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Blue Buffalo Pet Products, Inc.
Notes to Consolidated Financial Statements (Continued)

In the normal course of business, the Company is subject to proceedings, lawsuits and other claims and assessments, which typically include consumer complaints and post-termination employment claims. The Company has assessed such contingent liabilities and believes the potential of these liabilities is not expected to have a material, if any, effect on the Company's financial position, its results of operations or its cash flows.

Note 16 – Related Parties

Invus Partners, LLC held \$20.4 million and \$20.2 million of the Company's outstanding debt under the Amended Facility on December 31, 2013 and 2014, respectively. Several of the members of the Company's Board of Directors ("BOD") are members of Invus Partners, LLC, as well as managing directors and officers of the general partner of the Company's majority shareholder and managing directors and officers of an investment advisor to the Company's majority shareholder.

In addition, Kunkemueller Enterprises LP, which is owned in part by the wife of one of the members of our BOD, held \$1.5 million of the Company's debt under the Amended Facility on December 31, 2013 and 2014.

Note 17 – Unaudited Quarterly Financial Data

The unaudited summarized financial data by quarter for the years ended December 31, 2013 and 2014 is presented in the table below:

(dollars in thousands)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2013:				
Net sales	\$ 163,821	\$ 175,133	\$ 184,797	\$ 195,758
Gross profit	69,337	73,490	76,727	78,058
Selling, general, and administrative expenses	27,959	31,584	35,248	44,195
Operating income	41,378	41,906	41,479	33,863
Net income	21,254	22,440	22,626	11,916
Basic net income per common share	\$ 0.46	\$ 0.48	\$ 0.49	\$ 0.26
Diluted net income per common share	\$ 0.46	\$ 0.48	\$ 0.48	\$ 0.25
Basic weighted average shares	46,553,881	46,570,037	46,579,816	46,600,213
Diluted weighted average shares	46,611,325	46,617,768	46,842,556	47,035,984
2014:				
Net sales	\$ 226,247	\$ 218,654	\$ 234,770	\$ 238,089
Gross profit	96,335	84,993	94,226	91,313
Selling, general, and administrative expenses	42,722	46,100	45,419	53,623
Operating income	53,613	38,893	48,807	37,690
Net income	31,153	21,911	27,713	21,154
Basic net income per common share	\$ 0.67	\$ 0.47	\$ 0.59	\$ 0.45
Diluted net income per common share	\$ 0.66	\$ 0.47	\$ 0.59	\$ 0.45
Basic weighted average shares	46,600,213	46,603,260	46,605,513	46,605,513
Diluted weighted average shares	47,082,757	47,101,865	47,115,245	47,107,972