit	Description
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document *
*	Filed herewith
**	Furnished herewith

BLACK DIAMOND, INC.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BLACK DIAMOND, INC.

Date: August 10, 2015

By: */s/ Peter R. Metcalf*
Name: Peter R. Metcalf
Title: Chief Executive Officer
(Principal Executive Officer)

By: */s/ Aaron J. Kuehne*
Name: Aaron J. Kuehne
Title: Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting Officer)

BLACK DIAMOND, INC.

EXHIBIT INDEX

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*	Filed herewith
**	Furnished herewith

BLACK DIAMOND, INC.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Peter R. Metcalf, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Black Diamond, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2015	By:	/s/ Peter R. Metcalf
	Name:	Peter R. Metcalf
	Title:	Chief Executive Officer (Principal Executive Officer)

BLACK DIAMOND, INC.

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Aaron J. Kuehne, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Black Diamond, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2015	By:	/s/ Aaron J. Kuehne
	Name:	Aaron J. Kuehne
	Title:	Chief Financial Officer (Principal Financial Officer)

BLACK DIAMOND, INC.

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Black Diamond, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter R. Metcalf, Chief Executive Officer, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 10, 2015	By:	/s/ Peter R. Metcalf
	Name:	Peter R. Metcalf
	Title:	Chief Executive Officer
		(Principal Executive Officer)

BLACK DIAMOND, INC.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Black Diamond, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Aaron Kuehne, Chief Financial Officer, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: August 10, 2015	By:	/s/ Aaron J. Kuehne
	Name:	Aaron J. Kuehne
	Title:	Chief Financial Officer (Principal Financial Officer)