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

FORM 8-K

**CURRENT REPORT** Pursuant to Section 13 or 15(d) of the **Securities Exchange Act of 1934** 

March 12, 2009 Date of Report (Date of earliest event reported)

# Smith & Wesson Holding Corporation (Exact Name of Registrant as Specified in Charter)

Nevada	001-31552	87-0543688
(State or Other	(Commission File Number)	(IRS Employer
Jurisdiction of Incorporation)		Identification No.)
	0400 D I. A	
	2100 Roosevelt Avenue	
	Springfield, Massachusetts	
	01104	
	(Address of Principal Executive Offices) (Zip Code)	
	(800) 331-0852	
	(Registrant's telephone number, including area code)	
Check the appropriate box below if the Form 8-rovisions (see General Instruction A.2. below):	K filing is intended to simultaneously satisfy the filing obligation:	on of the registrant under any of the following
Written communications pursuant to Rule 42	5 under the Securities Act (17 CFR 230.425)	
Soliciting material pursuant to Rule 14a-12 t	under the Exchange Act (17 CFR 240.14a-12)	
Pre-commencement communications pursua	nt to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2	2(b))
Pre-commencement communications pursuan	nt to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4	(c))

#### Item 2.02. Results of Operations and Financial Condition.

The registrant is furnishing this Report on Form 8-K in connection with the disclosure of information, in the form of the textual information from a press release released on March 12, 2009.

The information in this Report on Form 8-K (including the exhibit) is furnished pursuant to Item 2.02 and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

The registrant does not have, and expressly disclaims, any obligation to release publicly any updates or any changes in the registrant's expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Report on Form 8-K is available on the registrant's website located at www.smith-wesson.com, although the registrant reserves the right to discontinue that availability at any time.

#### Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Shell Company Transactions.

Not applicable.

(d) Exhibits.

Exhibit	
Number	Exhibits

99.1 Press release from Smith & Wesson Holding Corporation, dated March 12, 2009, entitled "Smith & Wesson Holding Corporation Announces Third Quarter Financial Results"

#### **SIGNATURES**

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

#### SMITH & WESSON HOLDING CORPORATION

Date: March 12, 2009 By: /s/ William F. Spengle

By: /s/ William F. Spengler
William F. Spengler
Chief Financial Officer

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	EXHIBIT INDEX							
99.1	Press release from Smith & Wesson Holding Corporation, dated March 12, 2009, entitled "Smith & Wesson Holding Corporation Announces Third Quarter Financial Results"							

#### FOR IMMEDIATE RELEASE

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William F. Spengler, EVP, Chief Financial Officer Smith & Wesson Holding Corp. (413) 747-3304

#### Smith & Wesson Holding Corporation Announces Third Quarter Financial Results

Firearms Sales of \$78.5 Million (+27.5%) Handgun Sales \$61.9 Million (+45%) Net Income \$2.4 Million — EPS of \$0.05

SPRINGFIELD, Mass., March 12, 2009 — Smith & Wesson Holding Corporation (NASDAQ Global Select: SWHC), parent company of Smith & Wesson Corp., the legendary 157-year old company in the global business of safety, security, protection and sport, today announced financial results for its third fiscal quarter ended January 31, 2009.

Net product sales for the three months ended January 31, 2009 were \$83.2 million, a \$17.1 million, or 25.9%, increase over net product sales for the three months ended January 31, 2008. Net income for the third fiscal quarter was \$2.4 million, or \$0.05 per fully diluted share, compared with a net loss of \$1.8 million, or \$0.04 per share, for the comparable quarter last year. Adjusted EBITDAS, a non-GAAP financial measure, was \$9.2 million for the third quarter, compared with \$3.7 million for the third quarter of fiscal 2008.

Total firearms sales for the third quarter were \$78.5 million, an increase of \$16.9 million, or 27.5%, over the third quarter of last year. Pistol sales increased 45.7% to \$24.9 million, driven by continued consumer demand, law enforcement adoption of the M&P polymer pistol line, and strong consumer sales of the Sigma pistol line. Sales of M&P pistols increased 77.1% for the third quarter. M&P tactical rifle sales increased by 111% to \$8.8 million for the third quarter as demand for this product remained strong in both the consumer and law enforcement channels. Total revolver sales were \$22.3 million, an increase of \$7.0 million, or 45.4%, versus the comparable quarter one year ago. Sales of non-firearm accessories, including handcuffs, totaled \$4.7 million, a 4.0% increase over non-firearm accessory sales of \$4.5 million for the third quarter last year. Hunting firearm sales of \$6.7 million represented a decline of \$5.8 million, or 46.4%, from the comparable quarter in the last fiscal year. Hunting products continued to be negatively impacted by a number of factors, including their position in the consumer discretionary marketplace and a distribution channel that is buying cautiously.

Michael F. Golden, President and Chief Executive Officer, said, "I am pleased to report these very positive results for our third fiscal quarter. Our handgun and tactical rifle products have consistently delivered favorable results throughout the past several quarters, and during the third quarter, we experienced significant increases in the consumer demand for these products. Despite continuing weakness in the overall economy, we focused on our strategy to grow our

business in the consumer and the professional channels, and we launched some important new products. At the same time, we addressed recent, very strong demand, for our pistols, revolvers, and tactical rifles. In fact, sales of handguns and tactical rifles into our consumer channel for the third quarter grew 62% over the prior year. We delivered solid profits, and we made significant progress toward bolstering our balance sheet by reducing our inventories and effectively managing our accounts receivable, which resulted in a strengthening of our cash position."

"Sales of M&P pistols continued to be strong throughout the third quarter. During the quarter, we received orders for our M&P pistols from a number of police agencies, including the Raleigh, North Carolina Police Department. To date, over 489 domestic law enforcement agencies have adopted or approved the M&P for duty use. The M&P pistol also continues to penetrate the international market. In the third quarter, we recorded orders for the M&P pistol from Puerto Rico and the M&P was added to the approved officer purchase list by the Lebanese government.

Golden added, "Robust sales of our M&P15 tactical rifles also continued throughout the third quarter, benefitting from heightened demand at the consumer level. We expanded the M&P tactical rifle family with the introduction in January of the M&P15-22 semi-automatic sport rifle. The M&P15-22 has been designed along the same, popular lines as our entire M&P15 family of tactical rifles; yet, it is chambered in the much more economical .22 caliber ammunition. We believe this new product will appeal to consumers seeking an economical alternative in this very popular product category. We continue to win new business in the law enforcement market as well, both domestically and internationally, and in the third quarter we added law enforcement agencies in Miami, North Carolina, and Mexico to the growing list of police departments we serve. To date, over 213 domestic law enforcement agencies have approved or adopted the M&P15 rifle for duty use. Building upon the popularity of the M&P line with law enforcement, we also introduced at SHOT Show the M&P4, a fully automatic capable version of the M&P tactical rifle, designed exclusively for law enforcement and military applications."

Gross profit of \$21.6 million for the third quarter was \$5.0 million, or 29.9%, higher than gross profit for the comparable quarter last year. Gross margins increased to 25.8% from 25.0% for the comparable quarter last year. Gross margins were favorably impacted by full capacity production of handguns and tactical rifles, combined with reduced promotional expense in the quarter. Gains in gross margins were offset by continuing weakness in demand for hunting rifles, which caused lower production levels at the Rochester, New Hampshire facility and led to reductions in labor, underutilized capacity and reduced overhead absorption. In addition, gross margins were also negatively impacted by a \$2.0 million charge for the recall of Walther pistols due to a possible problem recently detected with the hammer block system.

Golden added, "While our hunting business continues to suffer in the current economic environment, the market for hunting rifles in a healthy economy is a sizeable one. In addition, this portion of our business produces barrels for our tactical rifles, products that are clearly in very high demand right now. Finally, the barrel manufacturing expertise we possess via our hunting business defines us as a firearms manufacturer with a full portfolio of products and capabilities, an important distinction when seeking business from the federal government and military markets. For these reasons, we continued to selectively invest in our hunting business

while focusing on reducing its cost structure. During the third quarter, we implemented a reduction in force and a work furlough at our Rochester, New Hampshire factory. At the same time, we launched the T/C Venture bolt-action hunting rifle at this year's SHOT Show. The T/C Venture carries the respected Thompson brand, but at a lower price point, designed to allow us broader penetration of the hunting rifle market. We believe the Thompson/Center brand is uniquely positioned to profitably deliver a broader portfolio of high-quality hunting products at various price points, which will expand our addressable hunting market."

Operating expenses for the third quarter increased by approximately \$699,000, or 4.3%, over the third quarter last year.

The Company ended the current quarter with approximately \$21.3 million of cash without accessing its revolving line of credit. In addition, the Company secured an amendment to its revolving line of credit with TD Bank, which expands the leverage ratio covenant from 3.0 to 3.5 for April 30, 2009 through fiscal 2010, and from 3.0 to 3.25 for fiscal 2011. The effect of this amendment is to provide the Company with incremental borrowing capacity at a future date should the Company elect to access it.

#### **Conference Call**

The Company will host a conference call today, March 12, 2009, to discuss its first quarter results and its outlook. The conference call may include forward-looking statements. The conference call will be Web cast and will begin at 5:00pm Eastern Time (2:00pm Pacific). The live audio broadcast and replay of the conference call can be accessed on the Company's Web site at <a href="https://www.smith-wesson.com">www.smith-wesson.com</a>, under the Investor Relations section. The Company will maintain an audio replay of this conference call on its website for a period of time after the call. No other audio replay will be available.

#### Reconciliation of U.S. GAAP to Adjusted EBITDAS

In this press release, a non-GAAP financial measure, known as "Adjusted EBITDAS" is presented. Adjusted EBITDAS excludes the effects of interest, income taxes, depreciation of tangible fixed assets, amortization of intangible assets, stock-based employee compensation expense and certain other non-cash transactions. From time to time, the Company may also elect to exclude certain significant non-recurring items in order to provide the reader with an improved understanding of underlying performance trends. See the attached "Reconciliation of GAAP Net Income to Adjusted EBITDAS" for a detailed explanation of the amounts excluded and included from net income to arrive at adjusted EBITDAS for the three-month and nine-month periods ended January 31, 2009 and 2008. Adjusted or non-GAAP financial measures provide investors and the Company with supplemental measures of operating performance and trends that facilitate comparisons between periods before, during, and after certain items that would not otherwise be apparent on a GAAP basis. Adjusted financial measures are not, and should not be, viewed as a substitute for GAAP results. Our definition of these adjusted financial measures may differ from similarly named measures used by others.

## SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	For the Three M January 31, 2009	Months Ended: January 31, 2008	For the Nine Months Ended: January 31, 2009 January 31, 2008		
Net product and services sales	\$ 83,160,093	\$ 66,067,310	\$ 233,922,146	\$ 211,254,694	
License revenue	552,259	497,171	1,496,408	1,547,625	
Cost of products and services sold	62,124,455	49,941,651	168,487,024	145,892,463	
Cost of license revenue		3,125		3,125	
Gross profit	21,587,897	16,619,705	66,931,530	66,906,731	
Operating expenses:		· <u> </u>	· <u> </u>		
Research and development	700,455	521,204	2,092,489	1,410,209	
Selling and marketing	7,244,038	6,884,341	22,323,153	20,757,941	
General and administrative	9,063,784	8,904,196	28,972,738	28,086,078	
Impairment of long-lived assets			98,243,188		
Total operating expenses	17,008,277	16,309,741	151,631,568	50,254,228	
Income/(loss) from operations	4,579,620	309,964	(84,700,038)	16,652,503	
Other income/(expense):					
Other income/(expense), net	308,377	(729,072)	(1,258,506)	(552,819)	
Interest income	25,788	15,091	212,695	44,972	
Interest expense	(1,218,819)	(2,354,864)	(4,684,143)	(6,671,673)	
Total other expense, net	(884,654)	(3,068,845)	(5,729,954)	(7,179,520)	
Income/(loss) before income taxes	3,694,966	(2,758,881)	(90,429,992)	9,472,983	
Income tax expense/(benefit)	1,339,614	(951,811)	(18,807,559)	3,647,762	
Net income/(loss)/comprehensive income/(loss)	\$ 2,355,352	\$ (1,807,070)	\$ (71,622,433)	\$ 5,825,221	
Weighted average number of common and common equivalent		10.000.010	40 =00 400	40.000.044	
shares outstanding, basic	47,205,685	40,390,246	46,592,482	40,209,841	
Net income/(loss) per share, basic	\$ 0.05	\$ (0.04)	\$ (1.54)	\$ 0.14	
Weighted average number of common and common equivalent					
shares outstanding, diluted	48,091,426	40,390,246	46,592,482	41,877,639	
Net income/(loss) per share, diluted	\$ 0.05	<u>\$ (0.04)</u>	<u>\$ (1.54)</u>	\$ 0.14	

## SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS As of:

Current sasets		January 31, 2009 (Unaudited)	April 30, 2008
Cash and cash equivalents         \$ 2,1339,717         \$ 4,358,856           Accounts receivable, net of allowance for doubtful accounts of \$1,143,573 on January 31, 2009 and \$1,000,000         42,247,548         \$4,162,936           Inventories         46,107,970         47,159,758           Other current assets         11,23,200         9,947,234           Income tax receivable         12,452,2005         12,117,1486           Property, Jahra and equipment, net         48,816,315         50,607,242           Goodwill         6,083,121         65,500,742           Godwill         949,613         -           Deferred income taxes         949,613         -           Other assets         15,901,732         10,501,755           Current liabilities         11,737,232         10,501,755           Accounts payable         \$ 14,570,989         \$ 21,995,705           Accured expenses         15,390,192         16,610,500           Accured payroll         \$ 7,01,886         5,004,646           Accured payroll         \$ 7,01,886         5,046,446           Accured profit sharing         \$ 1,650,500         42,256           Accured profit sharing         \$ 3,250,250         42,250           Accured profuter liability         \$ 3,242,012         16,	ASSETS	,	
Accounts receivable, not of allowance for doubtful accounts of \$1,143,573 on January 31, 2009         42,247,648         \$4,162,978           Inventories         46,107,970         47,159,788           Other current assets         11,232,209         47,417,878           Deferred income taxes         11,232,200         9,947,221           Income tax receivable         12,452,000         122,171,100           Property, plant and equipment, net         48,416,315         50,620,533           Intangibles, net         9,147,322         10,005,000           Codwill         9,147,322         10,005,000           Other assets         9,147,322         10,005,000           Other assets         19,147,322         10,005,000           College (Contract)         10,147,000         10,000,000           Contract (Contract)         10,000,000         10,000,000           Accorded popular         \$1,500,900         51,000,000           Accounts payable         \$1,500,900         51,000,000           Accured payroll         \$1,000,000         50,000,000           Accured payroll         \$1,000,000         40,000,000           Accured product lability         3,550,200         40,000,000           Accured profuter taxes other than income         2,000,000			
\$196,949 on April 30, 2008         45,107,90         41,629,95           Inventories         46,107,90         47,199,98           Other current assets         3,594,300         4,724,973           Income tax receivable         11,232,200         12,117,406           Property, plant and equipment, net         48,161,315         50,602,825           Intagibles, net         60,83,121         65,500,742           Condwill         949,613         41,73,416           Deferred income taxes         949,613         41,73,416           Other assets         11,817,100         18,911,307         289,705,707           Current liabilities         1,814,710,200         \$ 19,91,302         10,610,504           Accrued expenses         15,390,192         16,610,504           Accrued payroll         \$ 7,91,866         5,046,446           Accrued taxes other than income         2,052,877         1,747,235           Accrued profit sharing         35,90,230         4,035,522           Accrued vikers' compensation         645,000         42,686           Accrued vikers' compensation         645,000         42,686           Accrued vikers' compensation         645,000         42,086           Accrued vikers' compensation         645,000		\$ 21,339,717	\$ 4,358,856
Properties		42,247,648	54,162,936
Deferred income taxes         11,232,209         9,947,234           Income tax receivable         124,522,005         12,171,486           Property, plant and equipment, net         48,163,15         50,629,52           Intangibles, net         6,083,12         65,500,74           Codwill         94,613         −           Other assets         94,613         −           Other assets         9,143,22         10,261,975           CIABILITIES AND STOCKHOLDERS' EUUTS           CIABILITIES AND STOCKHOLDERS' EUUTS           CIAGURIA (S. 18,300,192         16,610,034           Accrued keyenses         15,390,192         16,610,034           Accrued expenses         15,390,192         16,610,034           Accrued lasse other than income         2,055,384         1,472,235           Accrued warenaty         3,550,230         4,352,22           Accrued workers' compensation         46,500         42,268           Accrued workers' compensation         46,150,00         42,268           Accrued workers' compensation         46,100,00         42,268           Accrued workers' compensation         46,100,00         42,268           Accrued workers' compensation         46,250,00         42,268 <t< td=""><td>•</td><td>46,107,970</td><td>47,159,978</td></t<>	•	46,107,970	47,159,978
Total current assers	Other current assets	3,594,380	4,724,973
Total current assets         124,522,005         122,171,486           Property, plant and equipment, net         48,416,315         50,542,953           Loss (Will)         60,603,121         65,500,742           Godwill         94,613         6_7           Deferred income taxes         94,613         6_7           Other asset         9,147,322         10,261,975           LABILITIES AND STOCKHOLDERS' EQUITY           Wernet liabilities           Accounts payable         \$14,570,988         \$1,995,705           Accrued expenses         15,390,192         16,610,504           Accrued payroll         5,701,886         5,046,446           Accrued income taxes         1,015,354         6           Accrued daxes other than income         2,052,877         1,747,235           Accrued workers' compensation         645,000         422,686           Accrued workers' compensation         645,000         422,686           Accrued workers' compensation         3,322,063         9,174,722           Accrued workers' compensation         645,000         422,686           Accrued workers' compensation         645,000         422,686           Accrued workers' compensation         2,324,063         2,767,024 </td <td>Deferred income taxes</td> <td>11,232,290</td> <td>9,947,234</td>	Deferred income taxes	11,232,290	9,947,234
Property, plant and equipment, net Intangibles, net         6,083,121         65,050,742           Goodwill         —         41,73,416           Defered income taxes         949,613         —           Other assets         91,47,322         10,261,975           LABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities           Accounts payable         \$ 14,570,989         \$ 21,995,705           Accrued expenses         15,390,192         16,610,504           Accrued payroll         5,701,886         5,046,446           Accrued profit sharing         2,052,877         1,747,235           Accrued profit sharing         3,550,230         4,035,522           Accrued profit sharing         3,340,63         2,767,024           Accrued profit sharing         3,240,63         2,767,024           Accrued worker's compensation         645,000         422,686           Accrued worker's compensation         3,340,63         2,767,024           Accrued worker's compensation         45,000         42,052           Accrued worker's compensation         45,000         42,012           Accrued worker's compensation	Income tax receivable	_	1,817,509
Briangibles, net         6,083,121         65,500,742           Goodwill         949,613         41,73,416           Defered income taxes         949,613         2,20,505           Other assets         18,118,76         \$287,505,505           LIABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities:           Carcuad expenses         15,390,129         16,610,504           Accrued apenses         15,390,129         16,610,504           Accrued accrued income taxes         1,015,334         -6           Accrued income taxes         1,015,334         -6           Accrued draves other than income         2,052,877         1,747,235           Accrued ware other straining         3,550,230         4,035,522           Accrued workers' compensation         645,000         422,686           Accrued worders' compensation         645,000         422,686           Accrued warranty         3,342,012         1,917,242           Deferred revenue         3,342,012         6,940,000           Total current liabilities         3,342,012         6,340,005           Deferred income taxes         3,342,012         6,340,005           Other polytien of current portion         6,340,005         6,340,005 </td <td>Total current assets</td> <td>124,522,005</td> <td>122,171,486</td>	Total current assets	124,522,005	122,171,486
Briangibles, net         6,083,121         65,500,742           Goodwill         949,613         41,73,416           Defered income taxes         949,613         2,20,505           Other assets         18,118,76         \$287,505,505           LIABILITIES AND STOCKHOLDERS' EQUITY           Current liabilities:           Carcuad expenses         15,390,129         16,610,504           Accrued apenses         15,390,129         16,610,504           Accrued accrued income taxes         1,015,334         -6           Accrued income taxes         1,015,334         -6           Accrued draves other than income         2,052,877         1,747,235           Accrued ware other straining         3,550,230         4,035,522           Accrued workers' compensation         645,000         422,686           Accrued worders' compensation         645,000         422,686           Accrued warranty         3,342,012         1,917,242           Deferred revenue         3,342,012         6,940,000           Total current liabilities         3,342,012         6,340,005           Deferred income taxes         3,342,012         6,340,005           Other polytien of current portion         6,340,005         6,340,005 </td <td>Property, plant and equipment, net</td> <td></td> <td></td>	Property, plant and equipment, net		
Godwill Deferred income taxes         44,173,416           Deferred income taxes         949,613         — 1,261,175           Other assets         9,147,322         2,187,105           LIABILITIES AND STOCKHOLDER'S LUTIVE           Current liabilities           Accounts payable         \$14,570,989         \$21,995,705           Accrued apyroll         15,390,129         16,105,504           Accrued payroll         5,701,886         5,046,446           Accrued income taxes         1,015,334         — 6           Accrued taxes other than income         2,052,877         1,747,235           Accrued workers' compensation         645,000         422,686           Accrued warranty         3,234,683         2,767,000           Deferred revenue         3,362,65         8,919,640           Total current liabilities         5,142,792         63,449,056           Dieterred revenue         3,42,102         1,473,338           Otes payable, ent of current portion         2,152,000         1,452,339			
Defered income taxes         949.613         — 0           Other assets         91,417,322         32,875,075.07           LIABILITIES AND STOCKHOLDEN' EQUITY           Comment liabilities           Accounts payable         \$1,4570,989         \$1,995,705           Accrued expenses         15,390,192         16,610,504           Accrued payroll         5,701,866         5,046,46           Accrued care on than income         2,052,877         1,747,235           Accrued profit sharing         3,550,230         40,355,222           Accrued workers' compensation         65,00,200         422,686           Accrued workers' compensation         3,324,003         2,676,024           Accrued workers' compensation         3,322,003         3,935,023           Accrued workers' compensation         3,322,005         8,919,640           Accrued workers' compensation         3,362,05         8,919,640           Accrued workers' compensation         53,427,90         63,440,00           Defered tevenue         19,792         21,555           Current portion of notes payable         3,362,05         8,919,640           Total current liabilities         10,736,27         3,460,761           Other point current liabilities			
Transparent liabilities   Transparent liab	Deferred income taxes	949,613	
Current liabilities:   Accounts payable   \$14,570,989   \$21,995,705     Accrued expenses   15,390,192   16,610,504     Accrued payroll   5,701,886   5,046,446     Accrued income taxes   1,015,354	Other assets	9,147,322	10,261,975
Current liabilities:   Accounts payable   \$14,570,989   \$21,995,705     Accrued expenses   15,390,192   16,610,504     Accrued payroll   5,701,886   5,046,446     Accrued income taxes   1,015,354     Accrued trains income taxes   1,015,354     Accrued profit sharing   2,052,877   1,747,235     Accrued profit sharing   3,550,230   4,035,522     Accrued workers' compensation   645,000   422,686     Accrued product liability   3,234,663   2,767,024     Accrued warranty   3,422,012   1,691,742     Deferred revenue   197,924   212,552     Current portion of notes payable   3,362,265   8,919,640     Total current liabilities   53,142,792   63,449,056     Deferred income taxes   10,736,247   9,460,761     Commitments and contingencies   2,0216,239     Notes payable, net of current portion   84,215,902   118,773,987     Commitments and contingencies   10,736,247   9,460,761     Commitments and contingencies   2,000,000 shares authorized, no shares issued or outstanding   -   -   -     Common stock, \$0.01 par value, 20,000,000 shares authorized, 48,407,859 shares issued and 47,207,859     Shares outstanding on January 31, 2009 and 41,832,039 shares issued and 47,207,859     Additional paid-in capital   88,916,484   54,127,721     Retained earnings/(accumulated deficit)   41,618,107   30,004,326     Accumulated other comprehensive income   72,651   72,651     Treasury stock, at cost (1,200,000 common shares)   6,596,000     Total stockholders' equity   41,033,35   77,850,529		\$ 189,118,376	\$289,750,572
Current liabilities         \$ 14,570,985         \$ 21,995,705           Accounts payable         \$ 14,570,981         \$ 21,995,705           Accrued expenses         15,300,192         16,610,504           Accrued income taxes         1,015,354         ——           Accrued claxes other than income         2,052,877         1,747,235           Accrued profit sharing         3,550,230         4,035,522           Accrued workers' compensation         645,000         422,686           Accrued product liability         3,234,063         2,762,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,916,404           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         2         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         3,006,001         1,007,624         9,460,761           Commitments and contingencies         2         2         2           Stockholders' equity         4         4,407,859         4,407,859         4,407,859         4,407,859	I JARII ITIES AND STOCKHOI DERS' FOUITV	<del></del>	+,,-
Accounts payable         \$ 14,570,989         \$ 21,995,705           Accrued expenses         15,390,192         16,610,504           Accrued payroll         5,701,886         5,046,446           Accrued income taxes         1,015,354         —           Accrued taxes other than income         2,052,877         1,747,235           Accrued workers' compensation         645,000         422,686           Accrued workers' compensation         645,000         422,686           Accrued product liability         3,234,063         2,767,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,994         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Other non-current liabilities         48,415,002         118,73,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         —         —         —           Stockholders' equity         —         —         —         —           Common stock, S.001 par value, 20,000,000 shares authorized, no sha			
Accrued expenses         15,390,192         16,610,504           Accrued payroll         5,701,886         5,046,446           Accrued income taxes         1,015,354         ——           Accrued taxes other than income         2,052,877         1,747,235           Accrued profit sharing         3,550,230         4,035,522           Accrued product liability         3,234,063         2,767,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         5,3142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         5         —         —           Stockholders' equity         —         —         —           Preferred stock, \$.001 par value, 20,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         —         —           Shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008		\$ 14,570,989	\$ 21,995,705
Accrued payroll         5,701,886         5,046,446           Accrued income taxes         1,015,354         —           Accrued taxes other than income         2,052,877         1,747,235           Accrued profit sharing         3,550,230         4,035,522           Accrued workers' compensation         645,000         422,686           Accrued workers' compensation         3,234,063         2,767,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         Stockholders' equity:         —         —           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         48,407         41,831           Additional paid-in capital			
Accrued income taxes         1,015,354         —           Accrued taxes other than income         2,052,877         1,747,235           Accrued profit sharing         3,550,230         4,035,522           Accrued workers' compensation         645,000         422,686           Accrued product liability         3,234,063         2,767,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         —         —           Stockholders' equity         —         —           Preferred stock, \$.001 par value, 20,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         48,407         41,831           Additional paid-in capital         88,916,484         54,127,721           Retained earnings/(accumulated deficit)         (41,618,107)         30,004,326           Accum			
Accrued taxes other than income         2,052,877         1,747,235           Accrued profit sharing         3,550,230         4,035,522           Accrued workers' compensation         645,000         422,686           Accrued product liability         3,234,063         2,767,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         Stockholders' equity         —         —           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         48,407         41,831           Additional paid-in capital         88,916,484         54,127,721           Retained earnings/(accumulated deficit)         (41,618,107)         30,004,326			_
Accrued profit sharing         3,550,230         4,035,522           Accrued workers' compensation         645,000         422,686           Accrued product liability         3,234,063         2,767,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         18,739,887           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         —         —         —           Stockholders' equity:         —         —         —         —         —           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         —         —         —         —         —         —         —         —         —         —         —         —         —         —         —<	Accrued taxes other than income		1,747,235
Accrued workers' compensation         645,000         422,686           Accrued product liability         3,234,063         2,767,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         —         —           Stockholders' equity:         —         —           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         48,407         41,831           Additional paid-in capital         88,916,484         54,127,721           Retained earnings/(accumulated deficit)         (41,618,107)         30,004,326           Accumulated other comprehensive income         72,651         72,651           Treasury stock, at cost (1,200,000 common shares) </td <td>Accrued profit sharing</td> <td></td> <td></td>	Accrued profit sharing		
Accrued product liability         3,234,063         2,767,024           Accrued warranty         3,422,012         1,691,742           Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         —         —         —           Stockholders' equity:         —         —         —         —           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding         48,407         41,831           Additional paid-in capital         88,916,484         54,127,721         84,4107         41,831           Actional paid-in capital         88,916,484         54,127,721         84,410         41,631         40,043,452         41,631	Accrued workers' compensation	645,000	422,686
Deferred revenue         197,924         212,552           Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         Stockholders' equity:         Stockholders' equity:           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008         48,407         41,831           Additional paid-in capital         88,916,484         54,127,721           Retained earnings/(accumulated deficit)         (41,618,107)         30,004,326           Accumulated other comprehensive income         72,651         72,651           Treasury stock, at cost (1,200,000 common shares)         (6,396,000)         (6,396,000)           Total stockholders' equity         41,023,435         77,850,529	Accrued product liability	3,234,063	2,767,024
Current portion of notes payable         3,362,265         8,919,640           Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         —         —           Stockholders' equity:         —         —         —           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         Shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008         48,407         41,831           Additional paid-in capital         88,916,484         54,127,721           Retained earnings/(accumulated deficit)         (41,618,107)         30,004,326           Accumulated other comprehensive income         72,651         72,651           Treasury stock, at cost (1,200,000 common shares)         (6,396,000)         (6,396,000)           Total stockholders' equity         41,023,435         77,850,529	Accrued warranty	3,422,012	1,691,742
Total current liabilities         53,142,792         63,449,056           Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         Stockholders' equity:         Stockholders' equity:         Stockholders' equity:         —         <	Deferred revenue	197,924	212,552
Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         Stockholders' equity:           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008         48,407         41,831           Additional paid-in capital         88,916,484         54,127,721           Retained earnings/(accumulated deficit)         (41,618,107)         30,004,326           Accumulated other comprehensive income         72,651         72,651           Treasury stock, at cost (1,200,000 common shares)         (6,396,000)         (6,396,000)           Total stockholders' equity         41,023,435         77,850,529	Current portion of notes payable	3,362,265	8,919,640
Deferred income taxes         —         20,216,239           Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         ****           Stockholders' equity:         ****         ****           Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding         —         —           Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859         ****         ****           shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding         48,407         41,831           Additional paid-in capital         88,916,484         54,127,721           Retained earnings/(accumulated deficit)         (41,618,107)         30,004,326           Accumulated other comprehensive income         72,651         72,651           Treasury stock, at cost (1,200,000 common shares)         (6,396,000)         (6,396,000)           Total stockholders' equity         41,023,435         77,850,529	Total current liabilities	53,142,792	63,449,056
Notes payable, net of current portion         84,215,902         118,773,987           Other non-current liabilities         10,736,247         9,460,761           Commitments and contingencies         **** Stockholders' equity:	Deferred income taxes		20,216,239
Other non-current liabilities       10,736,247       9,460,761         Commitments and contingencies       Stockholders' equity:         Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding       —       —         Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859       —       —         shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008       48,407       41,831         Additional paid-in capital       88,916,484       54,127,721         Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529	Notes payable, net of current portion	84.215.902	118,773,987
Commitments and contingencies         Stockholders' equity:       Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding       —       —         Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859       —         shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008       48,407       41,831         Additional paid-in capital       88,916,484       54,127,721         Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529			
Stockholders' equity:         Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding       —       —         Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859       shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008       48,407       41,831         Additional paid-in capital       88,916,484       54,127,721         Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529		10,750,247	3,400,701
Preferred stock, \$.001 par value, 20,000,000 shares authorized, no shares issued or outstanding       —       —         Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859 shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008       48,407       41,831         Additional paid-in capital       88,916,484       54,127,721         Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529			
Common stock, \$.001 par value, 100,000,000 shares authorized, 48,407,859 shares issued and 47,207,859 shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008       48,407       41,831         Additional paid-in capital       88,916,484       54,127,721         Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529		_	_
shares outstanding on January 31, 2009 and 41,832,039 shares issued and 40,632,039 shares outstanding on April 30, 2008       48,407       41,831         Additional paid-in capital       88,916,484       54,127,721         Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529			
on April 30, 2008       48,407       41,831         Additional paid-in capital       88,916,484       54,127,721         Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529			
Additional paid-in capital       88,916,484       54,127,721         Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529		48.407	41.831
Retained earnings/(accumulated deficit)       (41,618,107)       30,004,326         Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529	•		
Accumulated other comprehensive income       72,651       72,651         Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529			
Treasury stock, at cost (1,200,000 common shares)       (6,396,000)       (6,396,000)         Total stockholders' equity       41,023,435       77,850,529			
Total stockholders' equity 41,023,435 77,850,529			
	· · · · · · · · · · · · · · · · · · ·		
ψ 100,110,070 ψ200,700,072	• •	\$ 189,118,376	\$289,750,572

## SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDAS (Unaudited)

	For the Three Months Ended January 31, 2009:			For the Three Months Ended January 31, 2008:		
	GAAP	Adjustments	Adjusted	GAAP	Adjustments	Adjusted
Net product and services sales	\$83,160,093		\$83,160,093	\$66,067,310		\$66,067,310
License revenue	552,259		552,259	497,171		497,171
Cost of products and services sold	62,124,455	(3,858,002)(7)	58,266,453	49,941,651	(1,609,254)(1)	48,332,397
Cost of license revenue	_			3,125		3,125
Gross profit	21,587,897	\$ 3,858,002	25,445,899	16,619,705	\$ 1,609,254	18,228,959
Operating expenses:						
Research and development	700,455	(19,550)(1)	680,905	521,204	(15,803) (1)	505,401
Selling and marketing	7,244,038	(40,256)(1)	7,203,782	6,884,341	(33,570)(1)	6,850,771
General and administrative	9,063,784	(787,425) (2)	8,276,359	8,904,196	(2,316,352)(2)	6,587,844
Total operating expenses	17,008,277	(847,231)	16,161,046	16,309,741	(2,365,725)	13,944,016
Income/(loss) from operations	4,579,620	4,705,233	9,284,853	309,964	3,974,979	4,284,943
Other income/(expense):	· <u> </u>				·	
Other income/(expense), net	308,377	(414,129)(4)	(105,752)	(729,072)	131,952 (4)	(597,120)
Interest income	25,788		25,788	15,091		15,091
Interest expense	(1,218,819)	1,218,819 (5)	0	(2,354,864)	2,354,864 (5)	0
Total other expense, net	(884,654)	804,690	(79,964)	(3,068,845)	2,486,816	(582,029)
Income/(loss) before income taxes	3,694,966	5,509,923	9,204,889	(2,758,881)	6,461,795	3,702,914
Income tax expense/(benefit)	1,339,614	(1,339,614) (6)	0	(951,811)	951,811 (6)	0
Net income/(loss)/comprehensive						
income/(loss)	\$ 2,355,352	\$ 6,849,537	\$ 9,204,889	\$ (1,807,070)	\$ 5,509,984	\$ 3,702,914

<sup>(1)</sup> To eliminate depreciation expense.

## SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDAS (Unaudited)

	For the Nine Months Ended January 31, 2009:			For the Nine Months Ended January 31, 2008:			
	GAAP	Adjustments	Adjusted	GAAP	Adjustments	Adjusted	
Net product and services sales	\$233,922,146		\$233,922,146	\$211,254,694		\$ 211,254,694	
License revenue	1,496,408		1,496,408	1,547,625		1,547,625	
Cost of products and services sold	168,487,024	(7,645,834) (7)	160,841,190	145,892,463	(4,715,181)(1)	141,177,282	
Cost of license revenue				3,125		3,125	
Gross profit	66,931,530	\$ 7,645,834	74,577,364	66,906,731	\$ 4,715,181	71,621,912	
Operating expenses:							
Research and development	2,092,489	(63,832) (1)	2,028,657	1,410,209	(21,559)(1)	1,388,650	
Selling and marketing	22,323,153	(123,305)(1)	22,199,848	20,757,941	(102,390)(1)	20,655,551	
General and administrative	28,972,738	(5,173,031) (2)	23,799,707	28,086,078	(7,385,861)(2)	20,700,217	
Impairment of long-lived assets	98,243,188	(98,243,188) (3)	0			0	
Total operating expenses	151,631,568	(103,603,356)	48,028,212	50,254,228	(7,509,810)	42,744,418	
Income/(loss) from operations	(84,700,038)	111,249,190	26,549,152	16,652,503	12,224,991	28,877,494	
Other income/(expense):							
Other income/(expense), net	(1,258,506)	453,258 (4)	(805,248)	(552,819)	159,777 (4)	(393,042)	
Interest income	212,695		212,695	44,972		44,972	
Interest expense	(4,684,143)	4,684,143 (5)	0	(6,671,673)	6,671,673 (5)	0	
Total other expense, net	(5,729,954)	5,137,401	(592,553)	(7,179,520)	6,831,450	(348,070)	
Income/(loss) before income taxes	(90,429,992)	116,386,591	25,956,599	9,472,983	19,056,441	28,529,424	
Income tax expense/(benefit)	(18,807,559)	18,807,559 (6)	0	3,647,762	(3,647,762)(6)	0	
Net income/(loss)/comprehensive							
income/(loss)	\$ (71,622,433)	\$ 97,579,032	\$ 25,956,599	\$ 5,825,221	\$22,704,203	\$ 28,529,424	

<sup>(2)</sup> To eliminate depreciation, amortization, stock-based compensation expense. To also remove impact of Walther PPK recall on profit sharing.

<sup>(3)</sup> To eliminate write down of long-lived assets.

<sup>(4)</sup> To eliminate unrealized mark-to-market adjustments on foreign exchange contracts.

<sup>5)</sup> To eliminate interest expense.

<sup>(6)</sup> To eliminate income tax expense.

<sup>(7)</sup> To eliminate depreciation expense and impact of Walther PPK recall.