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

FORM 8-K

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

Date of Report (Date of earliest event reported) March 4, 2014

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

Nevada
(State or Other Jurisdiction
of Incorporation)

001-31552
(Commission
File Number)

87-0543688
(IRS Employer
Identification No.)

**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-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

We are furnishing this Current 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 4, 2014.

The information in this Current 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.

We do not have, and expressly disclaim, any obligation to release publicly any updates or any changes in our expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

The text included with this Current Report on Form 8-K is available on our website located at www.smith-wesson.com, although we reserve 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 4, 2014, entitled “Smith & Wesson Holding Corporation Reports Third Quarter Fiscal 2014 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 4, 2014

By: /s/ Jeffrey D. Buchanan

Jeffrey D. Buchanan
Executive Vice President, Chief Financial Officer,
and Treasurer

EXHIBIT INDEX

- 99.1 Press release from Smith & Wesson Holding Corporation, dated March 4, 2014, entitled “Smith & Wesson Holding Corporation Reports Third Quarter Fiscal 2014 Financial Results”



Contact: Liz Sharp, VP Investor Relations
 Smith & Wesson Holding Corporation
 (413) 747-3304
lsharp@smith-wesson.com

**Smith & Wesson Holding Corporation Reports
 Third Quarter Fiscal 2014 Financial Results**

- *Net Sales of \$145.9 Million*
- *Net Sales Growth of 16.7% Excluding Walther®*
- *Net Income from Continuing Operations Per Diluted Share Increased to \$0.35 from \$0.26 a Year Ago, up 34.6%*
- *Quarterly Gross Margin of 40.2% vs. 36.6% a Year Ago*

SPRINGFIELD, Mass., March 4, 2014 -- **Smith & Wesson Holding Corporation (NASDAQ Global Select: SWHC)**, a leader in firearm manufacturing and design, today announced financial results for the third fiscal quarter ended January 31, 2014.

Third Quarter Fiscal 2014 Financial Highlights

- Net sales for the third quarter were \$145.9 million, up 7.1% from the third quarter last year. When excluding Walther products that were sold in the prior year pursuant to a distribution agreement that has since ended, net sales growth was 16.7%. Handgun sales, which include sales of the company's popular M&P® pistols, grew 29.9% versus the year ago quarter.
- Gross profit for the third quarter was \$58.7 million, or 40.2% of net sales, compared with gross profit of \$49.9 million, or 36.6% of net sales, for the comparable quarter last year. Gross profit margin improved as a result of favorable product mix, absorption, and manufacturing efficiencies, as well as reduced promotions and the absence of lower-margin Walther product sales.
- Operating expenses for the third quarter were \$27.5 million, or 18.9% of net sales, compared with operating expenses of \$21.9 million, or 16.1% of net sales, for the third quarter last year. A significant portion of the operating expense increase related to the company's ERP implementation, which commenced in the second quarter.
- Operating income for the third quarter was 21.3% of net sales compared with 20.6% for the third quarter last year.
- Income from continuing operations for the third quarter was \$20.1 million, or \$0.35 per diluted share, compared with \$17.5 million, or \$0.26 per diluted share, for the third quarter last year.

- Non-GAAP Adjusted EBITDAS from continuing operations for the third quarter increased to \$37.5 million from \$33.3 million for the third quarter last year.
- Operating cash generated for the third quarter was \$29.6 million. Cash used in investing activities of \$21.9 million included capital spending of \$10.2 million and equipment deposits of \$11.7 million, yielding free cash flow of \$7.6 million. The company also used \$15.3 million in cash from financing activities, primarily relating to its stock buyback program.

James Debney, Smith & Wesson Holding Corporation President and Chief Executive Officer, stated, “Our performance for the third quarter of fiscal 2014 reflected the ongoing successful execution of our growth strategy. We maintained our focus on increasing market share of our Smith & Wesson® M&P® polymer pistol family of products and thereby delivered handgun revenue growth of nearly 30%, a solid result when we consider that the year-ago quarter reflected a surge in consumer demand. We continued to demonstrate our strong track record of new product development, launching several new products at SHOT Show® in January, particularly in the revolver category, all of which were well received and drew incremental orders from our customers. Our financial results were highlighted by our delivery of double-digit growth in net income and the ongoing expansion of our gross margins, all while we continued to drive a number of initiatives designed to strengthen our business and return increased value to our stockholders. We believe that our long-standing approach of growing our business through the addition of flexible capacity has positioned us well to adapt to our dynamic environment.”

Jeffrey D. Buchanan, Smith & Wesson Holding Corporation Executive Vice President and Chief Financial Officer, stated, “During the third quarter, we repurchased 1.14 million shares of our common stock for \$15 million. Since December 2012, we have repurchased a total of 12.3 million shares of our common stock valued at \$135 million, representing a total reduction in shares outstanding of nearly 19.0%. With the successful completion of our stock buyback program, we continued to optimize our capital structure. Overall, our balance sheet remains flexible and strong with no borrowings under our credit facility.”

Financial Outlook

The company estimates net sales for the fourth quarter of fiscal 2014 to be between \$159.0 million and \$164.0 million and GAAP earnings per diluted share from continuing operations of between \$0.37 and \$0.40.

The company has raised its full year fiscal 2014 guidance. It now estimates net sales of between \$615.0 million and \$620.0 million and GAAP earnings per diluted share from continuing operations of between \$1.39 and \$1.42.

All guidance takes into account the expected impact of the implementation of the company’s new ERP system throughout fiscal 2014. While implementation costs are projected to continue in the fourth quarter, those costs are expected to diminish from second quarter levels, since the most challenging aspects of the project have been completed and the system has reached steady-state mode.

Conference Call and Webcast

The company will host a conference call and webcast today, March 4, 2014, to discuss its third quarter fiscal 2014 financial and operational results. Speakers on the conference call will include James Debney, President and Chief Executive Officer, and Jeffrey D. Buchanan, Executive Vice President and Chief Financial Officer. The conference call may include forward-looking statements. The conference call and webcast will begin at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time). Those interested in listening to the call via telephone may call directly at (617) 213-8052 and reference conference code 22615200. No RSVP is necessary. The conference call audio webcast can also be accessed live and for replay on the company's website at www.smith-wesson.com, 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 Non-GAAP Financial Measures

In this press release, certain non-GAAP financial measures, including "Adjusted EBITDAS" and "free cash flow" are presented. From time to time, the company considers and uses Adjusted EBITDAS and free cash flow as supplemental measures of operating performance in order to provide the reader with an improved understanding of underlying performance trends. Adjusted EBITDAS excludes the effects of interest expense, income taxes, depreciation of tangible fixed assets, amortization of intangible assets, stock-based compensation expense, plant consolidation costs, DOJ and SEC investigation costs, and certain other transactions. See the attached "Reconciliation of GAAP Income from Operations to Adjusted EBITDAS" for a detailed explanation of the amounts excluded from and included in net income to arrive at Adjusted EBITDAS for the three month and nine month periods ended January 31, 2014 and 2013. Free cash flow is defined as cash flow provided by operating activities less capital expenditures, which include purchases of property, equipment, patents, and software and deposits on fixed assets.

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. The company's definition of these adjusted financial measures may differ from similarly named measures used by others.

About Smith & Wesson

Smith & Wesson Holding Corporation (NASDAQ Global Select: SWHC) is a U.S.-based leader in firearm manufacturing and design, delivering a broad portfolio of quality firearms, related products, and training to the global military, law enforcement, and consumer markets. The company's brands include Smith & Wesson®, M&P® and Thompson/Center Arms™. Smith & Wesson facilities are located in Massachusetts and Maine. For more information on Smith & Wesson, call (800) 331-0852 or log on to www.smith-wesson.com.

Safe Harbor Statement

Certain statements contained in this press release may be deemed to be forward-looking statements under federal securities laws, and we intend that such forward-looking statements be subject to the safe-harbor created thereby. Such forward-looking statements include the company's belief that its performance for the third quarter of fiscal 2014 reflected the ongoing successful execution of its growth strategy; the company's belief that it maintained its focus on increasing market share of its M&P polymer pistol family of products and thereby delivered handgun revenue growth of nearly 30%, a solid result when the year-ago quarter reflected a surge in consumer demand; the company's belief that it continued to demonstrate its strong track record of new product development, launching several new products at SHOT Show in January, particularly in the revolver category, all of which were well received and drew incremental orders from its customers; the company's belief that it continued to drive a number of initiatives designed to strengthen its business and return increased value to its stockholders; the company's belief that its long-standing approach of growing its business through the addition of flexible capacity positioned it well to adapt to its dynamic environment; the company's belief that with the successful completion of its stock buyback program, it continued to optimize its capital structure; the company's belief that its balance sheet remains flexible and strong with no borrowings under its credit facility; the company's expectations for net sales and GAAP earnings per diluted share from continuing operations for the fourth quarter of fiscal 2014; the company's expectations for net sales and GAAP earnings per diluted share from continuing operations for fiscal 2014; and the company's belief that while implementation costs for the company's new ERP system are expected to continue in the fourth quarter, those costs are expected to continue to diminish from second quarter levels, since the most challenging aspects of the project have been completed and the system has reached steady-state mode. We caution that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include the demand for our products; the costs and ultimate conclusion of certain legal matters, including the DOJ and SEC matters; the state of the U.S. economy; general economic conditions and consumer spending patterns; the potential for increased regulation of firearms and firearm-related products; speculation surrounding fears of terrorism and crime; our growth opportunities; our anticipated growth; our ability to increase demand for our products in various markets, including consumer, law enforcement, and military channels, domestically and internationally; the position of our hunting products in the consumer discretionary marketplace and distribution channel; our penetration rates in new and existing markets; our strategies; our ability to introduce new products; the success of new products; our ability to expand our markets; the potential for cancellation of orders from our backlog; and other risks detailed from time to time in our reports filed with the SEC, including our Form 10-K Report for the fiscal year ended April 30, 2013.

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

| | For the Three Months Ended: | | For the Nine Months Ended: | |
|--|-----------------------------|------------------|----------------------------|------------------|
| | January 31, 2014 | January 31, 2013 | January 31, 2014 | January 31, 2013 |
| (In thousands, except per share data) | | | | |
| Net sales | \$ 145,881 | \$ 136,242 | \$ 456,195 | \$ 408,797 |
| Cost of sales | 87,230 | 86,310 | 266,834 | 259,171 |
| Gross profit | <u>58,651</u> | <u>49,932</u> | <u>189,361</u> | <u>149,626</u> |
| Operating expenses: | | | | |
| Research and development | 1,456 | 952 | 4,119 | 3,392 |
| Selling and marketing | 8,921 | 8,356 | 24,150 | 23,272 |
| General and administrative | 17,154 | 12,576 | 53,184 | 36,994 |
| Total operating expenses | <u>27,531</u> | <u>21,884</u> | <u>81,453</u> | <u>63,658</u> |
| Operating income from continuing operations | <u>31,120</u> | <u>28,048</u> | <u>107,908</u> | <u>85,968</u> |
| Other income/(expense): | | | | |
| Other income/(expense), net | (6) | — | 35 | 39 |
| Interest income | 33 | 48 | 143 | 750 |
| Interest expense | (1,771) | (1,240) | (10,490) | (4,571) |
| Total other income/(expense), net | <u>(1,744)</u> | <u>(1,192)</u> | <u>(10,312)</u> | <u>(3,782)</u> |
| Income from continuing operations before income taxes | 29,376 | 26,856 | 97,596 | 82,186 |
| Income tax expense | 9,319 | 9,350 | 33,868 | 29,410 |
| Income from continuing operations | <u>20,057</u> | <u>17,506</u> | <u>63,728</u> | <u>52,776</u> |
| Discontinued operations: | | | | |
| Loss from operations of discontinued security solutions division | (75) | (601) | (349) | (3,150) |
| Income tax expense/(benefit) | (803) | 2,329 | (870) | (3,921) |
| Income/(loss) from discontinued operations | <u>728</u> | <u>(2,930)</u> | <u>521</u> | <u>771</u> |
| Net income/comprehensive income | <u>\$ 20,785</u> | <u>\$ 14,576</u> | <u>\$ 64,249</u> | <u>\$ 53,547</u> |
| Net income per share: | | | | |
| Basic - continuing operations | <u>\$ 0.36</u> | <u>\$ 0.27</u> | <u>\$ 1.07</u> | <u>\$ 0.81</u> |
| Basic - net income | <u>\$ 0.37</u> | <u>\$ 0.22</u> | <u>\$ 1.07</u> | <u>\$ 0.82</u> |
| Diluted - continuing operations | <u>\$ 0.35</u> | <u>\$ 0.26</u> | <u>\$ 1.03</u> | <u>\$ 0.79</u> |
| Diluted - net income | <u>\$ 0.36</u> | <u>\$ 0.22</u> | <u>\$ 1.04</u> | <u>\$ 0.80</u> |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 55,583 | 65,149 | 59,815 | 65,457 |
| Diluted | 57,024 | 66,421 | 62,065 | 66,909 |

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

| | <u>January 31, 2014</u> | As of: <u>April 30, 2013</u> |
|--|---|---------------------------------|
| | (In thousands, except per value and share data) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents, including restricted cash of \$3,345 on April 30, 2013 | \$ 45,288 | \$ 100,487 |
| Accounts receivable, net of allowance for doubtful accounts of \$1,269 on January 31, 2014 and \$1,128 on April 30, 2013 | 52,662 | 46,088 |
| Inventories | 86,807 | 62,998 |
| Prepaid expenses and other current assets | 6,693 | 4,824 |
| Deferred income taxes | 12,076 | 12,076 |
| Income tax receivable | 8,669 | 3,093 |
| Total current assets | 212,195 | 229,566 |
| Property, plant, and equipment, net | 108,740 | 86,382 |
| Intangibles, net | 3,511 | 3,965 |
| Other assets | 21,656 | 7,076 |
| | \$ 346,102 | \$ 326,989 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 45,377 | \$ 31,220 |
| Accrued expenses | 10,829 | 16,033 |
| Accrued payroll | 12,013 | 13,096 |
| Accrued taxes other than income | 5,362 | 5,349 |
| Accrued profit sharing | 7,688 | 9,587 |
| Accrued product/municipal liability | 1,355 | 1,551 |
| Accrued warranty | 5,274 | 5,757 |
| Current portion of notes payable | 319 | — |
| Total current liabilities | 88,217 | 82,593 |
| Deferred income taxes | 7,863 | 7,863 |
| Notes payable, net of current portion | 100,000 | 43,559 |
| Other non-current liabilities | 11,099 | 11,675 |
| Total liabilities | 207,179 | 145,690 |
| 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, 68,375,833 shares issued and 54,918,526 shares outstanding on January 31, 2014 and 67,596,716 shares issued and 64,297,113 shares outstanding on April 30, 2013 | 68 | 68 |
| Additional paid-in capital | 208,382 | 199,120 |
| Retained earnings | 72,683 | 8,434 |
| Accumulated other comprehensive income | 73 | 73 |
| Treasury stock, at cost (13,457,307 common shares on January 31, 2014 and 3,299,603 common shares on April 30, 2013) | (142,283) | (26,396) |
| Total stockholders' equity | 138,923 | 181,299 |
| | \$ 346,102 | \$ 326,989 |

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | For the Nine Months Ended: | |
|--|----------------------------|------------------|
| | January 31, 2014 | January 31, 2013 |
| | (In thousands) | |
| Cash flows from operating activities: | | |
| Net Income | \$ 64,249 | \$ 53,547 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Amortization and depreciation | 16,066 | 12,023 |
| Loss on sale of business including loss on sale of discontinued operations, including \$45 of stock-based compensation expense | — | 1,222 |
| Loss on sale/disposition of assets | 52 | 277 |
| Provisions for losses on accounts receivable | 80 | 378 |
| Change in disposal group assets and liabilities | — | (1,215) |
| Stock-based compensation expense | 6,651 | 3,086 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (6,654) | 9,064 |
| Inventories | (23,809) | (13,912) |
| Prepaid expenses and other current assets | (1,869) | (1,150) |
| Income tax receivable | (5,576) | (6,091) |
| Accounts payable | 14,157 | (4,241) |
| Accrued payroll | (1,083) | 1,867 |
| Accrued taxes other than income | 13 | 589 |
| Accrued profit sharing | (1,899) | (909) |
| Accrued other expenses | (5,204) | (7,795) |
| Accrued product/municipal liability | (196) | 120 |
| Accrued warranty | (483) | (335) |
| Other assets | (141) | (45) |
| Other non-current liabilities | (129) | 284 |
| Net cash provided by operating activities | <u>54,225</u> | <u>46,764</u> |
| Cash flows from investing activities: | | |
| Proceeds from sale of business | — | 7,500 |
| Deposits on machinery and equipment | (12,415) | — |
| Receipts from note receivable | 57 | 55 |
| Payments to acquire patents and software | (135) | (36) |
| Proceeds from sale of property and equipment | 101 | 1,037 |
| Payments to acquire property and equipment | (36,283) | (28,399) |
| Net cash used in investing activities | <u>(48,675)</u> | <u>(19,843)</u> |
| Cash flows from financing activities: | | |
| Proceeds from loans and notes payable | 101,584 | 1,753 |
| Cash paid for debt issue costs | (3,786) | — |
| Payments on capital lease obligation | (447) | (450) |
| Payments on loans and notes payable | (44,824) | (8,034) |
| Payments to acquire treasury stock | (115,887) | (20,000) |
| Proceeds from exercise of options to acquire common stock, including employee stock purchase plan | 2,026 | 4,095 |
| Taxes paid related to restricted stock issuance | (1,087) | — |
| Excess tax benefit of stock-based compensation | 1,672 | 997 |
| Net cash used in financing activities | <u>(60,749)</u> | <u>(21,639)</u> |
| Net (decrease)/increase in cash and cash equivalents | (55,199) | 5,282 |
| Cash and cash equivalents, beginning of period | 100,487 | 56,717 |
| Cash and cash equivalents, end of period | <u>\$ 45,288</u> | <u>\$ 61,999</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid for: | | |
| Interest | \$ 7,615 | \$ 5,252 |
| Income taxes | 38,130 | 30,976 |

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

| | For the Three Months Ended January 31, 2014: | | | For the Three Months Ended January 31, 2013: | | |
|---|---|---------------------|------------------|---|---------------------|------------------|
| | Continuing | Discontinued | Total | Continuing | Discontinued | Total |
| Income from operations | \$ 20,057 | \$ 728 | \$ 20,785 | \$ 17,506 | \$ (2,930) | \$ 14,576 |
| Interest expense | 1,771 | — | 1,771 | 1,240 | — | 1,240 |
| Income tax expense | 9,319 | (803) | 8,516 | 9,350 | 2,329 | 11,679 |
| Depreciation and amortization | 4,673 | — | 4,673 | 3,825 | — | 3,825 |
| Stock compensation expense | 1,877 | — | 1,877 | 1,180 | — | 1,180 |
| Loss on sale of discontinued operations | — | — | — | — | 424 | 424 |
| DOJ/SEC costs | (237) | — | (237) | 221 | — | 221 |
| Adjusted EBITDAS | <u>\$ 37,460</u> | <u>\$ (75)</u> | <u>\$ 37,385</u> | <u>\$ 33,322</u> | <u>\$ (177)</u> | <u>\$ 33,145</u> |

| | For the Nine Months Ended January 31, 2014: | | | For the Nine Months Ended January 31, 2013: | | |
|---|--|---------------------|-------------------|--|---------------------|-------------------|
| | Continuing | Discontinued | Total | Continuing | Discontinued | Total |
| Income from operations | \$ 63,728 | \$ 521 | \$ 64,249 | \$ 52,776 | \$ 771 | \$ 53,547 |
| Interest expense | 10,490 | — | 10,490 | 3,963 | 608 | 4,571 |
| Income tax expense | 33,868 | (870) | 32,998 | 29,410 | (3,921) | 25,489 |
| Depreciation and amortization | 14,363 | — | 14,363 | 11,465 | — | 11,465 |
| Stock compensation expense | 6,651 | — | 6,651 | 3,109 | (22) | 3,087 |
| Loss on sale of discontinued operations | — | — | — | — | 1,222 | 1,222 |
| DOJ/SEC costs | 445 | — | 445 | 766 | — | 766 |
| Adjusted EBITDAS | <u>\$ 129,545</u> | <u>\$ (349)</u> | <u>\$ 129,196</u> | <u>\$ 101,489</u> | <u>\$ (1,342)</u> | <u>\$ 100,147</u> |

SMITH & WESSON HOLDING CORPORATION AND SUBSIDIARIES
RECONCILIATION OF FREE CASH FLOW
(Unaudited)

| | For the Three Months Ended: | | For the Nine Months Ended: | |
|--|------------------------------------|-------------------------|-----------------------------------|-------------------------|
| | January 31, 2014 | January 31, 2013 | January 31, 2014 | January 31, 2013 |
| | (In thousands) | | | |
| Cash provided by operating activities | \$ 29,566 | \$ 32,993 | \$ 54,225 | \$ 46,764 |
| Deposits on machinery and equipment | (11,739) | — | (12,415) | — |
| Payments to acquire patents and equipment | (54) | (14) | (135) | (36) |
| Payments to acquire property and equipment | (10,208) | (12,563) | (36,283) | (28,399) |
| Total free cash flow | <u>\$ 7,565</u> | <u>\$ 20,416</u> | <u>\$ 5,392</u> | <u>\$ 18,329</u> |