

March 14, 2011



CLARUS

Black Diamond, Inc. Announces Fourth Quarter and Full Year Financial Results

-- Full Year Pro Forma Sales Grow to \$125 million Versus Pro Forma 2009 Level of \$114 Million --

-- FY10 Sales Grow in All Categories and Geographies --

-- Company Expects Continued Organic Growth, Positive Cash Flow and Profitability in FY11 --

SALT LAKE CITY, March 14, 2011 (GLOBE NEWSWIRE) -- Black Diamond, Inc. (Nasdaq:BDE) (the "Company"), a leading provider of outdoor recreation equipment and active lifestyle products, today reported results for the fourth quarter and full year ended December 31, 2010.

Fourth Quarter 2010 Results

Consolidated sales in the fourth quarter of 2010 grew 13.6% to \$34.2 million compared to pro forma sales of \$30.1 million during the three months ended December 31, 2009. The Company noted that its sales growth was broad-based, with growth evident in each of the Company's major geographic categories.

The Company reported its consolidated gross margin for the fourth quarter of 2010 was 36.2%. Excluding the non-cash adjustment of \$0.7 million of inventory step-up value included in cost of goods sold due to purchase accounting, consolidated adjusted gross margin for the three month period ending December 31, 2010, would have been 38.2%. This adjusted gross margin represents an improvement of approximately 40 basis points versus the year-ago quarter's pro forma gross margin of 37.8%.

The Company reported a consolidated net loss of \$(0.5) million, or \$(0.02) per share, for the fourth quarter of fiscal 2010. The Company noted that this loss included \$1.7 million of non-cash items as well as restructuring and integration charges of \$0.8 million related to the May 28, 2010 combination of Clarus Corporation ("Clarus"), Black Diamond Equipment, Ltd. ("Black Diamond Equipment") and Gregory Mountain Products, LLC. ("Gregory"). Excluding these items, the Company had adjusted cash earnings per diluted share of \$2.0 million or \$0.09 per share in the fourth quarter.

Consolidated net cash provided by operating activities during the fourth quarter of 2010 was \$6.9 million. Capital expenditures were \$1.3 million. Free cash flows, defined as net cash provided by operating activities less capital expenditures was \$5.6 million during the quarter. Adjusted free cash flows, which exclude inventory step-up and integration charges,

was approximately \$6.3 million.

The Company noted the benefits associated with combining and integrating the operations of Gregory with those of Black Diamond Equipment were not present during the fourth quarter. The cost savings associated with the combination of Black Diamond Equipment and Gregory are expected to be realized in 2011.

Peter Metcalf, Chief Executive Officer, commented, "We are very pleased to have achieved our short-term goals for the fourth quarter while having continued to focus on long-term, strategic growth initiatives. We have nearly completed the integration of the operations of Gregory and Black Diamond Equipment with the Company's public company infrastructure. The formation of this platform is a true milestone in the development of our Company. We are excited to now press forward with a thoughtful, compelling strategy to build our capabilities and to supplement our expected organic growth with acquisitions. We believe that we have an excellent opportunity to continue to develop our company into one of the world's leading, and most respected outdoor lifestyle companies. As we do so, we will remain dedicated to and indistinguishable from the sports and user communities which we were founded to serve."

Twelve Month Results

As reported, sales for the twelve months ended December 31, 2010 were \$75.9 million. Pro forma sales for the twelve months ended December 31, 2010 were \$125.0 million, an increase of 10.1% versus pro forma sales of \$113.5 million for the full year of 2009. Growth in the Company's full year pro forma revenues was, similar to the fourth quarter, broad based, with increases in each category and each geographic region of its business.

Gross margin, as reported for the twelve months ended December 31, 2010 was 31.3%. Excluding the non-cash adjustment of \$5.0 million of inventory step-up value included in cost of goods sold due to purchase accounting, pro forma adjusted gross margin for the full year fiscal 2010 would have been 38.6% compared to 38.1% for the full-year of 2009.

Net income, as reported for the twelve months ended December 31, 2010 was \$51.2 million, or \$2.56 per diluted share. Net income in 2010 includes a \$65 million benefit related to a partial release of the Company's valuation allowance on its net operating loss carryforwards.

Statement Regarding Presentation of Results

The Company, formerly named Clarus, closed its acquisitions of Black Diamond Equipment and Gregory on May 28, 2010 (the "Acquisitions"). At the time of the transaction, Clarus had no business operations. As a result, Black Diamond Equipment is considered the Predecessor Company for financial reporting purposes. The financial results for the twelve-month period ending December 31, 2010, exclude Gregory for the periods prior to May 28, 2010. We believe pro forma results, particularly pro forma sales and pro forma adjusted gross margin, which exclude the non-cash inventory step-up due to purchase accounting, include Clarus, Black Diamond Equipment and Gregory for the full twelve-month period are the most useful and instructive comparison.

Balance Sheet

Cash at December 31, 2010, totaled \$2.8 million.

Total long-term debt including the current portion of long term debt was \$29.8 million at December 31, 2010, which included \$14.7 million outstanding on our \$35.0 million line of credit, and a discounted value of \$14.0 million on our 5% subordinated notes, as well as \$1.1 million in other debt. The face value of the 5% subordinated notes is \$22.6 million.

As of December 31, 2010, the Company recorded net deferred tax assets of approximately \$69.5 million - not including deferred tax liabilities. After considering deferred tax liabilities of \$24.2 million primarily related to the step-up in fair value of our assets from purchase accounting in excess of the tax basis, our net deferred tax assets totaled \$45.3 million at December 31, 2010.

Our stockholders' equity was \$162.9 million or approximately \$7.51 per share based on 21.7 million shares of common stock outstanding as of December 31, 2010.

Free Cash Flows

Combined net cash (used in) provided by operating activities was \$(6.3) million during 2010, compared to combined net cash provided by (used in) operating activities of \$3.3 million during 2009. The increase in cash used is largely due to \$5.1 million of transaction costs, the increase in inventory sold of \$5.0 million due to the step up in fair value in purchase accounting, \$1.0 million in transition costs, \$1.3 million in lease indemnity payments and \$1.0 million in merger and integration charges related to the Acquisitions. Excluding these items, the net cash provided (used in) by operating activities would have been \$7.1 million for 2010.

Combined capital expenditures were \$2.9 million during 2010, compared to \$3.3 million during 2009. The decrease in capital expenditures of \$0.4 million is due to certain renovation and tooling costs incurred during 2009, which were not incurred during 2010. Free cash flows used, defined as net cash (used in) provided by operating activities less capital expenditures was \$(9.2) million during 2010, compared to \$(0.0) million during 2009. Excluding \$5.1 million of transaction costs related to the acquisitions, \$5.0 million in step up value of inventory sold, \$1.0 million in transition costs, \$1.3 million in lease indemnity payments, and \$1.0 million in merger and integration charges related to the Acquisitions, free cash flows provided would have been \$4.2 million during 2010.

Forward-Looking Guidance

The Company expects its fourth quarter momentum to continue into the first and second quarters based on its order books, its well received innovative new product line and heightened activity at retail. For the three-months ending March 31, 2011, the Company anticipates sales to be in the range of \$37 - \$38.5 million.

For fiscal year 2011, the Company expects sales to range between \$135 - \$140 million, which does not give effect to new category launches or the impact from possible acquisitions. The Company further noted gross margins are expected to range between 36% and 39% during fiscal year 2011. The Company also expects, despite the planned near-term increase in platform capabilities, to remain profitable and cash flow positive.

Net Operating Loss

The Company estimates that it has available net operating loss carryforwards for U.S. federal income tax purposes of approximately \$225.8 million, after application of the limitation under Section 382 of the Internal Revenue Code, as amended. The Company's common stock is subject to a Rights Agreement dated February 7, 2008, designed to assist in limiting the number of 5% or more owners and thus reduce the risk of a possible "change of ownership" under Section 382 of the Internal Revenue Code of 1986, as amended. Any such "change of ownership" under these rules would limit or eliminate the ability of the Company to use its existing NOLs for federal income tax purposes. There is no guaranty, however, that the Rights Agreement will achieve the objective of preserving the value of the NOLs.

Conference Call Details

The Company noted that, as previously announced, it will hold a conference call today, March 14, 2011, at 5:00 p.m. ET to discuss its strategic plan and the guidance contained in this press release.

The call can be accessed by dialing 1-877-407-0789 (U.S. participants) or 1-201-689-8562 (International participants). Callers should ask to be connected to Black Diamond, Inc. teleconference and provide the conference ID number: 368626.

A replay of the call will be available starting on March 14, 2011 at 7:15 pm ET by dialing 1-877-870-5176 (U.S.) or 1-858-384-5517 (International). The replay access code is 368626. The replay will be available through March 28, 2011.

About The Company

Black Diamond, Inc. is a leading provider of outdoor recreation equipment and active lifestyle products. The Company's principal brands are Black Diamond® and Gregory®. The Company develops, manufactures and globally distributes a broad range of products including: rock-climbing equipment (such as carabiners, protection devices, harnesses, belay and devices, helmets and ice-climbing gear), technical backpacks and high-end day packs, tents, trekking poles, headlamps and lanterns, gloves and mittens, skis, ski bindings, ski boots, ski skins and avalanche safety equipment. Headquartered in Salt Lake City, Utah, the Company has more than 475 employees worldwide, with ISO 9001 manufacturing facilities both in Salt Lake City and Southeast China as well as a sewing plant in Calexico, California, distribution centers in Utah and Southeast China, a marketing office in Yokohama, Japan, and a fully owned sales, marketing and distribution operation for Europe, located near Basel, Switzerland. For more information about us and our brands, please visit www.blackdiamond-inc.com, www.blackdiamondequipment.com, and www.gregorypacks.com.

Use of Non-GAAP Measures

The Company reports its financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). The earnings press release contains the non-GAAP measures combined, combined adjusted and pro forma sales and gross profit, net income before non-cash items and adjusted net income before non-cash items and related earnings

per share, and adjusted net cash (used in) provided by operating activities and adjusted free cash flows. The Company also believes that presentation of certain non-GAAP measures, i.e., combined, combined adjusted and pro forma sales and gross profit, net income before non-cash, and adjusted net cash (used in) provided by operating activities and adjusted free cash flows, provides useful information for the understanding of its ongoing operations and enables investors to focus on period-over-period operating performance, and thereby enhances the user's overall understanding of the Company's current financial performance relative to past performance and provides, to the nearest GAAP measures, a better baseline for modeling future earnings expectations. Non-GAAP measures are reconciled to comparable GAAP financial measures in the financial tables within this press release. The Company cautions that non-GAAP measures should be considered in addition to, but not as a substitute for, the Company's reported GAAP results. Additionally, the Company notes that there can be no assurance that the above referenced non-GAAP financial measures are comparable to similarly titled financial measures by other publicly traded companies.

Forward Looking Statements

Certain statements included in this release are "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are made based on our expectations and beliefs concerning future events impacting the Company and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. Potential risks and uncertainties that could cause the actual results of operations or financial condition of the Company to differ materially from those expressed or implied by forward-looking statements in this release include the overall level of consumer spending on our products; general economic conditions and other factors affecting consumer confidence; disruption and volatility in the global capital and credit markets; the financial strength of the Company's customers; the Company's ability to implement its growth strategy; the Company's ability to successfully integrate and grow acquisitions; the Company's ability to maintain the strength and security of its information technology systems; stability of the Company's manufacturing facilities and foreign suppliers; the Company's ability to protect trademarks and other intellectual property rights; fluctuations in the price, availability and quality of raw materials and contracted products; foreign currency fluctuations; our ability to utilize our net operating loss carryforwards; and legal, regulatory, political and economic risks in international markets. More information on potential factors that could affect the Company's financial results is included from time to time in the Company's public reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

Selling, general and administrative
 Restructuring charge
 Merger and integration
 Transaction costs

Total operating expenses

Operating income (loss)

Other (expense) income
 Interest expense
 Interest income
 Other, net

Total other (expense) income, net

(Loss) income before income tax
 (Benefit) income tax provision
 Net income (loss)

to stockholders:

Basic earnings (loss) per share

Diluted earnings (loss) per share

Basic
 Diluted

Note 1: On May 28, 2010, we acquired Black Diamond Equipment, Ltd. ("Black Diamond")

RECONCILIATION FROM CONSOLIDATED SALES AND GROSS PROFIT TO PRO FORMA SALES

December 31, 2010

Consolidated sales as reported	\$ 34,222
Sales growth	13.6%

December 31, 2010

Consolidated sales as reported	\$ 75,912
Sales for Predecessor five months ended 5/28/10	34,943
Combined sales	110,855
Sales for Gregory five months ended 5/28/10	14,161
Pro forma sales	\$ 125,016
Pro forma sales growth	10.1%

	December 31, 2010
Consolidated gross profit as reported	\$ 12,389
Plus inventory fair value of purchase accounting	676
Adjusted gross profit	\$ 13,065
Gross margin	36.2%
Adjusted gross margin	38.2%
December 31, 2010	
Consolidated gross profit as reported	\$ 23,732
Gross profit for Predecessor five months ended 5/28/10	13,778
Combined gross profit	37,510
Plus inventory fair value of purchase accounting	4,997
Combined adjusted gross profit	42,507
Gross profit for Gregory five months ended 5/28/10	5,798
Proforma adjusted gross profit	\$ 48,305
Combined gross margin	33.8%
Combined adjusted gross margin	38.3%
Proforma adjusted gross margin	38.6%

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Amortizatio:

Accretion

Amortization of discou:

Non-cash equ

Non-cash mark-to-market adjustment of foreign cu

Non-cash write off of i:

GAAP tax pro

Cash

Net income (loss) before

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Rest

Merger

State cash tax

AMT cash tax

Adjusted net income (loss) before

Note 1: On May 28, 2010, we acquired Black Diamond Equipment, Ltd. ("Black Diamond Eq

December 31, 2009
Share Diluted

Per

Net (loss) income

Amortization of intangible

Depreciatio

Accretion of note discoun

Amortization of discount on securitie

Non-cash equity compensatio

Non-cash mark-to-market adjustment of foreign currency contract

Non-cash write off of inventory step u

GAAP tax provision/(benefit

Cash income taxes

Net income (loss) before non-cash item

Transaction cost

Restructuring charg

Merger and integratio

State cash taxes on adjustment

AMT cash taxes on adjustment

Adjusted net income (loss) before non-cash item

Note 1: On May 28, 2010, we acquired Black Diamond Equipment, Ltd. ("Black Diamond Eq

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TWELVE MONTHS

FIVE MONTHS

Company (Note 1)

May 28, 2010

Combined

December 31, 2010

December 31, 2009

Company (Note 1)

December 31, 2009

Combined

December 31, 2009

Net cash (used in) provided by operating activities
Transaction costs
Step up value of inventory sold
Transition costs
Lease indemnity payments
Merger and integration charges
Adjusted cash (used in) provided by operating activities
Capital expenditures
Adjusted free cash flows (used) provided

Note 1: On May 28, 2010, we acquired Black Diamond Equipment, Ltd. ("Black Diamond Eq

RECONCILIATION FROM CONSOLIDATED NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES,
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES, AND ADJUSTED FREE CAS.
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ENDED

THREE MONTHS

2010

December 31,

Net cash provided by (used in) operating activities \$
Transaction costs
Step up value of inventory sold
Transition costs
Lease indemnity payments
Merger and integration charges
Adjusted cash (used in) provided by operating activities
Capital expenditures (
Adjusted free cash flows (used) provided \$

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