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

FORM 8-K/A
(Amendment No. 1)

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

Date of Report (Date of earliest event reported): December 11, 2014

SMITH & WESSON HOLDING CORPORATION
(Exact Name of Registrant as Specified in Charter)

Nevada	**001-31552**	**87-0543688**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

2100 Roosevelt Avenue	
Springfield, Massachusetts	**01104**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (800) 331-0852

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

This Current Report on Form 8-K/A amends the Current Report on Form 8-K, dated December 11, 2014, filed by Smith & Wesson Holding Corporation on December 12, 2014 (the "Original Report"). The Original Report was filed to report the completion of Smith & Wesson Holding Corporation's acquisition of Battenfeld Acquisition Company Inc., including its wholly owned subsidiary, Battenfeld Technologies, Inc. In response to parts (a) and (b) of Item 9.01 of the Original Report, Smith & Wesson Holding Corporation stated that it would file the required financial information by amendment, as permitted by Items 9.01(a)(4) and 9.01(b)(2) of Form 8-K. Smith & Wesson Holding Corporation hereby amends the Original Report in order to provide the required financial information.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Business Acquired.*

The historical audited consolidated financial statements of Battenfeld Acquisition Company Inc. for the year ended December 31, 2013 and the historical unaudited consolidated financial statements of Battenfeld Acquisition Company Inc. for the three and nine months ended September 30, 2014 and 2013, are filed herewith as Exhibit 99.1 and are incorporated herein by reference.

(b) *Pro Forma Financial Information.*

The unaudited pro forma consolidated combined balance sheet of Smith & Wesson Holding Corporation as of October 31, 2014 and the unaudited pro forma consolidated combined statements of income of Smith & Wesson Holding Corporation for the year ended April 30, 2014 and for the six months ended October 31, 2014, giving effect to the acquisition of Battenfeld Acquisition Company Inc., including its wholly owned subsidiary, Battenfeld Technologies, Inc., are filed herewith as Exhibit 99.2 and are incorporated herein by reference.

(c) *Shell Company Transactions.*

Not applicable.

(d) *Exhibits.*

Exhibit Number	Exhibits
23.1	Consent of BKD, LLP
99.1	The historical audited consolidated financial statements of Battenfeld Acquisition Company Inc. for the year ended December 31, 2013 and the historical unaudited consolidated financial statements of Battenfeld Acquisition Company Inc. for the three and nine months ended September 30, 2014 and 2013
99.2	The unaudited pro forma consolidated combined financial statements of Smith & Wesson Holding Corporation for the year ended April 30, 2014 and for the six months ended October 31, 2014, giving effect to the acquisition of Battenfeld Acquisition Company Inc., including its wholly owned subsidiary, Battenfeld Technologies, Inc.

SIGNATURES

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

Date: February 26, 2015

SMITH & WESSON HOLDING CORPORATION

By: */s/ Jeffrey D. Buchanan*
Jeffrey D. Buchanan
Executive Vice President, Chief Financial Officer, and Treasurer

EXHIBIT INDEX

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements of Smith & Wesson Holding Corporation on Forms S-8 (Nos. 333-87748, 333-87750, 333-128804, 333-180057, 333-193001 and 333-193003) and S-3 (Nos. 333-130634 and 333-141231) of our report dated February 23, 2015, on our audit of the consolidated financial statements of Battenfeld Acquisition Company Inc. as of and for the year ended December 31, 2013, which report is included in Amendment No. 1 to Current Report on Form 8-K.

/s/ BKD, LLP

Indianapolis, Indiana
February 26, 2015

Exhibit 99.1

Financial Statements
Battenfeld Acquisition Company Inc.
December 31, 2013

Battenfeld Acquisition Company Inc.

Auditor’s Report and Consolidated Financial Statements

December 31, 2013

Battenfeld Acquisition Company Inc.
December 31, 2013

Contents

Independent Auditor's Report

Board of Directors
Battenfeld Acquisition Company Inc.
Columbia, Missouri

We have audited the accompanying consolidated financial statements of Battenfeld Acquisition Company Inc. and its subsidiary, which comprise the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of income, stockholder's equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Battenfeld Acquisition Company Inc. and its subsidiary as of December 31, 2013, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ BKD, LLP

Indianapolis, Indiana
February 23, 2015

Battenfeld Acquisition Company Inc.
Consolidated Balance Sheet
December 31, 2013

		2013
Assets		
Current Assets		
Cash	$ 1,233,219	
Accounts receivable, net of allowance of $145,000	3,874,639	
Inventories	10,719,552	
Income taxes refundable	393,137	
Deferred tax asset	577,630	
Prepaid expenses and other	366,758	
Total current assets		$17,164,935
Property and Equipment, net		1,685,121
Deferred Tax Asset		378,783
Other Assets		
Goodwill	12,944,380	
Trademarks and other intangibles, net	20,077,640	
Other assets, net	489,196	
Deferred finance costs, net	348,069	
		33,859,285
		$53,088,124
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	$ 772,085	
Accrued expenses and other liabilities	1,495,861	
Current maturities of long-term debt	2,219,017	
Total current liabilities		$ 4,486,963
Long-Term Debt		20,609,375
Stockholder's Equity		
Common stock, $0.001 par value; authorized 1,000 shares, issued and outstanding 100 shares	1	
Additional paid-in capital	24,239,999	
Retained earnings	3,751,786	
Total stockholder's equity		27,991,786
		$53,088,124

See Notes to Consolidated Financial Statements

Battenfeld Acquisition Company Inc.
Consolidated Statement of Income
Year Ended December 31, 2013

		2013
Net Sales		$43,807,742
Cost of Material Sold		22,964,029
Gross Profit		20,843,713
Operating Expenses		
Selling, general and administrative	$10,564,294	
Depreciation and amortization	3,118,798	
		13,683,092
Income From Operations		7,160,621
Interest Expense		(2,055,661)
Income Before Income Tax Expense		5,104,960
Income Tax Expense		1,876,995
Net Income		$ 3,227,965

See Notes to Consolidated Financial Statements

Battenfeld Acquisition Company Inc.
Consolidated Statement of Stockholder's Equity
Year Ended December 31, 2013

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance, January 1, 2013	$ 1	$24,239,999	$ 523,821	$24,763,821
Net income	—	—	3,227,965	3,227,965
Balance, December 31, 2013	$ 1	$24,239,999	$3,751,786	$27,991,786

See Notes to Consolidated Financial Statements

Battenfeld Acquisition Company Inc.
Consolidated Statement of Cash Flows
Year Ended December 31, 2013

		2013
Operating Activities		
Net income	$ 3,227,965	
Items not requiring (providing) cash		
Depreciation	455,770	
Amortization of intangible assets	2,663,028	
Loss an sale of property and equipment	238	
Amortization of deferred finance cost—(interest expense)	263,457	
Deferred interest expense (PIK)	177,803	
Deferred income taxes	(277,807)	
Changes in		
Accounts receivable	142,329	
Inventories	(3,287,229)	
Accounts payable and other payables	108,835	
Prepaids and other assets	(159,887)	
Accrued expenses	512,516	
Accrued income taxes	(1,282,198)	
Net cash provided by operating activities		$ 2,544,820
Investing Activities		
Purchase of property and equipment	(462,145)	
Deposits made for property and equipment	(282,286)	
Patent cost paid	(117,083)	
Cash paid for business acquisition, net of cash acquired	(395,222)	
Net cash used in investing activities		(1,256,736)
Financing Activities		
Net increase in line of credit	2,100,000	
Proceeds from term note	8,108,618	
Finance cost paid	(60,000)	
Principal payments on long-term debt	(11,863,850)	
Principal payments on capital lease obligations	(60,775)	
Net cash used in financing activities		(1,776,007)
Decrease in Cash		(487,923)
Cash, Beginning of Period		1,721,142
Cash, End of Period		$ 1,233,219
Supplemental Cash Flows Information		
Interest paid		$ 1,566,044

See Notes to Consolidated Financial Statements

Battenfeld Acquisition Company Inc.
Notes to Consolidated Financial Statements
December 31, 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Battenfeld Acquisition Company Inc. (Company) was formed on May 24, 2012 for the purpose of effecting the acquisition of Battenfeld Technologies, Inc. The Company is a wholly owned subsidiary of Clearview Battenfeld Acquisition Company, LLC (Parent). Effective June 8, 2012 (Acquisition Date), the Company acquired 100% of the outstanding stock of Battenfeld Technologies, Inc. The acquisition was led by the Parent's primary investor, Clearview Capital, LLC and affiliates (Clearview).

The Company and its wholly owned subsidiary are located in Columbia, Missouri. The Company designs, manufactures and sells shooting supplies and accessories under several branded names. Sales are made to retailers, distributors and dealers of these products throughout the United States and Canada.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Battenfeld Technologies, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

At December 31, 2013, cash consisted primarily of deposit accounts with banks. At December 31, 2013, the Company's cash accounts exceeded federally insured limits by approximately $1,159,000.

Accounts Receivable

Accounts receivable are stated at the amount owed by customers. The Company provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 30 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Inventories

Inventories consist primarily of purchased components, material in transit and prepaid inventory, and finished goods. Inventories are stated at the lower of cost or market. Cost is determined using the first in, first out (FIFO) method.

Property and Equipment

Property and equipment are depreciated over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements. Annual depreciation is primarily computed using the straight-line depreciation method.

Goodwill

Goodwill is evaluated annually for impairment or more frequently if impairment indicators are present. A qualitative assessment is performed to determine whether the existence of events or circumstances leads to a determination that it is more likely than not the fair value is less than the carrying amount of goodwill. If, based on the evaluation, it is determined to be more likely than not that the fair value is less than the carrying value, then goodwill is tested further for impairment. If the implied fair value of goodwill is lower than its carrying amount, goodwill impairment is indicated and goodwill is written down to its implied fair value. Subsequent increases in goodwill value are not recognized in the consolidated financial statements.

Other Intangible Assets

The Company has other intangible assets including trademarks, noncompete agreements, customer relationships, patents and other intangibles. Amortization for these items is computed using the straight-line method with lives ranging from 3 to 10 years. Such assets are periodically evaluated as to the recoverability of their carrying values.

Revenue Recognition

Revenue from the sale of the Company’s products is recognized when products are shipped to customers.

Shipping and Handling Costs

The Company records charges for shipping and handling costs billed to customers as sales and records costs incurred by the Company as costs of goods sold.

Customer Incentives and Rebates

The Company provides various sales incentive programs to customers including volume rebates and payment discounts. The Company charges revenue for the amount of incentives and rebates allowed and accrues the amount based on customer sales, historic experience and the specific terms of the agreements. As of December 31, 2013, $280,440 was accrued for customer incentives and rebates with an additional $80,000 accrued at December 31, 2013 as part of the Company's trade receivables reserve.

Foreign Assets

The Company sources products from various vendors in China to be manufactured. In conjunction with the sourcing, the Company provides product tooling to the vendors. At December 31, 2013, the tooling held at vendors in China totaled $948,672, net of accumulated depreciation.

Deferred Finance Costs

Deferred finance costs incurred in connection with the Company's credit facilities are capitalized and amortized over the term of the respective agreements. During the year ended December 31, 2013, the Company incurred $60,000 in financing costs related to debt agreements.

Taxes Collected From Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying consolidated balance sheet on a net basis.

Income Taxes and Uncertain Tax Positions

The Company is subject to federal and state income taxes. Deferred tax assets and liabilities are recognized for the tax effects of differences between the financial statements and tax bases of assets and liabilities of the subsidiary. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that a deferred tax asset will not be realized.

The Company recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, after considering if it is more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the consolidated financial statements is the largest amount expected to be realized upon settlement with the tax authority. As of December 31, 2013, the Company had no material uncertain tax positions. With a few exceptions, the Company is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2010.

Note 2: Business Combinations

Effective May 8, 2013, the Company entered into an asset purchase agreement with Buenger Enterprises to acquire the assets of its Goldenrod Dehumidifiers ("Goldenrod") division for total consideration of approximately $395,000. The Company purchased Goldenrod as part of the overall investment strategy of its investor group, which considered several factors including industry growth and niche market presence.

The purchase price has been allocated to the assets acquired based on their fair values at the date of acquisition. The consideration paid for the goodwill was primarily attributable to the expected future cash flows and growth of the business. All goodwill is deductible for income tax purposes. The following table summarizes the consideration paid in addition to the assets acquired at the transaction date.

Fair Value of Consideration	
Cash paid to shareholders and representatives	$395,222
Recognized amounts of identifiable assets acquired and liabilities assumed	
Assets Acquired	
Inventories	15,222
Prepaid expenses and other	5,000
Trademark and other intangible assets	275,000
Total assets	295,222
Goodwill	$100,000

Note 3: Inventories

Inventories consist of the following at December 31, 2013:

	2013
Purchased components and packaging material	$ 1,835,619
Material in-transit and prepaid inventory	1,575,528
Finished goods (purchased and assembled products)	7,608,405
	11,019,552
Obsolescence reserve	(300,000)
Total	$10,719,552

Note 4: Property and Equipment

Property and equipment consists of the following at December 31, 2013:

	2013
Leasehold improvements	$ 75,488
Machinery, equipment and vendor tooling	2,105,647
Furniture and fixtures	182,138
Total cost	2,363,273
Accumulated depreciation	(678,152)
Total	$1,685,121

Note 5: Intangible Assets

The carrying basis and accumulated amortization of recognized intangible assets at December 31, 2013 were:

	2013			
	Average Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Amortized intangible assets				
Trade names	10.0	$ 7,183,000	$1,132,725	$ 6,050,275
Noncompete agreements	3.0	713,000	353,389	359,611
Customer relationships	10.0	2,633,000	405,433	2,227,567
Patents and technology	9.6	13,572,000	2,238,438	11,333,562
Other intangibles	4.0	167,000	60,375	106,625
		$24,268,000	$4,190,360	$20,077,640

The weighted-average amortization period is 9.6 years. Amortization expense related to the intangible assets for the year ended December 31, 2013 was $2,658,517. Estimated amortization expense for each of the following five years is:

2014	$2,674,767
2015	2,559,044
2016	2,418,475
2017	2,395,350
2018	2,395,350

Goodwill increased during 2013 by $100,000 as a result of the Goldenrod business acquisition discussed in Note 2.

Note 6: Long-Term Debt

At December 31, 2012, the Company had a senior credit facility with a bank that provided $6,000,000 under a revolving credit facility and $16,000,000 under a term loan facility. In conjunction with the pay-off of the senior subordinated note discussed below, during 2013, the senior credit facility was amended to increase the term loan facility to $20,500,000. As a result of the amendment, principal payments increased beginning October 2013 and the applicable margin decreased from 4.25% to 3.25%. The agreement expires on June 8, 2017 and contains certain restrictive covenants including the maintenance of certain financial ratios. The facility is collateralized by substantially all assets of the Company.

At December 31, 2013, there was $2,800,000 borrowed against the line of credit facility. Interest is payable quarterly and varies at a LIBOR-based rate or a prime base rate, plus an applicable margin. The interest rate at December 31, 2013 was 4.4%.

The bank term note facility is subject to interest varying at a LIBOR-based rate or a prime base rate, plus applicable margin. The interest rate in effect at December 31, 2013 was 4.4%. Principal payments are due quarterly based in various amounts ranging from $300,000 per quarter commencing October 2012 to $768,750 per quarter commencing October 2016, with the balance due June 8, 2017. Additional principal payments are due annually commencing December 31, 2012, based on the Company’s excess cash flow as defined in the credit agreement. At December 31, 2013, the bank waived the excess cash flow requirement.

The Company issued a $7,815,000 senior subordinated note agreement under the securities purchase agreement dated June 8, 2012. Interest was payable quarterly in arrears beginning October 1, 2012 at 12%. In addition, interest at a rate of 2% was added to the principal balance of the note on each quarterly interest payment date. The deferred interest was due upon maturity and may be prepaid without penalty. The note contains prepayment penalties ranging from 3% to 1%, if prepaid within the initial 3 years of the agreement. Additionally, the note provides for mandatory prepayments upon the occurrence of certain events including a change in control. The note was subordinated to the Company's senior lender and was collateralized by substantially all assets of the Company. The security purchase agreement contained various restrictive covenants including the maintenance of certain financial ratios. The note was paid off during 2013.

Capital leases include leases for equipment and software and expire through August 2015. Annual payments including interest totaled $60,775 at December 31, 2013. Total asset cost and accumulated depreciation under capital lease agreements were $167,617 and $66,281, respectively, at December 31, 2013.

Long-term debt consists of the following at December 31, 2013:

	2013
Revolving credit agreement	$ 2,800,000
Note payable, bank	19,987,500
Capital lease obligations	40,892
	22,828,392
Less current maturities	(2,219,017)
	$20,609,375

Aggregate annual maturities of long-term debt at December 31, 2013 are:

2014	$ 2,219,017
2015	2,562,500
2016	2,690,625
2017	15,356,250
	$22,828,392

Note 7: Operating Leases

The Company has a lease for its operating facility in Columbia, Missouri expiring in June 2014. The terms of the lease allow for two renewal terms of one year each. The Company has entered into a lease for a new operating facility in Columbia, Missouri beginning May 2014 and expiring April 2023. The terms of the lease allow for three renewal terms of five years each. The Company leases certain other machinery and equipment under operating leases.

Minimum annual rental payments required under operating leases, which have remaining terms in excess of one year as of December 31, 2013, are as follows:

2014	$ 840,224
2015	811,000
2016	811,000
2017	811,000
2018	811,000
Thereafter	3,514,333
	$7,598,557

Total rental expense was $789,929 during the year ended December 31, 2013.

Note 8: Employee Benefits

The Company offers a 401(k) plan covering substantially all employees. The Company provides a matching contribution of 100% of employee contributions, up to 4% of eligible employee compensation under the 401(k) plan. For the year ended December 31, 2013, the Company had contribution expense of $86,489.

Note 9: Income Taxes

The provision for income tax expense for the year ended December 31, 2013 includes these components:

	2013
Taxes currently payable (refundable)	$2,154,802
Deferred income taxes	(277,807)
Income tax expense	$1,876,995

A reconciliation of income tax expense for the year ended December 31, 2013 at the statutory rate to the Company's actual income tax expense is shown below:

	2013
Computed at the statutory rate (34%)	$1,736,036
Increase (decrease) resulting from	
Nondeductible expenses	11,275
State income taxes	264,596
Research and development tax credit	(62,750)
Other	(72,162)
Actual tax expense	$1,876,995

The tax effects of temporary differences related to deferred taxes shown on the consolidated balance sheet were:

	2013
Deferred tax assets	
Inventory	$ 284,910
Allowance for doubtful accounts	55,282
Intangible assets	674,970
Accrued expenses	286,374
	1,301,536
Deferred tax liabilities	
Property and equipment	(296,186)
Prepaid expenses	(48,937)
	(345,123)
Net deferred tax asset	$ 956,413

The above net deferred tax asset is presented on the consolidated balance sheet as follows:

	2013
Deferred tax asset - current	$577,630
Deferred tax asset - long-term	378,783
Net deferred tax asset	$956,413

Note 10: Concentrations and Contingencies

General Litigation

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of its operations and cash flows of the Company.

Major Customers

Sales to three major customers (defined as a customer that provides in excess of 10% of total revenue) approximated 36% of total sales during the year ended December 31, 2013.

Major Suppliers

Purchases from two major suppliers (defined as a vendor that provides in excess of 10% of total purchases) approximated 39% of total purchases during the year ended December 31, 2013.

Note 11: Incentive Option Plan

The Incentive Option Plan (the Plan) permits the grant of incentive unit options to its employees for up to 2,417,500 membership units of the Parent. The Company believes that such incentive unit awards better align the interests of its employees with those of its membership unit-holders and may be granted by the Board of Directors to any employee of the Company. As a result, the Parent has pushed down the related accounting and disclosure for the option plan to the Company financial statements. Incentive option awards are generally granted with an exercise price equal to or greater than the market price of the Parent’s membership units at the date of the service inception period, which generally is the grant date. Incentive unit awards vest over a period of five years and have a ten year term to exercise before expiration. The Plan provides for accelerated vesting if there is a change in control (as defined in the Plan).

The fair value of each incentive unit award is estimated on the date of grant using a binomial option valuation model that uses the assumptions noted in the following table. Expected volatility was based on historical volatility of the Dow Jones Industrial Indices for similar companies within the industry and other factors. The expected term of options granted represents the period of time that options are expected to be outstanding. The Company uses historical data to estimate option exercise and employee termination within the valuation model. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

	2013
Expected volatility	15.8%
Expected dividends	—
Expected term (in years)	5
Risk-free rate	0.65%

Total compensation cost was not material for 2013 for the unit-based payment arrangements.

A summary of option activity under the Plan at December 31, 2013, and changes during the year then ended, is presented below:

	Units	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual years)
Outstanding, January 1, 2013	1,994,435	1.348	9.5
Granted	—	—	—
Repurchased	—	—	—
Forfeited or expired	—	—	—
Outstanding, December 31, 2013	1,994,435	$ 1.348	8.5
Exercisable, end of year	398,887	$ 1.00	

A summary of the status of the Company's nonvested units at December 31, 2013, and changes during the year then ended, is presented below:

	Units	Weighted-Average Grant-Date Fair Value
Nonvested, December 31, 2012	1,994,435	0.07
Vested	(398,887)	0.15
Nonvested, December 31, 2013	1,595,548	$ 0.05

As of December 31, 2013, there was approximately $32,000 of total unrecognized compensation cost related to nonvested unit-based compensation arrangements granted under the Plan. That cost was expected to be recognized over a weighted-average period of 4.5 years. With the purchase of the Company by Smith & Wesson Holding Corporation on December 11, 2014, all nonvested units vested and were exercised by the holders.

Note 12: Related Party Transactions

The Company pays management fees and acquisition transaction fees to Clearview Capital, LLC, a company related through common ownership. Management fee expense was $454,314 for the year ended December 31, 2013.

Interest expense on the senior subordinated note payable with the institutional investor was $915,086 for the year ended December 31, 2013. The senior subordinated note payable was paid off during 2013. In conjunction with the pay off, deferred finance cost attributable to the senior subordinated note payable was expensed.

Note 13: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the consolidated financial statements were available to be issued.

Purchase of BOG GEAR L.L.C.

On January 15, 2014, the Company entered into an agreement to purchase substantially all the assets of BOG GEAR L.L.C. (BOGgear), located in Fredericksburg, Texas, for approximately $2,175,000 in cash and other consideration, subject to various adjustments. BOGgear is a manufacturer of shooting sticks and related accessories for use in hunting, photography and videography.

Simultaneously with the acquisition, the senior credit facility was amended to increase borrowings under the term to $20,987,500 and to increase borrowings under the line of credit to $7,000,000. Principal payments are due quarterly based in various amounts ranging from $550,313 per quarter commencing April 2014 to $806,563 per quarter commencing October 2016, with the balance due June 8, 2017.

Sale to Smith & Wesson

On November 25, 2014, the Company's Parent entered into a Stock Purchase and Sale Agreement (the Stock Purchase Agreement) with Smith & Wesson Holding Corporation (Smith & Wesson) whereby Smith & Wesson acquired all of the Company's issued and outstanding stock, including Battenfeld Technologies, Inc., its wholly owned subsidiary, for approximately $134,274,000. The sale closed December 11, 2014.

Purchase of Hooyman, LLC Assets

On January 9, 2015, the Company acquired certain assets of Hooyman, LLC (Hooyman) and assumed certain liabilities for approximately $1,900,000 in consideration. Hooyman manufactures extendable tree saws designed for the hunting and outdoor industry.

Battenfeld Acquisition Company Inc.

Consolidated Financial Statements (Unaudited)

For the Three and Nine Months Ended September 30, 2014 and 2013

Battenfeld Acquisition Company Inc.
For the Three and Nine Months Ended September 30, 2014 and 2013

Contents

Battenfeld Acquisition Company Inc.
Consolidated Balance Sheets
(Unaudited)

	As of: September 30, 2014	As of: December 31, 2013
Assets		
Current Assets		
Cash	$ 1,201,267	$ 1,233,219
Accounts receivable, net of allowance for doubtful accounts of $115,000 as of September 30, 2014 and $145,000 as of December 31, 2013	5,888,104	3,874,639
Inventories	7,975,242	10,719,552
Income tax refundable	393,137	393,137
Deferred tax asset	577,630	577,630
Prepaid expenses and other	365,538	366,758
Total current assets	16,400,918	17,164,935
Property and Equipment, net	2,163,053	1,685,121
Deferred Tax Asset	378,783	378,783
Other Assets		
Goodwill	13,342,971	12,944,380
Trademarks and other intangibles, net	20,233,555	20,077,640
Other assets, net	—	489,196
Deferred finance costs, net	271,577	348,069
	33,848,103	33,859,285
	$52,790,857	$53,088,124
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	$ 702,128	$ 772,085
Accrued expenses and other liabilities	1,173,413	1,495,861
Current maturities of long-term debt	2,713,752	2,219,017
Total current liabilities	4,589,293	4,486,963
Long-Term Debt	17,173,122	20,609,375
Stockholder's Equity		
Common Stock, $0.001 par value; authorized 1,000 shares, issued and outstanding 100 shares	1	1
Additional paid-in capital	24,239,999	24,239,999
Retained earnings	6,788,442	3,751,786
Total stockholder's equity	31,028,442	27,991,786
	$52,790,857	$53,088,124

See Notes to Consolidated Financial Statements (Unaudited)

Battenfeld Acquisition Company Inc.
Consolidated Statements of Income
(Unaudited)

	For the Three Months Ended:		For the Nine Months Ended:	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net Sales	$12,377,124	$10,720,767	$33,559,733	$31,764,212
Cost of Material Sold	6,354,609	5,522,278	17,159,562	16,340,800
Gross Profit	6,022,515	5,198,489	16,400,171	15,423,412
Operating Expenses				
Selling, general and administrative	3,281,331	2,749,058	9,321,910	7,665,223
Depreciation and amortization	799,379	731,594	2,331,822	2,168,444
	4,080,710	3,480,652	11,653,732	9,833,667
Income From Operations	1,941,805	1,717,837	4,746,439	5,589,745
Interest Expense	(275,021)	(683,434)	(894,780)	(1,737,999)
Income Before Income Tax Expense	1,666,784	1,034,403	3,851,659	3,851,746
Income Tax Expense	310,000	669,000	815,000	1,829,939
Net Income	$ 1,356,784	$ 365,403	$ 3,036,659	$ 2,021,807

See Notes to Consolidated Financial Statements (Unaudited)

Battenfeld Acquisition Company Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended September 30, 2014	For the Nine Months Ended September 30, 2013
Operating Activities		
Net Income	$ 3,036,659	$ 2,021,807
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Amortization and depreciation	2,575,004	2,481,373
Loss on sale of property and equipment	100,340	—
Changes in operated assets and liabilities:		
Accounts receivable	(2,046,497)	(671,097)
Inventories	1,363,124	(5,044,760)
Accounts payable	(75,266)	(104,075)
Prepaids and other assets	1,376,900	336,664
Accrued expenses and other liabilities	(322,448)	(661,788)
Net cash provided by/(used in) operating activities	6,007,816	(1,641,876)
Investing Activities		
Cash paid for business acquisition, net of cash acquired	(1,498,591)	(375,000)
Deposits made for property and equipment	(627,796)	(142,782)
Proceeds from sale of property and equipment	126,000	—
Payments to acquire property and equipment	(1,136,205)	(308,972)
Net cash used in investing activities	(3,136,592)	(826,755)
Financing Activities		
(Payments)/proceeds on line of credit	(2,800,000)	4,250,000
Principal payments on long-term debt	(103,176)	(2,781,684)
Net cash (used in)/provided by financing activities	(2,903,176)	1,468,316
Decrease in cash	(31,952)	(1,000,314)
Cash, Beginning of period	1,233,219	1,721,142
Cash, End of Period	$ 1,201,267	$ 720,828
Supplemental Cash Flows Information		
Interest paid	$ 826,025	$ 1,603,498

See Notes to Consolidated Financial Statements (Unaudited)

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Battenfeld Acquisition Company Inc. (Company) was formed on May 24, 2012 for the purpose of effecting the acquisition of Battenfeld Technologies, Inc. The Company is a wholly owned subsidiary of Clearview Battenfeld Acquisition Company, LLC (Parent). Effective June 8, 2012 (Acquisition Date), the Company acquired 100% of the outstanding stock of Battenfeld Technologies, Inc. The acquisition was led by the Parent's primary investor, Clearview Capital, LLC and affiliates (Clearview).

The Company and its wholly owned subsidiary are located in Columbia, Missouri. The Company designs, manufactures and sells shooting supplies and accessories under several branded names. Sales are made to retailers, distributors and dealers of these products throughout the United States and Canada.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Battenfeld Technologies, Inc. The consolidated balance sheet as of September 30, 2014, the consolidated statements of income for the three and nine months ended September 30, 2014 and 2013, and the consolidated statements of cash flow for the nine months ended September 30, 2014 and 2013 have been prepared by us and are unaudited. In our opinion, all adjustments, which include only normal recurring adjustments necessary to fairly present the financial position, results of operations, and cash flows at September 30, 2014 and for the periods presented, have been included. All significant intercompany accounts and transactions have been eliminated in consolidation. The consolidated balance sheet as of December 31, 2013 has been derived from audited consolidated financial statements.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in this Form 8-K/A for the year ended December 31, 2013. The results of operations for the nine months ended September 30, 2014 may not be indicative of the results that may be expected for the year ending December 31, 2014, or any other period.

Note 2: Business Combinations

On January 15, 2014, the Company entered into an agreement to purchase substantially all the assets of BOG GEAR L.L.C. (BOGgear), located in Fredericksburg, Texas, for approximately $2,175,000 in cash and other consideration, subject to various adjustments. BOGgear is a manufacturer of shooting sticks and related accessories for use in hunting, photography and videography.

Simultaneously with the acquisition, the senior credit facility was amended to increase borrowings under the term to $20,987,500 and to increase borrowings under the line of credit to $7,000,000. With the purchase of the Company by Smith & Wesson Holding Corporation on December 11, 2014, all borrowings under the senior credit facility were paid in full. See note 6 – *Subsequent Events* for more details regarding this transaction.

Note 3: Inventories

Inventories consist of the following at September 30, 2014 and 2013:

	2014	2013
Purchased components and packaging material	$1,408,862	$ 1,835,619
Material in-transit and prepaid inventory	1,692,507	1,575,528
Finished goods (purchased and assembled products)	5,157,735	7,608,405
	8,259,104	11,019,552
Obsolescence reserve	(283,862)	(300,000)
Total	$7,975,242	$10,719,552

Note 4: Long-Term Debt

At September 30, 2014, the Company had a senior credit facility with a bank that provided $7,000,000 under a revolving credit facility and $20,987,500 under a term loan facility. The agreement expires on June 8, 2017 and contains certain restrictive covenants including the maintenance of certain financial ratios. The facility is collateralized by substantially all assets of the Company.

At September 30, 2014, there were no borrowings against the line of credit facility. Interest is payable quarterly and varies at a LIBOR-based rate or a prime base rate, plus an applicable margin. The interest rate at September 30, 2014 was 4.4%.

The bank term note facility is subject to interest varying at a LIBOR-based rate or a prime base rate, plus applicable margin. The interest rate in effect at September 30, 2014 was 4.4%. Principal payments are due quarterly based in various amounts ranging from $550,313 per quarter commencing April 2014 to $806,563 per quarter commencing October 2016, with the balance due June 8, 2017. Additional principal payments are due annually commencing December 31, 2012, based on the Company's excess cash flow as defined in the credit agreement. With the purchase of the Company by Smith & Wesson Holding Corporation on December 11, 2014, all borrowings under the senior credit facility were paid in full. See note 6 – *Subsequent Events* for more details regarding this transaction.

Note 5: Concentrations and Contingencies

General Litigation

The Company is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of its operations and cash flows of the Company.

Note 6: Subsequent Events

Purchase of Hooyman, LLC assets

On January 9, 2015, the Company acquired certain assets of Hooyman, LLC and assumed certain liabilities for approximately $1,900,000 in cash consideration. Hooyman manufactures extendable tree saws designed for the hunting and outdoor industry.

Sale to Smith & Wesson

On November 25, 2014, the Company's Parent entered into a Stock Purchase and Sale Agreement (the Stock Purchase Agreement) with Smith & Wesson Holding Corporation (Smith & Wesson) whereby Smith & Wesson acquired all of the Company's issued and outstanding stock, including Battenfeld Technologies, Inc., its wholly owned subsidiary for approximately $134,274,000 in cash consideration. The sale closed December 11, 2014.

UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANCIAL STATEMENTS

On December 11, 2014, Smith & Wesson Holding Corporation, or SWHC, completed its previously announced acquisition of all of the issued and outstanding stock of Battenfeld Acquisition Company Inc., including its wholly owned subsidiary, Battenfeld Technologies, Inc., or BTI, for $130.5 million, plus a $3.8 million working capital adjustment for a total purchase price consideration of $134.3 million, pursuant to a Stock Purchase and Sale Agreement. The acquisition was financed using a combination of existing cash balances and cash from a $100.0 million draw on our existing line of credit, which was expanded to $125.0 million as a result of our partial exercise of the accordion feature on that line of credit, as further described in Item 2.03 of our Form 8-K filed with the Securities and Exchange Commission on November 26, 2014.

The unaudited pro forma consolidated combined financial statements reflect our acquisition of BTI on December 11, 2014. The unaudited pro forma consolidated combined financial statements are based on the respective historical consolidated financial statements and the notes thereto of SWHC and BTI. The acquisition is reflected using the purchase method of accounting and the estimates, assumptions and adjustments described below and in the notes to the unaudited pro forma consolidated combined financial statements.

For purposes of preparing the unaudited pro forma consolidated combined balance sheet, historical financial information of SWHC and the pre-acquisition results of BTI are being presented as of October 31, 2014. For the unaudited pro forma consolidated combined financial statements of income, historical financial information of SWHC and the pre-acquisition results of BTI are being presented for the year ended April 30, 2014 and the six months ended October 31, 2014.

The unaudited pro forma consolidated combined financial statements are presented for illustrative purposes only and do not purport to be indicative of the results of operations or financial position for future periods or the results that would have been realized had the acquisition of BTI been consummated as of May 1, 2013 or October 31, 2014. The pro forma adjustments are based upon available information and certain estimates and assumptions as described in the notes to the unaudited pro forma consolidated combined financial statements that SWHC believes are reasonable in the circumstances.

The unaudited pro forma consolidated combined financial statements and accompanying notes should be read in conjunction with the historical consolidated financial statements and notes thereto of SWHC included in our Annual Report on Form 10-K for the year ended April 30, 2014, our Quarterly Report on Form 10-Q for the six months ended October 31, 2014, and our previously filed Forms 8-K. These financial statements should also be read in conjunction with the audited and unaudited financial statements of BTI that are presented within this amended Current Report on Form 8-K/A.

FOOTNOTE REFERENCE TO THE COLUMNS ON THE UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANCIAL STATEMENTS:

(A) As reported in our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended April 30, 2014, as filed with the Securities and Exchange Commission, or SEC, or our Quarterly Report on Form 10-Q for the six months ended October 31, 2014, as filed with the SEC, as applicable.

(B) Derived from BTI's unaudited financial statements for the period from May 1, 2013 through April 30, 2014. In the opinion of SWHC, all adjustments, consisting of normal and recurring adjustments, considered necessary for a fair presentation of the results of operations for the period presented have been included.

(C) Derived from BTI's unaudited financial statements for the period from May 1, 2014 through October 31, 2014. In the opinion of SWHC, all adjustments, consisting of normal and recurring adjustments, considered necessary for a fair presentation of the results of operations for the period presented have been included.

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED COMBINED BALANCE SHEET

	As of October 31, 2014:			
	Historical SWHC (A)	Historical BTI (C)	Pro Forma Adjustments	Pro Forma Combined
	(In thousands, except par value and share data)			
ASSETS				
Current assets:				
Cash and cash equivalents	$ 64,373	$ 337	$ (35,757)(1)	$ 28,953
Accounts receivable, net of allowance for doubtful accounts	51,411	7,759	—	59,170
Inventories	99,243	7,972	4,154 (2)	111,369
Prepaid expenses and other current assets	8,744	474	—	9,218
Deferred income taxes	16,917	578	(1,790)(3)	15,705
Income tax receivable	4,230	393	—	4,623
Total current assets	244,918	17,513	(33,393)	229,038
Property, plant, and equipment, net	134,027	2,700	(204)(4)	136,523
Intangibles, net	3,891	18,966	53,234 (5)	76,091
Goodwill	14,110	13,343	47,782 (6)	75,235
Other assets	19,043	773	(261)(7)	19,555
	$ 415,989	$ 53,295	$ 67,158	$ 536,442
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 23,852	$ 699	—	$ 24,551
Accrued expenses	15,112	1,312	—	16,424
Accrued payroll	7,165	—	—	7,165
Accrued taxes other than income	4,371	9	—	4,380
Accrued profit sharing	2,500	—	—	2,500
Accrued product/municipal liability	965	—	—	965
Accrued warranty	5,054	—	—	5,054
Current portion of notes payable	—	2,714	(2,714)(8)	—
Total current liabilities	59,019	4,734	(2,714)	61,039
Deferred income taxes	11,241	(379)	20,295 (3)	31,157
Notes payable, net of current portion of notes payable	175,000	16,495	83,505 (8)	275,000
Other non-current liabilities	11,017	—	—	11,017
Total liabilities	256,277	20,850	101,086	378,213
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, 69,264,706 shares issued and 53,702,084 shares outstanding on October 31, 2014	69	—	—	69
Additional paid-in capital	214,548	24,240	(24,240)(9)	214,548
Retained earnings	117,345	8,205	(9,688)(10)	115,862
Accumulated other comprehensive income	73	—	—	73
Treasury stock, at cost (15,562,622 common shares on October 31, 2014)	(172,323)	—	—	(172,323)
Total stockholders' equity	159,712	32,445	(33,928)	158,229
	$ 415,989	$ 53,295	$ 67,158	$ 536,442

The accompanying notes are an integral part of these unaudited pro forma consolidated combined financial statements

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED COMBINED STATEMENTS OF INCOME
For The Year Ended April 30, 2014

	Historical SWHC (A)	Historical BTI (B)	Pro Forma Adjustments	Pro Forma Combined
	(In thousands, except per share data)			
Net sales	$626,620	$43,543	$ —	$670,163
Cost of sales	367,515	22,969	4,254(11)	394,738
Gross profit	259,105	20,574	(4,254)	275,425
Operating expenses:				
Research and development	5,648	876	—	6,524
Selling and marketing	33,515	4,180	—	37,695
General and administrative	68,954	9,168	7,478(12)	85,600
Total operating expenses	108,117	14,224	7,478	129,819
Operating income from continuing operations	150,988	6,350	(11,732)	145,606
Other income/(expense):				
Other income/(expense), net	(2,154)	—	—	(2,154)
Interest income	149	—	—	149
Interest expense	(12,261)	(1,779)	(141)(13)	(14,181)
Total other income/(expense), net	(14,266)	(1,779)	(141)	(16,186)
Income from continuing operations before income taxes	136,722	4,571	(11,873)	129,420
Income tax expense/(benefit)	48,095	1,776	(4,393)(14)	45,478
Income from continuing operations	$ 88,627	$ 2,795	$ (7,480)	$ 83,942
Net income per share:				
Basic - continuing operations	$ 1.51			$ 1.43
Basic - net income	$ 1.52			$ 1.44
Diluted - continuing operations	$ 1.47			$ 1.40
Diluted - net income	$ 1.49			$ 1.41
Weighted average number of common shares outstanding:				
Basic	58,668			58,668
Diluted	60,114			60,114

The accompanying notes are an integral part of these unaudited pro forma consolidated combined financial statements

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED COMBINED STATEMENTS OF INCOME
For The Six Months Ended October 31, 2014

	Historical SWHC (A)	Historical BTI (C)	Pro Forma Adjustments	Pro Forma Combined
	(In thousands, except per share data)			
Net sales	$240,315	$24,996	$ —	$265,311
Cost of sales	156,357	12,691	—	169,048
Gross profit	83,958	12,305	—	96,263
Operating expenses:				
Research and development	2,929	476	—	3,405
Selling and marketing	16,797	2,186	—	18,983
General and administrative	27,627	5,489	3,689(15)	36,805
Total operating expenses	47,353	8,151	3,689	59,193
Operating income from continuing operations	36,605	4,154	(3,689)	37,070
Other income/(expense):				
Other income/(expense), net	(17)	—	—	(17)
Interest income	44	—	—	44
Interest expense	(4,898)	(561)	(399)(13)	(5,858)
Total other income/(expense), net	(4,871)	(561)	(399)	(5,831)
Income from continuing operations before income taxes	31,734	3,593	(4,088)	31,239
Income tax expense/(benefit)	12,026	625	(1,513)(14)	11,138
Income from continuing operations	$ 19,708	$ 2,968	$ (2,575)	$ 20,101
Net income per share:				
Basic - continuing operations	$ 0.36			$ 0.37
Basic - net income	$ 0.36			$ 0.37
Diluted - continuing operations	$ 0.36			$ 0.36
Diluted - net income	$ 0.35			$ 0.36
Weighted average number of common shares outstanding:				
Basic	54,188			54,188
Diluted	55,435			55,435

The accompanying notes are an integral part of these unaudited pro forma consolidated combined financial statements

SMITH & WESSON HOLDING CORPORATION
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED
COMBINED FINANCIAL STATEMENTS

NOTE 1 — BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated combined balance sheet as of October 31, 2014 includes the historical results of SWHC and BTI as if these transactions had occurred on October 31, 2014 and the unaudited pro forma consolidated combined statements of income for the year ended April 30, 2014 and the six months ended October 31, 2014 include the historical results of SWHC and BTI as if these transactions had occurred on May 1, 2013.

Acquisition of BTI

On December 11, 2014, SWHC acquired all of the issued and outstanding stock of BTI, for $130.5 million, plus a $3.8 million working capital adjustment for a total purchase price consideration of $134.3 million, pursuant to a Stock Purchase and Sale Agreement. The acquisition was financed using a combination of existing cash balances and cash from a $100.0 million draw on our existing line of credit, which was expanded to $125.0 million as a result of our partial exercise of the accordion feature on that line of credit.

BTI, based in Columbia, Missouri, is an industry-leading provider of hunting and shooting accessories and has an established track record of launching high-quality, innovative products across its brand portfolio.

We are currently finalizing the valuation of the assets acquired and liabilities assumed; therefore, the fair values set forth below are subject to adjustment as additional information is obtained during the measurement period, which will not exceed 12 months from the acquisition date.

The following table summarizes the estimated preliminary allocation of the purchase price at the acquisition date (in thousands):

Cash	$ 24
Accounts receivable	7,696
Inventories	12,804
Other current assets	563
Income tax receivable	393
Property, plant, and equipment	2,757
Intangibles	72,200
Goodwill	61,661
Total assets acquired	158,098
Accounts payable	1,456
Accrued expenses	327
Accrued payroll	904
Accrued taxes other than income	9
Deferred income taxes	21,128
Total liabilities assumed	23,824
	$134,274

Previously acquired goodwill of $12.0 million will continue to be deductible for tax purposes over its remaining useful life. The remaining goodwill recorded as a result of the acquisition is not expected to be deductible for tax purposes.

We amortize intangible assets in proportion to expected yearly revenue generated from the intangibles acquired. We amortize order backlog over the contract lives as they are executed. The following are the identifiable intangible assets acquired and their respective estimated lives (in thousands):

	Amount	Estimated Life (In years)
Developed technology	$16,400	14.0
Customer relationships	25,100	13.0
Trade names	30,600	10.0
Order backlog	100	0.3
	$72,200	

NOTE 2 — PRO FORMA AJUSTMENTS AND ASSUMPTION

Pro forma adjustments reflect only those adjustments that are factually determinable. The allocation of the purchase price relating to the acquisition is preliminary, pending the finalization of our review of certain of the accounts.

The following describes the pro forma adjustments made to the accompanying unaudited pro forma consolidated combined financial statements:

(1) Adjustment includes a $34.3 million reduction in cash as a result of the acquisition and also includes a $1.5 million reduction in cash related to acquisition-related payments that would have been paid had the acquisition occurred on October 31, 2014.

(2) Adjustment to record the fair value step-up of inventory as a result of the acquisition.

(3) Adjustment to record deferred tax asset/liability as a result of fair value adjustments.

(4) Adjustment to record fixed assets at fair value.

(5) Adjustment to record intangible assets at fair value.

(6) Adjustments to goodwill as a result of the acquisition.

(7) Adjustment to write off deferred financing costs that have no value.

(8) Adjustment to eliminate the debt of BTI that was not assumed as part of the acquisition. The long-term portion of debt includes $100.0 million of borrowings from our expanded line of credit to fund the acquisition.

(9) Adjustment to eliminate additional paid-in capital of BTI.

(10) Adjustment to eliminate retained earnings of BTI. The adjustment also includes the negative impact on retained earnings for the acquisition-related cash payments mentioned in Note 1.

(11) Adjustment to record inventory step-up expense and backlog amortization.

(12) The historical unaudited pro forma consolidated statements of income of BTI for the year ended April 30, 2014 included $2.7 million of amortization relating to intangible assets that were removed from the historical BTI consolidated statements of income and offset by $10.2 million of amortization expense related to the acquisition of BTI.

(13) Adjustment to eliminate interest expense that would not have been incurred because SWHC did not assume any BTI external debt as part of the acquisition. The adjustment also includes interest expense recorded related to the $100.0 million borrowing under our expanded line of credit to fund the acquisition at the applicable interest rate.

(14) Adjustment to record income tax expense at the estimated effective tax rate of the consolidated entity.

(15) The historical unaudited pro forma consolidated statements of income of BTI for the six months ended October 31, 2014 included $1.4 million of amortization relating to intangible assets that was removed from the historical BTI consolidated statements of income and offset by $5.1 million of amortization expense related to the acquisition of BTI.