

K2 INC
Form S-4
December 10, 2003
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As filed with the Securities and Exchange Commission on December 10, 2003

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

K2 INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

3949
(Primary Standard Industrial
Classification Code No.)
2051 Palomar Airport Road

95-2077125
(I.R.S. Employer
Identification No.)

Carlsbad, California 92009

(760) 494-1000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Monte H. Baier

Vice President and General Counsel

K2 Inc.
2051 Palomar Airport Road
Carlsbad, California 92009

(760) 494-1000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

With copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement and the satisfaction (or waiver) of the conditions to the offer described herein.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered (1)	Amount To Be Registered (2)	Proposed Maximum	Proposed Maximum	Amount of Registration Fee
		Offering Price Per Share	Aggregate Offering Price (3)	
Common Stock, par value \$1.00 per share	1,188,743	N/A	\$ 16,082,738	\$ 1,302.00

- (1) Includes associated preferred share rights to purchase shares of the Registrant's common stock pursuant to the Registrant's shareholder rights plan, which rights are not currently separable from the shares of common stock and are not currently exercisable.
- (2) Based on the maximum number of shares of Registrant common stock issuable in the offer and the merger. The maximum number of 1,188,743 equals the sum of (i) 1,006,719, the product of (a) 3,651,501, the total number of shares of Fotoball USA, Inc. common stock outstanding as of December 9, 2003 and (b) 0.2757 and (ii) 182,024, the product of (a) 660,225, the number of outstanding options to purchase shares of Fotoball USA common stock and (b) 0.2757.
- (3) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) and 457(c) under the Securities Act of 1933, based upon the product of \$3.73, representing the average of the high and low sale prices of the Fotoball USA, Inc. common stock as reported on the Nasdaq National Market System on December 8, 2003, and 4,311,726, representing the maximum number of shares of Fotoball USA, Inc. to be acquired by Registrant in the offer and the merger.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

OFFER BY K2 INC.

to

Exchange 0.2757 of a Share of Common Stock

(including the associated preferred share purchase rights)

of

K2 Inc.

for

Each Outstanding Share of Common Stock

(including the associated preferred share purchase rights)

of

Fotoball USA, Inc.

THIS OFFER, AND YOUR RIGHT TO WITHDRAW SHARES OF FOTOBALL USA COMMON STOCK YOU TENDER INTO THIS OFFER, WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JANUARY 8, 2004, UNLESS WE EXTEND THIS OFFER.

We are offering to exchange 0.2757 of a share, including the associated preferred share purchase rights, of common stock of K2 Inc. (K2) for each outstanding share of common stock, including the associated preferred share purchase rights, of Fotoball USA, Inc. (Fotoball USA), on the terms and conditions contained in this prospectus and in the related letter of transmittal.

This offer is being made pursuant to an Agreement and Plan of Merger and Reorganization (as such agreement may from time to time be amended or supplemented, the Merger Agreement), dated as of November 25, 2003, by and among K2, Boca Acquisition Sub, Inc. (Acquisition Sub) and Fotoball USA. The board of directors of Fotoball USA has unanimously (i) adopted the Merger Agreement and approved the transactions contemplated thereby, including this offer, and (ii) recommended that holders of Fotoball USA common stock accept this offer and tender their Fotoball USA common stock to K2 pursuant to this offer. Michael Favish, Fotoball USA s Chairman and Chief Executive Officer, and Scott P. Dickey, Fotoball USA s President and Chief Operating Officer, and each in their capacities as stockholders of outstanding common stock of Fotoball USA, have each agreed to tender their respective Fotoball USA shares in the offer, subject to certain conditions.

This offer is conditioned on (i) there being validly tendered and not properly withdrawn prior to the expiration of the offer at least a majority of the shares of Fotoball USA common stock, calculated as described in this prospectus, and (ii) the other conditions described in this prospectus under The Offer Conditions of the Offer on page 38.

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After completion of the offer, K2 will cause Fotoball USA to complete a merger with Acquisition Sub in which each outstanding share of Fotoball USA common stock (except for shares held by Fotoball USA, K2 or Acquisition Sub) will be converted into the right to receive a fraction of a share of K2 common stock at the same exchange ratio as used in the offer, subject to appraisal rights to the extent applicable under Delaware law. If, after the completion of this offer, we beneficially own more than 90% of the outstanding shares of Fotoball USA common stock, we may effect this merger without the approval of Fotoball USA stockholders, as permitted under Delaware law.

K2 is not asking Fotoball USA stockholders for a proxy at this time and Fotoball USA stockholders are requested not to send a proxy. Any solicitation of proxies will be made pursuant to separate proxy solicitation materials complying with the requirements of Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act).

SEE RISK FACTORS BEGINNING ON PAGE 19 FOR A DISCUSSION OF ISSUES THAT YOU SHOULD CONSIDER IN DETERMINING WHETHER TO TENDER YOUR SHARES IN THIS OFFER.

K2 common stock is traded on the New York Stock Exchange under the symbol KTO. Fotoball USA common stock is traded on the Nasdaq National Market System under the symbol FUSA.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN THIS OFFER AND THE SUBSEQUENT MERGER OR DETERMINED IF THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is December 10, 2003 and it will be distributed on or about December 10, 2003.

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As permitted under the rules of the Securities and Exchange Commission (the SEC), this prospectus incorporates important business and financial information about K2 that is contained in documents filed with the SEC, but that is not included in or delivered with this prospectus. You may obtain copies of these documents, without charge, from the website maintained by the SEC at www.sec.gov, as well as other sources. See **Additional Information Where You Can Find Additional Information** on page 77. You may also obtain copies of these documents, without charge, upon written or oral request to our information agent, Morrow & Co., Inc. (Banks and Brokerage Firms, please call (800) 654-2468; Stockholders, please call (800) 607-0088; all others, please call collect (212) 754-8000; the address is 445 Park Avenue, 5th Floor, New York, New York 10022; the e-mail address is fusa.info@morrowco.com). To obtain timely delivery of copies of these documents, you should request them no later than five business days prior to the expiration of this offer. **UNLESS THIS OFFER IS EXTENDED, THE LATEST YOU SHOULD REQUEST COPIES OF THESE DOCUMENTS IS WEDNESDAY, DECEMBER 31, 2003.**

Except as otherwise specifically noted, we, our, us and similar words in this prospectus refer to K2. Acquisition Sub refers to Boca Acquisition Sub, Inc., a wholly-owned subsidiary of K2. We refer to Fotoball USA, Inc. as Fotoball USA. All references to shares of our common stock or Fotoball USA common stock include the associated preferred stock purchase rights.

In **Questions and Answers About the Offer** below and in the **Summary** beginning on page 3, we highlight selected information from this prospectus, but we have not included all of the information that may be important to you. To better understand the offer and the subsequent merger, and for a more complete description of their legal terms, you should carefully read this entire prospectus, including the section entitled **Risk Factors** on page 19 and the annexes hereto, as well as the documents we have incorporated by reference into this prospectus. See **Additional Information Where You Can Find Additional Information** on page 77.

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus. The information contained in this prospectus and the documents incorporated by reference are accurate only as of their respective dates, regardless of the time of delivery of this prospectus. Our business, financial condition, results of operations and prospects may have changed since those dates.

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QUESTIONS AND ANSWERS ABOUT THE OFFER

Q. Who Is Offering to Buy Your Shares?

- A. K2 is a premier, branded consumer products company with a portfolio of diversified sporting goods products and other recreational products. K2's sporting goods include several name brand lines such as K2 and Olin alpine skis, K2 and Ride snowboards, boots and bindings, Morrow, 5150 and Liquid snowboards, Tubbs and Atlas snowshoes, K2 in-line skates, K2 mountain bikes and BMX bikes, Rawlings baseball and sports equipment, Worth softball and sports equipment, Shakespeare fishing rods and reels, Stearns personal flotation devices, outdoor water recreational products, rainwear and hunting accessories and K2 and Dana Design backpacks. K2's other recreational products include Planet Earth apparel, Adio and Hawk skateboard shoes and Hilton corporate casuals. In addition, K2's portfolio includes industrial products consisting primarily of Shakespeare monofilament line, which is used in weed trimmers, paper mills and as fishing line, and Shakespeare fiberglass marine antennas.

K2 has embarked upon an aggressive growth strategy to leverage its existing operations and to complement and diversify its product offerings within the sporting goods and recreational product industries. K2 intends to implement internal growth by continuing to improve operating efficiencies, extending product offerings with new product launches, and maximizing its extensive distribution channels. In addition, K2 is seeking strategic acquisitions of other sporting goods companies with well-established brands and complementary distribution channels. K2 believes that the growing influence of large format sporting goods retailers and retailer buying groups as well as the consolidation of certain sporting goods retailers worldwide is leading to a consolidation of sporting goods suppliers. K2 also believes that the most successful sporting goods suppliers will be those with greater financial and other resources, including those with the ability to produce or source high-quality, low cost products and deliver these products on a timely basis, to invest in product development projects, and to access distribution channels with a broad array of products and brands. In pursuing this growth strategy, K2 acquired Rawlings Sporting Goods Company, Inc. (Rawlings) on March 26, 2003, Worth, Inc. (Worth) on September 16, 2003 and certain assets and liabilities of Winter Quest LLC on October 17, 2003. Additionally, K2 entered into an agreement on October 22, 2003 to acquire Brass Eagle Inc. (Brass Eagle), the exchange offer for the shares of which closed on December 8, 2003 with K2 acquiring control. K2 expects the merger with Brass Eagle to close on or about December 10, 2003.

Q. Why Are We Making the Offer?

- A. We are making the offer for the purpose of acquiring all of the outstanding shares of Fotoball USA common stock.

Q. What Will You Receive in Exchange for the Shares of Fotoball USA Common Stock that You Tender In the Offer?

- A. If we complete the offer, you will receive 0.2757 of a share, including the associated preferred share purchase rights, of K2 common stock in exchange for each share of Fotoball USA common stock that you validly tender in the offer. We will not issue fractional shares of K2 common stock. Any Fotoball USA stockholder entitled to receive a fractional share of K2 common stock will instead receive a cash payment in lieu of the fractional interest. See *The Offer - Cash Instead of Fractional Shares of K2 Common Stock* on page 37.

Q. What Does the Board of Directors of Fotoball USA Think of the Offer and the Subsequent Merger?

- A. On November 25, 2003, the board of directors of Fotoball USA unanimously approved the Merger Agreement, this offer and the merger. The board of directors of Fotoball USA also has recommended that Fotoball USA stockholders tender their shares of Fotoball USA common stock in this offer. The board of

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directors of Fotoball has received a written opinion, dated November 25, 2003, from Imperial Capital LLC (Imperial Capital), the financial advisor to Fotoball USA, to the effect that, as of the date of the opinion and based on and subject to the matters described in the opinion, the consideration to be received by Fotoball USA stockholders in the offer and merger is fair, from a financial point of view, to such stockholders. A summary of Imperial Capital's opinion, including the analyses performed, the bases and methods of arriving at the opinion and a description of Imperial Capital's investigation and assumptions, is provided in Fotoball USA's Solicitation/Recommendation Statement on Schedule 14D-9 (the Fotoball USA Recommendation Statement), which is being mailed to you together with this prospectus. The full text of Imperial Capital's written opinion, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to the Fotoball USA Recommendation Statement. For more information about the position of the board of directors of Fotoball USA on the offer, see the Fotoball USA Recommendation Statement.

Q. What Have Michael Favish, Fotoball USA's Chairman and Chief Executive Officer, and Scott P. Dickey, Fotoball USA's President and Chief Operating Officer, Each in Their Capacities as Stockholders of Fotoball USA, Agreed to Do with Respect to the Offer and the Merger?

A. On November 25, 2003, Michael Favish and Scott P. Dickey each entered into respective Exchange Agreements with K2, pursuant to which each of them has agreed to tender his Fotoball USA shares in the offer, subject to certain conditions. See Interests of Certain Persons in the Offer and Subsequent Merger Certain Agreements Between Michael Favish, Scott P. Dickey and K2 Exchange Agreements on page 50.

Q. What Are the Potential Benefits of this Offer to Fotoball USA Stockholders?

A. We believe that this offer should be attractive to Fotoball USA stockholders for the reasons described elsewhere in this prospectus as well as for the following reasons:

based on \$15.70 and \$3.98, the closing prices of shares of K2 common stock and shares of Fotoball USA common stock, respectively, on November 25, 2003, the last trading day preceding our first announcement of our intention to acquire the outstanding shares of Fotoball USA common stock, the value of shares of Fotoball USA common stock as used in the exchange ratio represented a 8.8% premium over the price of shares of Fotoball USA common stock. Based on \$16.07 and \$3.02, the closing prices of shares of K2 common stock and shares of Fotoball USA common stock, respectively, on July 25, 2003, the last trading day prior to Fotoball USA's announcement of receipt of an unsolicited offer to acquire the outstanding shares of Fotoball USA common stock, the value of shares of Fotoball USA common stock as used in the exchange ratio represented a 44.3% premium over the price of shares of Fotoball USA common stock. On December 9, 2003, the last trading date prior to the printing of this prospectus for which this information was practicably available, the closing prices of a share of K2 common stock and a share of Fotoball USA common stock, as reported in the consolidated transaction reporting system, were \$14.39 and \$3.94, respectively;

you will have the opportunity to hold shares in a larger, more diversified combined company which we believe will have greater access to capital to pursue strategic growth opportunities in the sporting goods industry than would Fotoball USA on a stand-alone basis;

you will have the opportunity to hold shares in a company with significantly more daily trading volume, which will permit you to sell more shares without adversely affecting the price of the shares; and

you will have the opportunity to continue to share in Fotoball USA's future performance through your ownership of shares of K2 common stock, as well as an opportunity to similarly share in the performance of our other product lines.

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Q. What Are Some of the Other Factors You Should Consider in Deciding Whether to Tender Your Shares of Fotoball USA Common Stock?

A. In addition to the factors described elsewhere in this prospectus, you should consider the following:

as a K2 stockholder, your interest in the performance and prospects of Fotoball USA would only be indirect and in proportion to your share ownership in K2. You, therefore, will not realize the same financial benefits of future appreciation in the value of Fotoball USA, if any, that you may realize if the offer and the merger were not completed and you remained a Fotoball USA stockholder; and

an investment in a company of Fotoball USA's size may be associated with greater risk and a greater potential for gain than an investment in a more diversified company like K2. On the other hand, as a stockholder in a diversified company like K2, your investment will be exposed to risks and events that are likely to have little or no effect on Fotoball USA.

We describe various factors Fotoball USA stockholders should consider in deciding whether to tender their shares under "Risk Factors" on page 19 and "Background and Reasons for the Offer and Subsequent Merger - Additional Factors for Consideration by Fotoball USA Stockholders" on page 30.

Q. How Do You Participate in the Offer?

A. You are urged to read this entire prospectus carefully, and to consider how the offer and the merger affect you. Then, if you wish to tender your shares of Fotoball USA common stock, you should complete and sign the enclosed letter of transmittal and return it with your stock certificates to the exchange agent and depository at its address set forth on the back cover page of this prospectus, or, if you hold your shares in street name through a broker, ask your broker to tender your shares. Please read this prospectus carefully for more information about procedures for tendering your shares, the timing of the offer, extensions of the offer period and your rights to withdraw your shares from the offer prior to the expiration date.

Q. What Are the Most Significant Conditions to the Offer?

A. The offer is conditioned upon, among other things, satisfaction of the condition that there must be validly tendered, and not properly withdrawn, prior to the expiration of the offer, at least a majority of the outstanding shares of Fotoball USA common stock and certain shares subject to Fotoball USA stock options as described in this prospectus. In addition to this minimum condition, the following conditions must also be met as of the expiration of the offer:

the registration statement on Form S-4 of which this prospectus is a part must have become effective;

the shares of K2 common stock issuable in the offer shall have been approved for listing on the New York Stock Exchange;

Fotoball USA and K2 shall have received certain tax opinions;

neither Michael Favish nor Scott P. Dickey shall have breached any of their respective obligations under the Exchange Agreements pursuant to which each has agreed to tender his shares in the offer;

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Fotball USA shall have received certain consents to the transactions contemplated by the Merger Agreement;

there shall have been no event having a material adverse effect on Fotoball USA and no specified breaches by Fotoball USA of the Merger Agreement;

there shall be no legal impediments to the offer and certain events, such as trading suspensions or the commencement or acceleration of a war involving the United States, shall not have occurred;

the Merger Agreement shall not have been terminated pursuant to its terms; and

neither Fotoball USA's board of directors nor the Fotoball USA special committee shall have withdrawn its recommendation of the offer.

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These conditions and other conditions to the offer are discussed in this prospectus under "The Offer" "Conditions of the Offer" on page 38.

Q: If You Decide Not to Tender, How Will This Affect the Offer and Your Shares of Fotoball USA Common Stock?

A: We will not acquire any shares of Fotoball USA common stock in the offer unless the minimum condition is satisfied. Your failure to tender your shares of Fotoball USA common stock will reduce the likelihood that we will receive tenders of a sufficient number of shares of Fotoball USA common stock to be able to complete the offer.

The offer is the first step in our acquisition of Fotoball USA and is intended to facilitate our acquisition of all of the outstanding shares of Fotoball USA common stock. After completion of the offer, we will cause Fotoball USA to complete a merger with Acquisition Sub. The purpose of the merger is to acquire all of the outstanding shares of Fotoball USA common stock not exchanged in the offer. In the merger, each outstanding share of Fotoball USA common stock (except for shares held by Fotoball USA, K2 or Acquisition Sub) will be converted into the right to receive a fraction of a share of K2 common stock at the same exchange ratio used in the offer, subject to appraisal rights to the extent applicable under Delaware law. If the merger takes place (unless the merger is accomplished through a short-form merger, in which case non-tendering stockholders would be entitled to appraisal rights), the only difference to you between tendering your Fotoball USA common stock in the offer and not tendering your Fotoball USA common stock is that you will receive shares of K2 common stock earlier if you tender your shares in the offer. An earlier tender of your shares of Fotoball USA common stock may, however, help to ensure the satisfaction of the minimum condition and the completion of the offer and merger.

Q: How Long Will It Take to Complete the Offer and the Subsequent Merger?

A: We hope to complete the offer in January 2004. The offer is currently scheduled to expire on Thursday, January 8, 2004. However, we may extend the offer if the conditions to the offer have not been satisfied as of the offer's scheduled expiration or if we are required to extend the offer pursuant to the SEC's tender offer rules or pursuant to agreements we have made with Fotoball USA in the Merger Agreement. After completion of the offer, K2 will cause Fotoball USA to complete a merger with Acquisition Sub, in which each outstanding share of Fotoball USA common stock (except for shares held by Fotoball USA, K2 or Acquisition Sub) will be converted into the right to receive a fraction of a share of K2 common stock at the same exchange ratio as used in the offer, subject to appraisal rights to the extent applicable under Delaware law. If, after the completion of the offer, we beneficially own more than 90% of the outstanding shares of Fotoball USA common stock, we may effect this merger without the approval of Fotoball USA stockholders, as permitted under Delaware law, which could occur promptly following the completion of the offer. In order to reach this 90% threshold, we may exercise an irrevocable option Fotoball USA has granted us in the Merger Agreement to purchase directly from Fotoball USA that number of shares of Fotoball USA common stock that will enable us to hold 90% of the outstanding Fotoball USA shares after such exercise, subject to certain limitations. The exercise of this option would allow us to consummate the merger without stockholder approval even if we do not obtain 90% of Fotoball USA's outstanding shares in the offer. If we complete the offer but own less than 90% of the outstanding shares of Fotoball USA common stock after the offer, and we do not exercise our option to purchase shares directly from Fotoball USA, then the merger will require Fotoball USA stockholder approval, and we will complete the merger after a definitive proxy statement regarding the merger is distributed to Fotoball USA stockholders and a meeting of the Fotoball stockholders is held. As the then majority stockholder of Fotoball USA, we will approve the merger at such meeting. In such circumstances, the consummation of the merger may not occur until a month or more following the completion of the offer.

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Q: Do You Have to Vote to Approve the Offer or the Merger?

A: Because we are extending the offer directly to Fotoball USA stockholders, Fotoball USA stockholders are not being asked to vote to approve the offer. Approval by Fotoball USA stockholders, however, may be required to approve the merger following the successful completion of the offer. Please note that because the offer can only be completed if we acquire a majority of the outstanding shares of Fotoball USA common stock, once the offer is completed, approval of the merger can be accomplished through a meeting of Fotoball USA stockholders to vote on the merger, as required by Delaware law. Fotoball USA stockholders will receive a proxy statement in advance of the meeting soliciting their vote in favor of the merger. However, because we will own a majority of the shares of Fotoball USA common stock at that time, stockholder approval will be assured. If we own 90% or more of the outstanding common stock of Fotoball USA following completion of the offer, the merger can be accomplished without any vote under applicable law.

Q: What Percentage of the K2 Common Stock Will Current Fotoball USA Stockholders Own After the Completion of the Offer and Subsequent Merger?

A: We anticipate that the completion of the offer and subsequent merger will result in the exchange of the outstanding shares of Fotoball USA common stock into approximately 2.9% of the K2 common stock outstanding at the conclusion of the transactions, without regard to K2 stock options or warrants to purchase K2 common stock, and 2.2% on a fully-diluted basis. In general, this assumes that:

approximately 1,006,719 shares of K2 common stock would be issued in the offer and the subsequent merger;

approximately 33,187,040 shares of K2 common stock are outstanding before giving effect to the completion of the offer and the subsequent merger;

no options to purchase shares of Fotoball USA common stock are exercised prior to the completion of the merger; and

no Fotoball USA stockholders exercise appraisal rights.

Q: Will You Be Taxed on the Shares of K2 Common Stock that You Receive?

A: It is a condition to the completion of the offer that K2 and Fotoball USA receive legal opinions to the effect that the offer and the merger together will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code (the Code). A Fotoball USA stockholder who, consistent with such opinions, receives his, her or its shares of K2 common stock pursuant to the offer or merger will not recognize any gain or loss in the offer and/or the merger, except for gain or loss attributable to cash received in lieu of a fractional share of K2 common stock. Stockholders should consult their tax advisors for a full understanding of all of the tax consequences of the offer and the merger to them. See The Offer Material U.S. Federal Income Tax Consequences on page 40.

Q: Do the Statements on the Cover Page Regarding this Prospectus Being Subject to Change and the Registration Statement Filed with the SEC Not Yet Being Effective Mean that the Offer May Not Commence?

A: No. As permitted under SEC rules, we may commence the offer without the registration statement, of which this prospectus is a part, having been declared effective by the SEC. We cannot, however, complete the offer and accept for exchange any shares of Fotoball USA common stock tendered in the offer until the registration statement is declared effective by the SEC and the other conditions to our offer have been satisfied or, where permissible, waived. The offer will commence when we first publish the means for Fotoball USA stockholders to tender their shares.

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Q: Are K2's Business, Results of Operations, Financial Condition and Prospects Relevant to Your Decision to Tender Your Shares in the Offer?

A: Yes. Shares of Fotoball USA common stock accepted in the offer will be exchanged for shares of K2 common stock and therefore you should consider K2's business, results of operations, financial condition and prospects before you decide whether to tender your shares in the offer. In considering our business, results of operations, financial condition and prospects, you should review the documents incorporated by reference in this prospectus because they contain detailed business, financial and other information about us. See [Additional Information Where You Can Find Additional Information](#) on page 77.

Q: Whom Can You Call with Questions About the Offer?

A: You can contact our information agent for the offer:

Morrow & Co., Inc.

445 Park Avenue, 5th Floor

New York, New York 10022

E-mail: fusa.info@morrowco.com

Banks and Brokerage Firms, please call (800) 654-2468

Stockholders, please call (800) 607-0088

All others, please call collect (212) 754-8000

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the other materials filed or to be filed by K2 with the SEC contain forward-looking statements concerning non-historical facts or matters that are subject to risks and uncertainties. K2 believes that such statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act (we acknowledge that the safe harbor for forward-looking statements under Section 27A of the Securities Act and Section 21E of the Exchange Act does not apply to forward-looking statements made in connection with a tender offer). These forward-looking statements represent expectations or beliefs of K2 concerning future events, many of which are outside the control of K2. They include, among other things, statements with respect to:

pro forma financial statements and projections of future financial performance;

future sales and earnings;

marketing efforts and trends regarding:

team sports including baseball, softball, basketball and football;

fishing tackle markets;

active watersports and outdoor products markets;

extreme wheel sports including mountain bikes, in-line skates and skateboards and other extreme sports including paintball;
and

winter sports including skis and snowboards;

foreign exchange rate fluctuations;

expected levels of debt reduction;

retail inventory levels;

product acceptance and demand;

growth efforts, including strategic acquisitions;

cost reduction efforts;

cost savings and economies of scale;

dependence on foreign manufacturing;

margin enhancement efforts;

product development efforts;

market positioning;

the combined company after the merger; and

future acquisitions, including the integration of these businesses and dispositions.

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These forward looking statements may be preceded by, followed by or include the words believes, expects, anticipates, intends, plans, estimates, may, will, should, could, would or similar expressions.

K2 cautions that these statements are further qualified by important factors, in addition to those under Risk Factors on page 19 below and elsewhere in this prospectus and the documents which are incorporated by reference in this prospectus, that could cause actual results to differ significantly from those in the forward-looking statements, including, among other things:

economic conditions, including consumer demand;

product demand;

competitive pricing and products; and

other risks described in K2's and Fotoball USA's filings with the SEC.

Forward-looking statements are not guarantees of performance. By their nature, they involve risks, uncertainties and assumptions. The future results and stockholder values of K2 and Fotoball USA may differ significantly from those expressed in these forward-looking statements. Fotoball USA stockholders are cautioned not to put undue reliance on any forward-looking statement. Any such statement speaks only as of the date of this prospectus, and in the case of documents incorporated by reference, as of the date of those documents. K2 does not undertake any obligation to update or release any revisions to any forward-looking statements, to report any new information, future event or other circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events, except as required by law. However, your attention is directed to any further disclosures made on related subjects in K2's and Fotoball USA's subsequent reports (including amendments) filed with the SEC on Forms 10-K, 10-Q and 8-K.

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SUMMARY

*This brief summary highlights selected information from this document. It does not contain all of the information that is important to Fotoball USA stockholders. Fotoball USA stockholders are urged to read carefully the entire document and the other documents referred to and incorporated by reference in this document to fully understand the offer and the merger. In particular, stockholders of Fotoball USA should read the documents attached to this prospectus, including the Merger Agreement, which is attached as Annex A. For a guide as to where you can obtain more information on K2 and Fotoball USA, see *Additional Information Where You Can Find Additional Information* on page 77.*

The Offer (Page 33)

We are proposing to acquire all of the outstanding shares of Fotoball USA common stock. We are offering to exchange 0.2757 of a share, including the associated preferred share purchase rights, of K2 common stock for each outstanding share of Fotoball USA common stock, upon the terms and subject to the conditions set forth in this prospectus and the related letter of transmittal. We will not acquire any shares of Fotoball USA common stock in the offer unless Fotoball USA stockholders have validly tendered and not properly withdrawn prior to the expiration of the offer a majority of the shares of Fotoball USA common stock, calculated as described in this prospectus. Michael Favish, the Chairman and Chief Executive Officer of Fotoball USA, and Scott P. Dickey, the President and Chief Operating Officer of Fotoball USA, collectively holding approximately 12% of the outstanding common stock of Fotoball USA (19.7% on a beneficial ownership basis), have each agreed to tender their respective Fotoball USA shares in the offer, subject to certain conditions.

After completion of the offer, K2 will cause Fotoball USA to complete a merger with Acquisition Sub, in which each outstanding share of Fotoball USA common stock (except for shares held by Fotoball USA, K2 or Acquisition Sub) will be converted into the right to receive a fraction of a share of K2 common stock at the same exchange ratio as used in the offer, subject to appraisal rights to the extent applicable under Delaware law. If, after the completion of this offer, we beneficially own more than 90% of the outstanding shares of Fotoball USA common stock, we may effect this merger without the approval of Fotoball USA stockholders, as permitted under Delaware law. In order to reach this 90% threshold, we may exercise an irrevocable option Fotoball USA has granted us in the Merger Agreement to purchase directly from Fotoball USA that number of shares of Fotoball USA common stock that will enable us to hold 90% of the outstanding Fotoball USA shares after such exercise, subject to certain limitations. The exercise of this option would allow us to consummate the merger without stockholder approval even if we do not obtain 90% of Fotoball USA's outstanding shares in the offer.

The number of shares of K2 common stock issued to Fotoball USA stockholders in the offer and the merger will constitute approximately 2.9% of the outstanding common stock of the combined company after the merger.

Exchange of Shares of Fotoball USA Common Stock (Page 33)

Upon the terms and subject to the conditions of the offer, promptly after the expiration of the offer, we will accept shares of Fotoball USA common stock which are validly tendered and not properly withdrawn in exchange for shares of K2 common stock. We are offering to exchange 0.2757 of a share, including the associated preferred share purchase rights, of K2 common stock for each outstanding share of Fotoball USA common stock.

Timing of the Offer (Page 33)

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We are commencing the offer on December 10, 2003, the date of the first publication of the means for Fotoball USA stockholders to tender their shares. The offer is scheduled to expire at 12:00 midnight, New York City time, on Thursday, January 8, 2004, unless we extend the period of the offer. All references to the expiration of the offer mean the time of expiration, as extended.

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Conditions of the Offer (Page 38)

The offer is subject to a number of conditions, and K2 will not be required to accept any tendered shares for payment if any of these conditions are not satisfied or, where permissible, waived as of the expiration of the offer. These conditions provide, among other things, that:

there must be validly tendered and not properly withdrawn prior to the expiration of the offer a majority of the shares of Fotoball USA common stock, calculated as described in this prospectus;

the registration statement on Form S-4 of which this prospectus is a part must have become effective;

the shares of K2 common stock issuable in the offer shall have been approved for listing on the New York Stock Exchange;

Fotoball USA and K2 shall have received certain tax opinions;

neither Michael Favish nor Scott P. Dickey shall have breached any of his obligations under the Exchange Agreements pursuant to which each has agreed to tender his shares in the offer;

Fotoball USA shall have received certain consents to the transactions contemplated by the Merger Agreement;

there shall have been no event having a material adverse effect on Fotoball USA and no specified breaches by Fotoball USA of the Merger Agreement;

there shall be no legal impediments to the offer and certain events, such as trading suspensions or the commencement or acceleration of a war involving the United States, shall not have occurred;

the Merger Agreement shall not have been terminated pursuant to its terms; and

neither Fotoball USA's board of directors nor the Fotoball USA special committee shall have withdrawn its recommendation of the offer.

Extension, Termination and Amendment (Page 33)

Subject to the right of K2 or Fotoball USA to cause the offer to be extended under certain circumstances, K2 or Fotoball USA can terminate the Merger Agreement at the expiration of the offer period if no shares of Fotoball USA common stock have been purchased by K2. If any condition to the offer is not satisfied or, if permissible, waived, by any scheduled expiration of the offer, then we may extend the expiration of the offer from time to time. Each extension may last for no more than ten business days, unless Fotoball USA and K2 agree in writing to allow for a longer period. We also have the right to extend the offer for any period of time required by the applicable rules and regulations of the SEC. We may elect to provide a subsequent offering period of up to 20 business days after the acceptance of shares of Fotoball USA common stock in the offer if, at the expiration of the offer, all of the conditions to the offer have been satisfied or waived, but the total number of shares of Fotoball USA common stock that have been validly tendered and not withdrawn pursuant to the offer is less than 90% of the total number of shares of Fotoball USA common stock then outstanding and the requirements of Rule 14d-11 under the Exchange Act have been met. K2 also has the

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right to extend the offer for up to three business days to enable it to evaluate competing acquisition proposals for Fotoball USA. Fotoball USA has the right to compel us to extend the offer for an initial period of ten business days and for longer periods through March 25, 2004 if all but certain conditions to the offer have been satisfied. K2 or Fotoball USA can terminate the Merger Agreement if the offer is not consummated by March 25, 2004. We can extend the offer by giving oral or written notice of an extension to Computershare Trust Company, Inc., the exchange agent and depository for the offer. If we decide to extend the offer, we will make a public announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration. We are not giving any assurance that we will extend the offer. During any extension, all shares of Fotoball USA common stock previously tendered and not validly withdrawn will

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remain deposited with the exchange agent and depository, subject to your right to withdraw your shares of Fotoball USA common stock. If we exercise our right to use a subsequent offering period, we will first consummate our purchase of shares tendered and not withdrawn in the initial offer period.

Subject to the SEC's applicable rules and regulations and subject to the limitations contained in the Merger Agreement, we also reserve the right, in our discretion:

to terminate the offer and not accept for exchange or exchange any shares of Fotoball USA common stock not previously accepted for purchase, or purchased, upon the failure of any of the conditions of the offer to be satisfied prior to the expiration of the offer, or

to waive any condition (subject to certain conditions being non-waivable by us without Fotoball USA's consent) or otherwise amend the offer in any respect prior to the expiration of the offer,

in either case, by giving oral or written notice of such termination, waiver or amendment to the exchange agent and depository.

We will follow any extension, termination, waiver or amendment, as promptly as practicable, with a public announcement. Subject to the requirements of the Exchange Act and other applicable law, and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any public announcement other than by making a release to Business Wire.

Procedure for Tendering Shares (Page 34)

For you to validly tender shares of Fotoball USA common stock into the offer, you must do one of the following:

deliver certificates of your shares, a properly completed and duly executed letter of transmittal or a copy thereof that has been manually signed, along with any other required documents, to the exchange agent and depository at its address set forth on the back cover of this prospectus prior to the expiration of the offer;

arrange for a book-entry transfer of your shares to be made to the exchange agent and depository's account at The Depository Trust Company, or DTC, and receipt by the exchange agent and depository of a confirmation of this transfer prior to the expiration of the offer, and the delivery of a properly completed and duly executed letter of transmittal or a copy thereof that has been manually signed, and any other required documents, to the exchange agent and depository at its address set forth on the back cover of this prospectus prior to the expiration of the offer; or

arrange for a book-entry transfer of your shares to the exchange agent and depository's account at DTC and receipt by the exchange agent and depository of confirmation of this transfer, including an agent's message, prior to the expiration of the offer.

These deliveries and arrangements must be made before the expiration of the offer. TENDERS BY NOTICE OF GUARANTEED DELIVERY WILL NOT BE ACCEPTED.

Withdrawal Rights (Page 35)

You may withdraw any shares of Fotoball USA common stock that you previously tendered into the offer at any time before the expiration of the offer by following the procedures described under *The Offer Withdrawal Rights* on page 35. In addition, if we have not accepted tendered shares for exchange by Monday, February 9, 2004, you may withdraw tendered shares at any time thereafter.

Delivery of Shares of K2 Common Stock (Page 37)

Subject to the satisfaction (or, where permissible, waiver) of the conditions to the offer as

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of the expiration of the offer, we will accept for exchange shares of Fotoball USA common stock validly tendered and not properly withdrawn promptly after the expiration of the offer and will exchange shares of K2 common stock and cash instead of fractional shares for the tendered shares of Fotoball USA common stock promptly afterwards. In all cases, the exchange of shares of Fotoball USA common stock tendered and accepted for exchange pursuant to the offer will be made only if the exchange agent and depository timely receives:

certificates for those shares of Fotoball USA common stock, or a timely confirmation of a book-entry transfer of those shares of Fotoball USA common stock in the exchange agent and depository's account at DTC, and a properly completed and duly executed letter of transmittal, or a manually signed copy, and any other required documents; or

a timely confirmation of a book-entry transfer of those shares of Fotoball USA common stock in the exchange agent and depository's account at DTC, together with an agent's message as described above under Procedure for Tendering Shares.

Cash Instead of Fractional Shares of K2 Common Stock (Page 37)

We will not issue any fraction of a share of K2 common stock pursuant to the offer or the merger. Instead, each tendering stockholder who would otherwise be entitled to a fraction of a share of K2 common stock, after the combination of all fractional shares to which such tendering stockholder would otherwise be entitled, will receive cash (without interest and subject to any withholding for taxes) in lieu of the fractional interests.

The Merger (Page 53)

The Merger Agreement provides that, after completion of the offer, Acquisition Sub will, subject to certain conditions, be merged into Fotoball USA. Upon completion of the merger, Fotoball USA will continue as the surviving corporation and will be a wholly-owned subsidiary of K2.

Termination and Termination Fee-Right to Terminate (Page 63)

The Merger Agreement provides that it can be terminated by Fotoball USA or K2 under a number of different scenarios, including:

by the mutual written consent of the parties;

by either party, subject to various conditions, if:

any governmental entity or court issues a nonappealable final order permanently restraining, enjoining or otherwise prohibiting the transactions set forth in the Merger Agreement;

the offer expires pursuant to its terms without the purchase of any shares by K2 and the failure to purchase shares is not due to the breach of the Merger Agreement by the terminating party; or

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the offer is not consummated by March 25, 2004 and the failure to consummate by such date is not due to the breach of the Merger Agreement by the terminating party;

by K2, subject to various conditions, if:

Fotoball USA materially breaches any of its representations or warranties set forth in the Merger Agreement;

Fotoball USA materially breaches any of its covenants set forth in the Merger Agreement, and such breach cannot be cured within 20 business days after notice of such breach;

Fotoball USA accepts a superior proposal, withdraws its approval of the offer or merger, fails to reject a third party proposal or otherwise breaches provisions of the Merger Agreement with respect to third party proposals;

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either Michael Favish or Scott P. Dickey is in breach of his obligations pursuant to his respective Exchange Agreement to tender his Fotoball USA shares in the offer;

K2 has failed to commence the offer based on a failure of conditions to the offer and the failure to commence the offer is not due to a failure on K2's part; or

a material adverse event has occurred with respect to Fotoball USA;

by Fotoball USA, subject to various conditions, if:

K2 materially breaches any of its representations or warranties set forth in the Merger Agreement;

K2 materially breaches any of its covenants set forth in the Merger Agreement, and such breach cannot be cured within 20 business days after notice of such breach;

K2 fails to commence the offer and the failure to commence the offer is not due to the breach of the Merger Agreement by Fotoball USA;

Fotoball USA's board of directors accepts a superior proposal in compliance with the Merger Agreement and pays the termination fee; or

the average closing price for K2 shares over any ten consecutive trading days ending not later than two trading days before the expiration of the offer is less than \$11.78 (provided such right is exercised within two trading days of the expiration of the ten day trading period).

Termination and Termination Fee Termination Fees (Page 64)

Termination of the merger agreement by either K2 or Fotoball USA under specified circumstances could result in Fotoball USA being required to pay K2 a termination fee in the amount of \$700,000.

Material U.S. Federal Income Tax Consequences (Page 40)

It is a condition to the completion of the offer that K2 and Fotoball USA receive legal opinions to the effect that the offer and the merger together will constitute a reorganization within the meaning of the Code. A Fotoball USA stockholder who, consistent with such opinions, receives his or her shares of K2

common stock pursuant to the offer or merger will not recognize any gain or loss in the offer and/or the merger, except for gain or loss attributable to cash received in lieu of a fractional share of K2 common stock. Stockholders should consult their tax advisors for a full understanding of all of the tax consequences of the offer and the merger to them.

Regulatory Approvals (Page 45)

We are not aware of any regulatory license or permit material to the business of Fotoball USA that may be materially adversely affected by our acquisition of Fotoball USA common stock, or any regulatory filing or approval that would be required for our acquisition of Fotoball USA common stock. K2 and Fotoball USA have made all required filings to seek such approval, as well as all required filings under the Securities Act and the Exchange Act, in connection with the offer and merger. We are unaware of any requirement for the filing of information with, or the obtaining of the approval of, governmental authorities in any non-U.S. jurisdiction that is applicable to the offer or the merger.

Appraisal Rights (Page 42)

Under Delaware law, you will not have any appraisal rights in connection with the offer. However, appraisal rights may be available in connection with a short-form merger that is not subject to Fotoball USA stockholder approval.

Accounting Treatment (Page 47)

Our acquisition of Fotoball USA common stock pursuant to the offer and the merger will be

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accounted for under the purchase method of accounting in accordance with accounting principles generally accepted in the United States.

Interests of Certain Persons in the Offer and the Subsequent Merger (Page 48)

Certain Fotoball USA directors, officers and stockholders have interests in the offer and the merger that are different from, or are in addition to, those of other stockholders. These interests include:

current and future employment and severance arrangements;

the conversion of stock options previously issued to certain officers of Fotoball USA and the acceleration of stock options under certain circumstances in connection with the merger;

payments pursuant to employment agreements previously entered into between Fotoball USA and certain of its officers; and

the indemnification of directors and officers of Fotoball USA against certain liabilities.

In addition, Michael Favish, Fotoball USA's Chairman and Chief Executive Officer, and Scott P. Dickey, Fotoball USA's President and Chief Operating Officer, in their capacities as stockholders, have entered into Exchange Agreements with K2, pursuant to which they each have agreed to tender their respective shares in the offer, subject to certain conditions. The members of the boards of directors of K2 and Fotoball USA were aware of these interests and considered them, among other matters, when they approved the offer, the merger and the Merger Agreement.

Comparison of Rights of Holders of Fotoball USA Common Stock and Holders of K2 Common Stock (Page 67)

K2 and Fotoball USA are both Delaware corporations. If we complete the offer, holders of Fotoball USA common stock will become K2 stockholders, and their rights as stockholders will be governed by K2's restated certificate of incorporation and by-laws. There are differences between the restated certificate of incorporation and by-laws of Fotoball USA and the restated certificate of incorporation and by-laws of K2.

The Companies

K2 Inc.

2051 Palomar Airport Road

Carlsbad, California 92009

(760) 494-1000

K2 is a premier, branded consumer products company with a portfolio of diversified sporting goods products and other recreational products. K2's sporting goods include several name brand lines such as K2 and Olin alpine skis, K2 and Ride snowboards, boots and bindings, Morrow, 5150 and Liquid snowboards, Tubbs and Atlas snowshoes, K2 in-line skates, K2 mountain bikes and BMX bikes, Rawlings baseball and sports equipment, Worth softball and sports equipment, Shakespeare fishing rods and reels, Stearns personal flotation devices, outdoor water recreational products, rainwear and hunting accessories and K2 and Dana Design backpacks. K2's other recreational products include Planet Earth apparel, Adio and Hawk skateboard shoes and Hilton corporate casuals. In addition, K2's portfolio includes industrial products consisting primarily of Shakespeare monofilament line, which is used in weed trimmers, paper mills and as fishing line, and Shakespeare fiberglass marine antennas.

K2 has embarked upon an aggressive growth strategy to leverage its existing operations and to complement and diversify its product offerings within the sporting goods and recreational product industries. K2 intends to implement internal growth by continuing to improve operating efficiencies, extending product offerings with new product launches, and maximizing its extensive distribution channels. In addition, K2 is seeking strategic acquisitions of other sporting goods companies with well-established brands and complementary distribution channels. K2 believes that the growing influence of large format sporting goods retailers and retailer buying groups as well as the consolidation of certain sporting goods retailers worldwide is leading

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to a consolidation of sporting goods suppliers. K2 also believes that the most successful sporting goods suppliers will be those with greater financial and other resources, including those with the ability to produce or source high-quality, low cost products and deliver these products on a timely basis, to invest in product development projects, and to access distribution channels with a broad array of products and brands. In pursuing this growth strategy, K2 acquired Rawlings on March 26, 2003, Worth on September 16, 2003 and certain assets and liabilities of Winter Quest LLC on October 17, 2003. Additionally, K2 entered into an Agreement on October 22, 2003 to acquire Brass Eagle, the exchange offer for the shares of which closed on December 8, 2003 with K2 acquiring control. K2 expects the merger with Brass Eagle to close on or about December 10, 2003.

K2's common stock is currently traded on the New York Stock Exchange (symbol: KTO). K2 is headquartered in Carlsbad, California.

Fotoball USA, Inc.

6740 Cobra Way

San Diego, California 92121

(858) 909-9900

Fotoball USA is a premier sports and entertainment marketer and manufacturer. Fotoball USA's products and services are sold into distinct markets by four separate sales groups: Fotoball Sports, which services national and regional retailers; Fotoball Entertainment Marketing, which services entertainment destinations such as theme parks, resorts and casinos; Fotoball Sports Team, which supports the retail needs of professional franchises across the nation; and Marketing Headquarters, which develops custom programs for Fortune 500 companies. Fotoball USA currently holds licenses with Major League Baseball, the National Football League, the National Basketball Association, the National Hockey League, more than 100 NCAA colleges, Warner Bros. Scooby Doo, Marvel's Spider-Man, Incredible Hulk and X-Men, MGA Entertainment's Bratz and Nickelodeon's Blue's Clues.

Fotoball USA's common stock is currently traded on the Nasdaq National Market System (symbol: FUSA). Fotoball USA is headquartered in San Diego, California.

Recent Closing Prices (Page 18)

On November 25, 2003, the last trading day before K2 and Fotoball USA announced the offer, K2 common stock closed at \$15.70 per share and Fotoball USA common stock closed at \$3.98 per share. On December 9, 2003, the last trading day prior to the printing of this prospectus for which this information was practicably available, K2 common stock closed at \$14.39 per share and Fotoball USA common stock closed at \$3.94 per share.

Questions About the Offer and Subsequent Merger

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If you have any questions about the offer or the merger or if you need additional copies of this prospectus, you should contact our information agent:

MORROW & CO., INC.

445 Park Avenue, 5th Floor

New York, New York 10022

E-mail: *fusa.info@morrowco.com*

Banks and Brokerage Firms, please call

(800) 654-2468

Stockholders, please call

(800) 607-0088

All others, please call collect

(212) 754-8000

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Selected Consolidated Historical Financial Information of K2 and Fotoball USA

The information in the following tables is based on the K2 and Fotoball USA historical financial information that K2 and Fotoball USA have presented in their prior filings with the SEC. Fotoball USA stockholders should read the selected financial information in the following tables in connection with the historical financial information. The K2 historical financial information has been incorporated into this document by reference. See *Additional Information Where You Can Find Additional Information* on page 77. The Fotoball USA historical financial information is included in Annexes D and E to this prospectus. K2's selected consolidated historical financial information for the five years ended December 31, 2002 was derived from the consolidated financial statements of K2 which have been audited by Ernst & Young LLP, independent auditors. Fotoball USA's selected historical financial information for the five years ended December 31, 2002 was derived, in part, from historical financial statements of Fotoball USA for the year ended December 31, 2002 and statements of operations, stockholders' equity and cash flows of Fotoball USA for the year ended December 31, 2000, which were audited by KPMG LLP, independent auditors, and historical financial statements of Fotoball USA for the year ended December 31, 2001, which were audited by Good Swartz Brown & Berns LLP. See *Additional Information Experts* on page 76.

The accompanying unaudited interim information for K2 and Fotoball USA for the nine months ended September 30, 2003 and 2002 have been derived from financial information included in each of K2's and Fotoball USA's Form 10-Q for the three and nine months ended September 30, 2003. Such Forms 10-Q were prepared in accordance with accounting principles generally accepted in the United States and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by accounting principles generally accepted in the United States for complete financial statements. These statements have been prepared on the same basis as the audited financial statements and management believes that they include all adjustments necessary for the fair presentation of the results of the interim periods. The results of operations for the nine months ended September 30, 2003 for K2 and Fotoball USA may not be indicative of their results for the full fiscal year. All amounts are stated in U.S. dollars.

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION****K2 INC.****(in thousands, except per share data)**

	As of and for the		As of and for the Year Ended December 31,				
	Nine Months Ended						
	September 30,						
	2003 (a)	2002	2002	2001 (b)	2000	1999 (c)	1998 (d)
(unaudited)							
Statement of Operations Data:							
Net sales	\$ 524,754	\$ 454,463	\$ 582,159	\$ 589,519	\$ 665,562	\$ 640,461	\$ 579,139
Cost of products sold	362,524	319,569	411,620	429,338	462,242	462,033	418,950
Gross profit	162,230	134,894	170,539	160,181	203,320	178,428	160,189
Selling expenses	83,114	65,166	86,394	103,688	108,274	101,130	92,018
General and administrative expenses	52,513	44,890	56,862	55,212	56,223	52,454	51,421
Operating income	26,603	24,838	27,283	1,281	38,823	24,844	16,750
Interest expense	7,248	7,130	8,966	13,631	14,814	12,741	12,163
Debt extinguishment costs	6,745						
Other (income) expense, net	(1,654)	(59)	(253)	(375)	(191)	(413)	(236)
Income (loss) from continuing operations before provision for income taxes	14,264	17,767	18,570	(11,975)	24,200	12,516	4,823
Provision (credit) for income taxes	4,992	6,218	6,500	(4,271)	7,502	4,005	955
Income (loss) from continuing operations	9,272	11,549	12,070	(7,704)	16,698	8,511	3,868
Discontinued operations, net of taxes (e)					(119)	1,332	975
Net income (loss)	9,272	11,549	12,070	(7,704)	16,579	9,843	4,843
Per Common Share Data:							
Basic earnings (loss) per share:							
Continuing operations	0.39	0.64	0.67	(0.43)	0.93	0.50	0.23
Discontinued operations					(0.01)	0.08	0.06
Net income (loss)	0.39	0.64	0.67	(0.43)	0.92	0.58	0.29
Diluted earnings (loss) per share:							
Continuing operations	0.38	0.64	0.67	(0.43)	0.93	0.50	0.23
Discontinued operations					(0.01)	0.08	0.06
Net income (loss)	0.38	0.64	0.67	(0.43)	0.92	0.58	0.29
Cash dividends per common share						0.11	0.44
Basic shares	23,576	17,941	17,941	17,940	17,949	16,880	16,554
Diluted shares	26,623	17,975	17,994	17,940	18,040	16,883	16,637
Balance Sheet Data:							
Total current assets	443,170	314,840	323,924	304,813	305,132	345,809	335,570
Total assets	659,778	429,319	438,410	421,038	424,110	491,442	456,454
Total current liabilities	150,710	107,609	127,855	100,965	121,742	162,187	130,597
Long-term debt	133,030	80,878	73,007	97,828	69,836	107,280	110,724
Stockholders' equity	344,533	233,244	231,296	214,657	227,248	218,520	202,119

- (a) On March 26, 2003, K2 acquired all of the outstanding stock of Rawlings, a leading manufacturer and marketer of baseball equipment. K2's results for the nine months ended September 30, 2003 include the results of Rawlings from March 26, 2003, the date of acquisition, through September 30, 2003.
- (b) During 2001, in ongoing cost reduction moves, K2 completed the move of its remaining ski production to China, closing its Washington ski manufacturing facility during the 2001 third quarter. In addition, three other smaller manufacturing facilities which serviced the Stearns and Hilton operations were shut down in Minnesota and Alabama, with most of the production also moving overseas. In addition to the

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factory closures, K2 experienced a substantial industry-wide slowdown of sales of small-wheeled products in 2001, necessitating a downsizing of K2's small-wheeled products operation. Consequently, the factory closures and downsizing activities have resulted in 2001 charges to cost of products sold and general and administrative expenses for restructuring and downsizing costs of \$15.6 million and \$2.4 million, respectively. Approximately \$4.9 million of the total amount was a charge to earnings that resulted in a cash

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- payment. These costs are associated with the reduction of personnel, the write down of facilities and equipment and the reduction in the net carrying value of small-wheeled products inventory.
- (c) In 1999, K2 began to reduce the cost structure of its ski and snowboard operations by restructuring and downsizing its Seattle manufacturing operation in favor of lower cost manufacturing and sourcing opportunities. In accordance with the initiative, during 1999, K2's Seattle manufacturing facility was downsized and approximately half of its ski and all of its snowboard manufacturing were moved to either K2's China or California production facilities or to third party sourcing operations worldwide, resulting in a charge of \$10.5 million to cost of products sold to cover restructuring costs of \$6.5 million and downsizing costs of \$4.0 million. The restructuring charge reflected expenses associated with the write-off of related equipment and inventory, the reduction of approximately 200 production personnel and the utilization of approximately 200 temporary workers. Approximately \$5.3 million of the total amount was a cash charge to earnings.
 - (d) In the third quarter of 1998, a pre-tax charge of \$14.5 million was included in earnings from continuing operations. Of this amount, \$10.5 million was charged to cost of products sold to write down certain categories of bike and skate inventories as a result of a sudden change in the market demand for those products. The balance of the charge was recorded in general and administrative expenses for costs associated with the change in the bike business and implementing planned cost reduction programs at the winter sports operations. The charges primarily related to non-cash items.
 - (e) In 1998, K2 adopted a plan to dispose of its Simplex building products division. As a result, K2 reclassified Simplex as a discontinued operation in 1998 and similarly reclassified prior years' operations. On June 30, 2000, K2 completed the sale of the assets and business of Simplex to Ludlow Building Products, a subsidiary of Tyco International Ltd.

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION****FOTOBALL USA INC.**

(in thousands, except per share data)

	As of and for the Nine Months Ended September 30,		As of and for the Year Ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
	(unaudited)						
Statement of Operations Data:							
Net sales	\$ 24,679(a)	\$ 36,092	\$ 43,996	\$ 31,632	\$ 26,687	\$ 28,690	\$ 19,148
Cost of products sold	14,735	22,933	27,714	20,165	17,242	16,922	11,591
Gross profit	9,944	13,159	16,282	11,467	9,445	11,768	7,557
Selling, general and administrative expenses	10,319	11,678	14,812	11,310	9,275	8,940	6,448
Operating income (loss)	(375)	1,481	1,470	157	170	2,828	1,109
Interest expense (income), net	(8)	(30)	(38)	(8)	(95)	69	78
Income (loss) from continuing operations before provision for income taxes	(367)	1,511	1,508	165	265	2,759	1,031
Provision (benefit) for income taxes	(147)	604	576	42	86	113	433
Income (loss) from continuing operations	(220)	907	932	123	179	2,646	598
Discontinued operations, net of taxes (b)				(1,114)			
Net income (loss)	(220)	907	932	(991)	179	2,646	598
Per Common Share Data:							
Basic earnings (loss) per share:							
Continuing operations	(0.06)	0.25	0.26	0.03	0.05	0.88	0.22
Discontinued operations				(0.31)			
Net income (loss)	(0.06)	0.25	0.26	(0.28)	0.05	0.88	0.22
Diluted earnings (loss) per share:							
Continuing operations	(0.06)	0.23	0.24	0.03	0.05	0.83	0.22
Discontinued operations				(0.31)			
Net income (loss)	(0.06)	0.23	0.24	(0.28)	0.05	0.83	0.22
Cash dividends per common share							
Basic shares	3,648	3,594	3,598	3,580	3,576	3,011	2,694
Diluted shares	3,648	3,915	3,916	3,700	3,721	3,201	2,774
Balance Sheet Data:							
Total current assets	12,786	14,522	14,172	14,616	11,827	12,462	6,736
Total assets	14,898	16,813	16,455	17,000	14,809	13,825	7,895
Total current liabilities	2,507	3,641	3,474	4,675	1,930	1,964	1,852
Long-term debt	704	1,372	1,153	1,504	1,073	272	155
Stockholders' equity	11,687	11,800	11,828	10,821	11,807	11,589	5,889

(a) Fotoball USA's decline in net sales for the nine months ended September 30, 2003 as compared to the nine months ended September 30, 2002 was due to reduced promotion and entertainment sales, which was partially offset by increased retail and team sales. Promotional sales principally decreased due to the Post promotion and other quick-serve restaurant bobblehead doll promotions in the first three quarters of 2002 that Fotoball USA did not replace in 2003. Entertainment sales decreased for the first three quarters of 2003 versus the same period of 2002 due to reduced sales to The Disney Store.

(b)

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In December 2000, Fotoball USA entered into an agreement with Rawlings for the exclusive global rights to sell golf clubs and golf related merchandise under the Rawlings brand name beginning January 1, 2001. In January 2001, Fotoball USA established a new Rawlings Golf division to design, develop, manufacture and market golf products under the Rawlings brand name. On November 13, 2001, the Fotoball USA made the decision to terminate its license with Rawlings and discontinue its Rawlings Golf operations.

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**SELECTED UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL INFORMATION**

K2 acquired Rawlings on March 26, 2003 and entered into an agreement to acquire Brass Eagle on October 22, 2003. We expect the merger with Brass Eagle to close on or about December 10, 2003. The following selected unaudited pro forma financial information combines K2's historical results for the nine months ended September 30, 2003 and for the year ended December 31, 2002 with Brass Eagle's historical results for the nine months ended September 30, 2003 and the year ended December 31, 2002, giving effect to K2's merger with Rawlings on March 26, 2003 and Brass Eagle on or about December 10, 2003 as if they had occurred as of January 1, 2002 for income statement purposes. The following selected unaudited pro forma condensed combined financial information has been derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Financial Information and related notes included in this prospectus, beginning on page 79. You should not rely on this selected unaudited pro forma condensed combined financial information as being indicative of the historical results that would have occurred had K2, Rawlings and Brass Eagle been combined during these time periods or the future results that may be achieved after each merger.

Pro forma condensed combined financial information combining K2's historical results with Fotoball USA's historical results is not provided because the offer and merger would not have a material effect on K2's financial position or results of operation on a pro forma basis.

	For the Nine Months Ended September 30,	For the Year Ended December 31,
	2003	2002
	(in thousands, except per share figures)	
Income Statement Data:		
Net sales	\$ 648,437	\$ 857,360
Cost of products sold	446,273	597,537
Gross profit	202,164	259,823
Income before provision for income taxes	23,637	37,397
Provision for income taxes	8,456	12,949
Net income	15,181	24,448
Per Common Share Data:		
Basic net income per share	\$ 0.49	\$ 0.78
Diluted net income per share	0.47	0.77
Dividends declared		
	As of	
	September 30,	
	2003	
Balance Sheet Data:		
Cash and cash equivalents	\$ 14,786	
Total assets	775,501	

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Long-term debt	39,279
Total shareholders' equity	422,915

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Unaudited Comparative Per Share Information

The following table summarizes the unaudited net income and book value per share information for K2 on a pro forma basis and Fotoball USA on a historical basis. The pro forma per share information for K2 gives effect to the merger between K2 and Rawlings, which was completed on March 26, 2003, and between K2 and Brass Eagle, which is expected to close on or about December 10, 2003, and it therefore reflects the additional shares of K2 common stock issued in connection with such mergers and includes the earnings of Rawlings and Brass Eagle as if such mergers had occurred at the beginning of each period presented.

The pro forma book value per common share of K2 is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of K2 common stock outstanding at the end of the period after giving effect to the Rawlings and Brass Eagle mergers. The historical book value per common share of Fotoball USA is computed by dividing total stockholders' equity by the number of shares of common stock outstanding at the end of the period.

The information listed as pro forma per equivalent share was obtained by multiplying the K2 pro forma amounts by the exchange ratio in the merger of 0.2757 a share of K2 common stock to be issued for each share of Fotoball USA common stock.

The information in the following table is based on, and should be read together with, the K2, Rawlings and Brass Eagle historical financial information contained in prior SEC filings, which are incorporated herein by reference, the Fotoball USA historical financial information contained in Annexes D and E attached hereto and the Unaudited Pro Forma Condensed Combined Financial Information beginning on page 79.

Table of Contents**COMPARATIVE PER SHARE INFORMATION OF K2 AND FOTOBALL USA**

	For the Nine Months Ended September 30,	For the Year Ended December 31,
	2003	2002
Unaudited pro forma K2 (a)		
Net income per common share - basic	\$ 0.49	\$ 0.78
Net income per common share - diluted	\$ 0.47	\$ 0.77
Dividends declared per share (b)		
Book value per common share at period end	\$ 12.90	\$ 12.36
Historical Fotoball USA		
Net income (loss) per common share - basic	\$ (0.06)	\$ 0.26
Net income (loss) per common share - diluted	\$ (0.06)	\$ 0.24
Dividends declared per share (b)		
Book value per common share at period end	\$ 3.20	\$ 3.29
Unaudited pro forma per equivalent share (c)		
Net income per common share - basic	\$ 0.14	\$ 0.22
Net income per common share - diluted	\$ 0.13	\$ 0.21
Book value per common share at period end	\$ 3.56	\$ 3.41

- (a) The pro forma amounts for K2 were adjusted to reflect the pro forma impact of the merger with Rawlings on March 26, 2003 and Brass Eagle, which is expected to close on or about December 10, 2003, as if the mergers with Rawlings and Brass Eagle had occurred on January 1, 2002.
- (b) K2 and Fotoball USA have not paid cash dividends during the periods presented. K2's credit facilities currently limit the payment of cash dividends or stock repurchases by K2. Fotoball USA's credit facilities currently prohibit the payment of cash dividends or stock repurchases by Fotoball USA.
- (c) Unaudited pro forma per equivalent share amounts were calculated by multiplying the exchange ratio of 0.2757 by the unaudited pro forma K2 information as described in note (a) above.

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

K2 common stock is listed on the New York Stock Exchange. Fotoball USA common stock is listed on the Nasdaq National Market System. K2's and Fotoball USA's ticker symbols are KTO and FUSA, respectively. The following table shows, for the calendar quarters indicated, based on published financial sources, the high and low sale prices of shares of K2 and Fotoball USA common stock as reported on the New York Stock Exchange and the Nasdaq National Market System, respectively.

During the periods covered by the following table, neither K2 nor Fotoball USA paid dividends. K2's credit facilities currently limit the payment of cash dividends or stock repurchases by K2. Fotoball USA's credit facilities currently prohibit the payment of any cash dividends or stock repurchases by Fotoball USA.

	K2		Fotoball USA	
	Common Stock		Common Stock	
	High	Low	High	Low
2001				
March 31	\$ 9.75	\$ 7.75	\$ 2.13	\$ 1.05
June 30	\$ 11.43	\$ 7.80	\$ 2.75	\$ 1.25
September 30	\$ 11.99	\$ 5.40	\$ 3.10	\$ 1.51
December 31	\$ 8.74	\$ 5.31	\$ 3.60	\$ 2.95
2002				
March 31	\$ 7.60	\$ 6.32	\$ 4.70	\$ 3.01
June 30	\$ 10.25	\$ 6.55	\$ 5.63	\$ 4.50
September 30	\$ 10.00	\$ 7.50	\$ 4.90	\$ 4.20
December 31	\$ 11.01	\$ 6.40	\$ 4.85	\$ 3.90
2003				
March 31	\$ 10.06	\$ 7.72	\$ 4.14	\$ 3.07
June 30	\$ 12.75	\$ 7.45	\$ 3.47	\$ 2.76
September 30	\$ 18.09	\$ 12.30	\$ 4.09	\$ 2.96

Table of Contents**RECENT CLOSING PRICES**

The following table sets forth the closing prices per share of K2 common stock as reported on the New York Stock Exchange and Fotoball USA common stock as reported on the Nasdaq National Market System on November 25, 2003, the last full trading day prior to the announcement of the Merger Agreement, and December 9, 2003, the most recent practicable date prior to the mailing of this prospectus to Fotoball USA stockholders.

The following table also sets forth the equivalent price per share of Fotoball USA common stock reflecting the value of the K2 common stock that Fotoball USA stockholders would receive in exchange for each share of Fotoball USA common stock if the offer or the merger was completed on these two dates.

Date	K2 Common Stock	Fotoball USA Common Stock	Equivalent Per Share Price of Fotoball USA Common Stock with Exchange Ratio of 0.2757
November 25, 2003	\$ 15.70	\$ 3.98	\$ 4.33
December 9, 2003	\$ 14.39	\$ 3.94	\$ 3.97

The above table shows only historical and hypothetical comparisons. These prices may fluctuate prior to the offer and the merger and Fotoball USA stockholders are urged to obtain current stock price quotations for K2 common stock and Fotoball USA common stock and to review carefully the other information contained in this prospectus or incorporated by reference into this prospectus in deciding whether to tender their shares. See the section entitled **Additional Information Where You Can Find Additional Information** on page 77.

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RISK FACTORS

*In deciding whether to tender your shares pursuant to the offer, you should carefully consider the following factors, in addition to other risk factors incorporated by reference into this prospectus and the other information contained in this document. See **Additional Information Where You can Find Additional Information** on page 77 for where you can find the additional risk factors incorporated by reference.*

Risk Factors Relating to the Offer and the Subsequent Merger

K2 may not successfully implement its plan for Fotoball USA's business operations after the merger.

The integration of Fotoball USA's operations into K2's business after the merger may be difficult, time consuming and costly. After completion of the merger, K2 must successfully, among other things, integrate Fotoball USA's sourcing capabilities into K2's sourcing and manufacturing capabilities, sell K2's portfolio of products and brands in Fotoball USA's distribution channels, increase Fotoball USA's sales to team sports and sporting goods retailers, and develop a licensing and co-branding program. In addition, K2 will need to retain the management, key employees, customers, distributors, vendors and other business partners of both companies. It is possible that these integration efforts will not be completed as smoothly as planned, which could have an adverse impact on the operations of the combined company.

K2 expects to incur potentially significant merger-related costs in connection with the transaction and the integration of Fotoball USA's operations.

K2 and Fotoball USA expect to incur costs associated with combining the operations of the two companies, transaction fees and other costs related to the merger. K2 has not yet determined the amount of these costs. K2 expects to account for these costs as purchase related adjustments when the merger is completed.

The number of shares of K2 common stock that you will receive in the offer or the subsequent merger will be based upon a fixed exchange ratio. The value of the shares of K2 common stock at the time you receive them could be less than at the time you tender your shares of Fotoball USA common stock.

In the offer and the subsequent merger, each share of Fotoball USA common stock will be exchanged for 0.2757 of a share of K2 common stock. This is a fixed exchange ratio. We will not adjust the exchange ratio as a result of any change in the market price of K2 common stock or Fotoball USA common stock between the date of this prospectus and the date you receive K2 common stock. The market price of the K2 common stock will likely be different on the date you receive such shares than it is today, on the date you tender shares of Fotoball USA common stock or on the date the offer expires or the date a subsequent merger is completed, because of changes in the business, financial condition, results of operations or prospects of K2, market reactions to our offer, general market and economic conditions and other factors. You are urged to obtain current market quotations for K2 common stock and Fotoball USA common stock. See **Comparative Per Share Market Price and Dividend Information** on page 17.

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The trading price of shares of K2 common stock may be affected by factors in addition to those factors affecting the price of Fotoball USA common stock. The price of shares of K2 common stock could decline following the offer.

The trading price of K2 common stock has fluctuated significantly in the past. The future trading price of K2 common stock is likely to be volatile and could be subject to wide price fluctuations in response to such factors, including:

actual or anticipated fluctuations in revenues or operating results;

failure to meet securities analysts' or investors' expectations of performance;

changes in key management personnel;

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announcements of technological innovations or new products by K2 or its competitors;

developments in or disputes regarding patents and proprietary rights;

proposed and completed acquisitions by K2 or its competitors;

the mix of products and services sold;

the timing, placement and fulfillment of significant orders;

product and service pricing and discounts;

acts of war or terrorism; and

general economic conditions.

Fotball USA stockholders may receive a lower return on their investment after the merger.

Although K2 and Fotball USA believe that the merger will create financial, operational and strategic benefits for the combined company and its stockholders, these benefits may not be achieved. The combination of K2's and Fotball USA's businesses, even if conducted in an efficient, effective and timely manner, may not result in combined operating efficiencies and financial performance that are better than what each company would have achieved independently if the merger had not occurred. In addition, the issuance of K2 common stock in the offer and the merger could reduce the market price of K2 common stock.

Fotball USA's directors and officers have interests in the offer and the merger that differ from, or are in addition to, their interests as Fotball USA stockholders in recommending the offer to Fotball USA stockholders.

In considering the recommendation of the Fotball USA board of directors that Fotball USA stockholders tender their shares in the offer, Fotball USA stockholders should recognize that some of Fotball USA's directors and officers have interests in the offer and the merger that differ from, or are in addition to, their interests as Fotball USA stockholders. These interests include:

current and future employment arrangements;

severance benefits;

conversion and acceleration of stock options; and

indemnification of directors and officers of Fotoball USA against certain liabilities.

These and additional interests are described under the heading "Interests of Certain Persons in the Offer and Subsequent Merger" on page 48.

Fotoball USA stockholders will have a reduced ownership and voting interest after the merger.

After completion of the merger, Fotoball USA stockholders will own a significantly smaller percentage of the combined company and its voting stock than they currently own of Fotoball USA. Consequently, Fotoball USA stockholders will be able to exercise only de minimis influence over the management and policies of the combined company.

K2 could lose key Fotoball USA personnel necessary to achieve the benefits K2 and Fotoball USA expect as a result of the merger.

Fotoball USA's contribution to the combined company's success will depend in part on the continued service of specific Fotoball USA personnel. If a substantial portion of Fotoball USA's management or key employees leave after K2 and Fotoball USA complete the merger, the combined company's business could be adversely affected.

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Failure to complete the offer or the merger could be costly to Fotoball USA and its stockholders.

If the offer is not consummated or the merger is not completed for any reason:

the price of Fotoball USA common stock may decline, assuming that current market prices reflect a market assumption that the merger will be completed; and

Fotoball USA must still pay its costs related to the merger, such as legal, accounting and financial advisory fees.

In addition, the Merger Agreement provides for the payment by Fotoball USA of a termination fee of \$700,000 if the Merger Agreement is terminated under certain circumstances. The obligation to make that payment may adversely affect the ability of Fotoball USA to engage in another transaction and may have an adverse impact on the financial condition of Fotoball USA. See *The Merger Agreement Termination and Termination Fee* on page 63.

Risk Factors and Trends Relating to K2 and the Combined Company

K2's strategic plan, involving growth through the acquisition of other companies, may not succeed.

K2's strategic plan involves rapid growth through the acquisition of other companies. Such growth involves a number of risks, including:

the difficulties related to combining previously separate businesses into a single unit;

the substantial diversion of management's attention from day-to-day operations when negotiating these transactions and later integrating an acquired business;

the assumption of liabilities of an acquired business, including unforeseen liabilities;

the failure to realize anticipated benefits, such as cost savings and revenue enhancements;

the dilution of existing stockholders and convertible note holders due to the issuance of equity securities, utilization of cash reserves or incurrence of debt in order to fund the acquisitions;

the potentially substantial transaction costs associated with acquisitions; and

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the difficulties related to assimilating the products, personnel and systems of an acquired business and to integrating distribution and other operational capabilities.

K2 cannot assure the stockholders of Fotoball USA that any transaction or series of transactions that are completed will result in long-term benefits to the combined company or its stockholders, or that K2's management will be able to manage the acquired businesses effectively.

Current and future financings may place a significant debt burden on K2.

Borrowings under K2's existing \$205 million revolving credit facility and under its \$20 million term loan, as well as potential future financings, may substantially increase K2's current indebtedness. Among other things, such increased indebtedness could:

adversely affect K2's ability to expand its business, market its products and make investments and capital expenditures;

adversely affect the cost and availability of funds from commercial lenders, debt financing transactions and other sources;

adversely affect the ability of K2 to pursue its acquisition strategy; and

create competitive disadvantages compared to other companies with lower debt levels.

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K2 faces intense competition and potential competition from companies with greater resources, and if it is unable to compete effectively with these companies, its business could be harmed.

The markets for sporting goods and recreational products in which K2 competes are generally highly competitive, especially as to product innovation, performance and styling, price, marketing and delivery. Competition regarding these products, other than active wear, consists of a relatively small number of large producers, some of whom have greater financial and other resources than K2. In addition, many of K2's competitors offer sports and recreational equipment not currently sold by K2 and may be able to leverage these broader product offerings to adversely affect K2's competitive market position. Further, there are no significant technological or capital barriers to entry into the markets for many sporting goods and recreational products. The sales of leisure products are also affected by changes in the economy and consumer tastes, and sporting goods and recreational products face competition from other leisure activities.

K2's industrial products are, in most instances, subject to price competition, ranging from moderate competition in marine antennas and monofilament line to intense competition for commodity-type products. Many industrial competitors have greater financial and other resources than K2.

Purchasing decisions made by a small number of large format sporting goods retailers can have a significant impact on K2's results.

Although the sporting goods manufacturing industry is highly fragmented, many of the retail customers that purchase sporting goods are highly concentrated. Large format sporting goods retailers are important to K2's results of operations, and Wal-Mart, Galt Sports/The Sports Authority and Target accounted for approximately 23% of K2's sales for the nine months ended September 30, 2003 on a pro forma basis, which included the sales of Rawlings from January 1, 2003 through the March 26, 2003 consummation of the merger with K2, the sales of Worth from January 1, 2003 through the September 16, 2003 consummation of the acquisition of Worth by K2, and the sales of Brass Eagle for the nine months ended September 30, 2003. Due to their size, these retailers may demand better prices and terms from K2, and these demands may have an adverse impact on K2's margins. In addition, if any of these large format sporting goods retailers were to decide to materially reduce the amounts or types of K2 products that they purchase, such decision would have a material adverse impact on K2's business.

K2's failure to keep pace with rapid change in marketing strategies, product design, styles and tastes could harm its business.

Consumer demand for recreational products is strongly influenced by matters of taste and style. K2 cannot assure you that K2 will successfully develop new products to address new or shifting consumer demand. An unexpected change in consumer tastes or product demand could seriously harm K2's business. K2's inability to timely and successfully respond to developments and changing styles could hurt its competitive position or render its products noncompetitive.

K2 cannot assure you that demand for its products will remain constant. The sales of leisure products are affected by changes in the economy and consumer tastes, both of which are difficult to predict. Continued adverse developments affecting economies throughout the world, including a general tightening of the availability of credit, increasing energy costs, declining consumer confidence and significant declines in the stock market could lead to a further reduction in discretionary spending for consumer products.

The weak financial conditions of some of K2's customers may adversely impact K2's business.

A large portion of K2's sales are to sporting goods retailers. Many of K2's smaller retailers and some larger retailers are not strongly capitalized. Adverse conditions in the sporting goods retail industry can adversely impact the ability of retailers to purchase K2 products, or could lead retailers to request credit terms that would adversely affect K2's cash flow and involve significant risks of nonpayment.

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K2's financial results vary from quarter to quarter, which could hurt K2's business and the market price of its stock.

Various factors affect K2's quarterly operating results and some of them are not within K2's control. They include, among others:

weather and snow conditions;

the timing and introduction of new products;

the mix of products sold;

the timing of significant orders from and shipments to customers;

product pricing and discounts;

the timing of its acquisitions of other companies and businesses; and

general economic conditions.

These and other factors are likely to cause financial results of K2 to fluctuate from quarter to quarter. If revenue or operating results fall short of the levels expected by public market analysts and investors, the trading price of K2 common stock could decline dramatically. Based on the foregoing, K2 believes that quarter-to-quarter comparisons of its results of operations may not be meaningful. Therefore, Fotoball USA stockholders should not view K2's historical results of operations as reliable indications of its future performance.

Increases in interest rates will increase K2's cost of borrowing.

K2's borrowing under its revolving credit facility are at variable 30-, 60- or 90-day interest rates based on LIBOR. As interest rates rise, K2's cost of borrowing will increase, which could have a material adverse effect on K2's business, financial condition and results of operations.

K2's business is highly seasonal.

K2's business is highly seasonal. Historically, K2 and Fotoball USA have experienced seasonal swings in their businesses depending on their respective products. This seasonality impacts K2's working capital requirements and hence overall financing needs. In addition, K2's borrowing capacity under its revolving credit facility is impacted by the seasonal change in receivables.

K2 may not be able to attract or retain the management employees necessary to remain competitive in its industry and the loss of one or more of K2's key personnel, including Mr. Richard J. Heckmann, Chairman and Chief Executive Officer of K2, could have a material adverse effect on K2's business, financial condition, results of operations and prospects.

K2's continued success depends on the retention, recruitment and continued contributions of K2's key management, finance, marketing and staff personnel, many of whom would be difficult or impossible to replace. The competition for qualified personnel is intense. K2 cannot assure you that it will be able to retain its current personnel or recruit the key personnel it requires. Specifically, Mr. Richard J. Heckmann, K2's Chairman and Chief Executive Officer, has been fundamental in developing K2's growth strategy and, without his services, K2's implementation of its growth strategy might fail. In addition, K2 does not have employment agreements with most members of its senior management team. The loss of services of members of K2's key personnel, including Mr. Heckmann, could have a material adverse effect on K2's business, financial condition, results of operations and prospects.

International operations, unfavorable political developments and weak foreign economies may seriously harm K2's financial condition.

K2's business is dependent on international trade, both for sales of finished goods and low-cost manufacturing and sourcing of products. K2's three principal markets are North America, Europe and Asia. K2's

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revenues from international operations were approximately 24% of K2's sales on a pro forma basis, which includes the sales of Rawlings from January 1, 2003 through the March 26, 2003 consummation of the merger with K2 and the sales of Worth from January 1, 2003 through the September 16, 2003 consummation of the acquisition of Worth by K2, for the nine months ended September 30, 2003. K2 expects that its revenues from international operations will continue to account for a significant portion of its total revenues. Any political developments adversely affecting trade with Europe or Asia could severely impact K2 results of operations. K2's international operations are subject to a variety of risks, including:

recessions in foreign economies;

the adoption and expansion of trade restrictions;

limitations on repatriation of earnings;

reduced protection of intellectual property rights in some countries;

longer receivables collection periods and greater difficulty in collecting accounts receivable;

difficulties in managing foreign operations;

social, political and economic instability;

unexpected changes in regulatory requirements;

acts of war and terrorism;

ability to finance foreign operations;

changes in consumer tastes and trends;

tariffs and other trade barriers; and

U.S. government licensing requirements for export.

In addition, K2 will continue to outsource a number of its supply contracts to entities in foreign nations and will continue to be highly reliant on overseas manufacturing. Specifically, K2 maintains significant manufacturing capacity in China and Costa Rica. Political or economic developments adversely affecting the operation of these facilities could result in late deliveries, lower sales and earnings and unanticipated costs.

Changes in currency exchange rates could affect K2's revenues.

A significant portion of K2's production and approximately 19% of K2's sales, on a pro forma basis, which includes the sales of Rawlings from January 1, 2003 through the March 26, 2003 consummation of the merger with K2 and the sales of Worth from January 1, 2003 through the September 16, 2003 consummation of the acquisition of Worth by K2, for the nine months ended September 30, 2003, are denominated in foreign currencies and are subject to exchange rate fluctuation risk. Although K2 engages in some hedging activities to reduce foreign exchange transaction risk, changes in the exchange rates between the United States dollar and the currencies of Europe and Asia could make K2 products less competitive in foreign markets, and could reduce the sales and earnings represented by foreign currencies. Additionally, such fluctuations could result in an increase in the cost of products sold in foreign markets, reducing margins and earnings.

Conflicts related to intellectual property could seriously harm the combined company's business.

A third party may try to challenge, invalidate or circumvent K2's or Fotoball USA's patents, copyrights or trademarks. K2 cannot assure the companies' respective stockholders that any of the rights granted under the patents, copyrights or trademarks will provide competitive advantages to the combined company, that patents

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will be issued on its pending applications or that claims allowed on any of its future patents will be sufficiently broad to protect the combined company's technology. In addition, the laws of some foreign countries may not protect K2's and Fotoball USA's proprietary rights to the same extent as the laws of the United States. As a result, the combined company cannot rely solely on patent, copyright and trademark protection to be successful and profitable in the industry.

K2's inability to obtain licenses may harm its business.

Many of K2's products include intellectual property licensed from third parties, and in many instances K2 will have to seek new or renew existing licenses in the future. The inability to obtain such licenses or other rights on favorable terms, or the need to engage in litigation over such licenses or rights, could seriously harm K2's business, operating results and financial condition.

Acts of war or terrorism may have an adverse effect on K2's business.

Acts of war or terrorism may have an adverse effect on the economy generally, and more specifically, on K2's business. Among various other risks, such occurrences have the potential to significantly decrease consumer spending on leisure products and activities, adversely impact K2's ability to consummate future debt or equity financings and negatively affect K2's ability to manufacture, source and deliver low-cost goods in a timely manner.

K2 is subject to and may incur liabilities under various environmental laws.

K2 is subject to federal, state, local and foreign laws and regulations that govern activities that may have adverse environmental effects, such as discharges to air and water, as well as handling and disposal of and exposure to hazardous substances. In that regard, K2 has been and could be subject to claims and inquiries related to alleged substances in K2's products that may be subject to notice requirements or exposure limitations, particularly in California, which may result in fines and penalties. K2 is also subject to laws and regulations that impose liability for costs and damages resulting from past disposals or other releases of hazardous substances. For example, K2 may incur liability under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and similar laws, some of which impose strict, and in some cases, joint and several, liability for the cleanup of contamination resulting from past disposals of waste, including disposal at off-site locations. In addition, K2 has acquired pre-existing businesses that have historical and ongoing operations, and K2 has limited information about the environmental condition of the properties of such companies. It is possible that soil and groundwater contamination may exist on these or other of K2's properties resulting from current or former operations. K2 is currently aware of one matter involving off-site waste disposal liability in South Carolina and another matter involving soil contamination at a former facility in Michigan, for which K2 has accrued approximately \$1.5 million as of September 30, 2003. Although K2 is not aware of any issues arising under current environmental laws that would be reasonably likely to have a material adverse effect on K2's business, financial condition or results of operations, K2 cannot assure you that such matters will not have such an impact.

Unfavorable weather can adversely affect K2's sales.

Sales of K2's recreational products are strongly influenced by the weather. Poor snow conditions in the winter or summer conditions unfavorable to outdoor sports can adversely affect sales of important K2 products.

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Anti-takeover defenses in K2's charter and under Delaware law could prevent an acquisition of K2 or limit the price that investors might be willing to pay for K2 common stock.

Section 203 of the Delaware General Corporation Law (the "DGCL") prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years from the date the person became an interested stockholder, unless specific conditions are met. In addition, K2 has in place various protections which would make it difficult for a company or investor to buy K2 without the approval of K2's board of directors, including a shareholder rights plan, a classified board of directors, provisions requiring advance notice of board nominations and other actions to be taken at stockholder meetings and super-majority voting requirements with respect to extraordinary actions. See "Comparison of Rights of Holders of Fotoball USA Common Stock and Holders of K2 Common Stock" on page 67. All of the foregoing could hinder, delay or prevent a change in control of K2 and could limit the price that investors might be willing to pay in the future for shares of K2 common stock.

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BACKGROUND AND REASONS FOR THE OFFER AND SUBSEQUENT MERGER

The following discussion presents background information concerning the offer and subsequent merger and describes our reasons for undertaking the proposed transaction. Please see "Additional Factors for Consideration by Fotoball USA Stockholders" on page 30 and Fotoball USA's Recommendation Statement for further information relating to the proposed transactions.

Background of the Offer and Subsequent Merger

On July 17, 2003, Richard J. Heckmann, Chairman and Chief Executive Officer of K2, contacted Jason Reese, Co-President of Imperial Capital, and noted that K2 was interested in acquiring Fotoball USA, had performed due diligence based on publicly available information and was in a position to consummate a transaction quickly. Mr. Heckmann preliminarily offered \$4.00 per share in K2 common stock for each share of Fotoball USA common stock, subject, among other things, to completion of due diligence, the negotiation of definitive documents and board approval. Mr. Reese immediately contacted Fotoball USA with this development.

On July 18, 2003, the Fotoball USA board of directors was notified of K2's preliminary proposal in a telephonic conference call and discussed such proposal, and the ramifications thereof, in advance of the board's scheduled meeting on July 21, 2003.

On July 21, 2003, the Fotoball USA board met and discussed K2's proposal and asked Mr. Reese to obtain written clarification of K2's intent to acquire Fotoball USA. The meeting was adjourned to allow Mr. Heckmann to transmit written clarification of K2's interest in Fotoball USA. K2 faxed a written indication of interest to acquire the shares of Fotoball USA at \$4.00 per share, payable in shares of K2 common stock (as of the close of business on that date, the Fotoball USA shares were trading at \$2.96 per share). On July 25, 2003, K2 faxed a written indication of interest, subject to conditions set forth in such offer, to acquire the shares of Fotoball USA at \$4.00 per share, payable in shares of K2 common stock.

In response to K2's offer, on July 27, 2003, the Fotoball USA board of directors decided to establish a special committee to explore the K2 offer and analyze strategic alternatives to the K2 offer to assess what would be in the best long-term interest of Fotoball USA and its stockholders, particularly in light of the board's perception that the public markets had undervalued, and would continue to undervalue, Fotoball USA. The Fotoball USA board unanimously determined that the special committee should be composed of those members of the board who were not employees of Fotoball USA and had no interest in a possible sale of Fotoball USA different from those of Fotoball USA's stockholders generally. The Fotoball USA board thereafter formed a special committee, composed of the four independent members of the Fotoball USA board—John Shea (Chairman), Nicholas Giordano, James McQuaid and Joel Rubenstein, to explore the K2 offer and analyze strategic alternatives to the K2 offer, to assess what would be in the best long-term interest of Fotoball USA and to identify the potential effects of such strategic alternatives and make recommendations to the Fotoball USA board.

On July 27, 2003, the Fotoball USA special committee met by conference telephone and unanimously voted to retain Imperial as the special committee's exclusive financial adviser and Swidler Berlin Shereff Friedman, LLP (Swidler Berlin) as the committee's counsel.

On July 30, 2003, the Fotoball USA special committee met by conference telephone and discussed the K2 offer and discussed the process generally. The special committee authorized Imperial to negotiate the terms of a confidentiality agreement with K2.

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On August 7, 2003, at a regularly scheduled meeting of the K2 board of directors, K2 management presented Fotoball USA, among other companies, as a potential acquisition target.

On August 12, 2003, the Fotoball USA special committee met by conference telephone. Mr. Reese noted that Imperial was still negotiating a confidentiality agreement with K2.

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On August 25, 2003, K2 and Fotoball USA executed a confidentiality agreement.

On September 4, 2003, management of Fotoball USA made a presentation to K2 management with respect to Fotoball USA's business at K2's headquarters. During the presentation, K2 indicated a willingness to increase its offer to \$4.50 per share, payable in K2 common stock.

During the next 10 days, K2 management conducted further financial, legal and business due diligence on Fotoball USA.

On September 5, 2003, the Fotoball USA special committee met by conference telephone and discussed, among other things, the status of the negotiations with K2. The Fotoball USA special committee did not accept the proposed increased offer from K2 at that time, but determined to seek further concessions for stockholders, including a cash-election and a collar on the shares of K2 common stock.

During this time, K2 indicated on several occasions that it would not add a cash election mechanism to the K2 proposal at the most recently proposed price and that K2 was philosophically opposed to collars but might consider a collar in this deal because of the small size of the Fotoball USA public float.

On September 10, 2003 the Fotoball special committee met by conference telephone and, among other things, was advised of K2's position regarding a cash election mechanism and a collar.

On September 24, 2003, the Fotoball special committee met with and updated the Fotoball USA board of directors on, among other things, its negotiations with K2. At this meeting, the Fotoball USA special committee authorized Imperial and Swidler Berlin to negotiate an exclusivity agreement with K2.

During the ensuing two weeks, representatives of K2 and Swidler Berlin negotiated the terms of an exclusivity agreement. In these negotiations, K2 indicated to representatives of Imperial that K2 was seeking a breakup fee of \$700,000 (which was to be part of a definitive agreement, if executed) and a \$100,000 expense reimbursement (which was to be paid if Fotoball USA violated the terms of the exclusivity agreement or terminated the exclusivity agreement as a result of the fiduciary out) and wanted Fotoball USA to agree to its proposed \$4.50 per share price, payable in K2 stock.

On October 14, 2003, the Fotoball USA special committee met by conference telephone and discussed the status of the negotiations, at which time it determined to negotiate the final terms of an exclusivity agreement with K2, including the breakup fee of \$700,000 (which was to be part of a definitive agreement, if executed), a \$100,000 expense reimbursement (which was to be paid if Fotoball USA violated the terms of the exclusivity agreement or terminated the exclusivity agreement as a result of the fiduciary out) and an increase in the offer from \$4.50 to \$4.60 per share.

During the ensuing two weeks, K2 and Fotoball USA negotiated certain terms of the exclusivity agreement.

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On October 27, 2003, K2 and Fotoball USA entered into an exclusivity agreement with a breakup fee of \$700,000, which was to be part of a definitive agreement, if executed, a \$125,000 expense reimbursement (increased from \$100,000 for expenses incurred to date), which was to be paid if Fotoball USA violated the terms of the exclusivity agreement or terminated the exclusivity agreement as a result of the fiduciary out, a no shop clause and a \$4.50 per share purchase price, payable in K2 common stock, with an exchange ratio to be negotiated prior to signing of a definitive agreement. Following the meeting, the exclusivity agreement was signed by both Fotoball USA and K2.

On October 29, 2003, management of K2 conducted due diligence at Fotoball USA headquarters. The due diligence review included extensive business, operations and financial due diligence and a facilities tour.

On November 3, 2003, management of K2 conducted further due diligence at Fotoball USA headquarters, with further discussions concerning business, operations and financial due diligence and a discussion concerning integration issues.

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As a result of Fotoball USA's third quarter performance and its projected fourth quarter performance, on November 3, 2003, Mr. Heckmann informed Mr. Reese that K2 would reduce its offer from \$4.50 to \$4.25 per share, payable in K2 common stock. Mr. Heckmann also offered to commence an exchange offer immediately and close the deal in 2003 (subject to the negotiation of definitive agreements), as a result of concerns about Fotoball USA's performance.

On November 7, 2003, the Fotoball USA special committee considered the effect of closing the deal in 2003, including that such timing would result in an additional \$450,000 change of control payment to be made to Mr. Favish and that Mr. Favish would not be entitled to such payment if the transaction was consummated in 2004. The Fotoball USA special committee determined that it would insist on \$4.50 per share and would rather allocate the \$450,000 to all of the Fotoball stockholders, and the special committee insisted that the transaction close in 2004. Mr. Reese was asked by the special committee to insist that the offer remain at \$4.50 per share. On that same day, in further negotiations with Mr. Reese, Mr. Heckmann stated that K2 would offer no more than \$4.37 per share, payable in K2 common stock, with the exchange ratio to be fixed prior to the announcement of the exchange offer, which would close in 2004. After an extended discussion among the members of the Fotoball USA special committee, during which Swidler Berlin reviewed with the special committee its fiduciary duties under applicable law, the special committee preliminarily determined that an offer of \$4.37 per share would be acceptable, subject to the negotiation of the exchange ratio and the definitive transaction documents. Accordingly, the special committee authorized management to continue to pursue negotiations with K2 and to enter into an amendment to the exclusivity agreement reflecting the reduction in the offer price to \$4.37 per share, and K2 and Fotoball USA entered into this amendment later in the day.

On November 8, 2003, counsel to K2, Gibson Dunn & Crutcher, LLP, delivered an initial draft of the merger agreement to the Fotoball USA special committee and its counsel, Swidler Berlin. The parties then commenced negotiations on a definitive merger agreement. Over the course of the next two weeks, there were numerous conference calls between K2 and counsel for K2, on the one hand, and counsel for Fotoball USA, on the other hand, and numerous drafts of the merger agreement were circulated. During this process, K2 and Fotoball USA negotiated a number of issues including the following: the nature and scope of the representations, warranties and pre-closing covenants, the termination provisions, including the termination provision relating to the price of the K2 common stock, the definition of the exchange ratio, K2's request for reimbursement in the event that the Merger Agreement was terminated under certain circumstances and the situations and time frames in which the Fotoball USA board of directors would be able to negotiate with competing bidders.

On November 13, 2003, at a regularly scheduled meeting of the K2 board of directors, the board of directors discussed, among other things, the proposed terms of the Merger Agreement and the factors discussed in "Additional Factors For Consideration by Fotoball USA Stockholders" K2's Reasons for Making the Offer on page 30. Management of K2 summarized for the board of directors the results of the due diligence investigation that had been undertaken by K2. Management recommended that the K2 board of directors approve the Merger Agreement and related transactions. After extensive discussions, the K2 members of the board that were present unanimously (1) determined that the Merger Agreement and the proposed related transactions (including an exchange ratio of 0.2757) are in the best interests of K2 and (2) approved the Merger Agreement and related transactions.

On November 19, 2003, the Fotoball USA special committee met by conference telephone to discuss Fotoball USA's fourth quarter performance and the status of the negotiations with K2. The special committee noted that Fotoball USA's projected fourth quarter performance was lower than it had been on November 7, 2003. Mr. Reese was then asked to speak to K2 to inform K2 of the revised projections and ascertain whether the deal would continue as per the parties' previous discussions. The meeting was adjourned until November 20, 2003, at which time Mr. Reese reported back that, after a discussion with Mr. Heckmann, K2 remained interested in the transaction.

On November 25, 2003, the Fotoball USA special committee met to discuss and approve the merger agreement. Each member of the Fotoball USA board of directors had been provided with copies of the draft

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merger agreement on the previous day. At this meeting, Swidler Berlin summarized the process that had been conducted. Messrs. Favish and Dickey (the two members of the Fotoball USA board who were not also members of the Fotoball USA special committee) were then invited to join the meeting, and Swidler Berlin summarized the terms of the Merger Agreement and the mechanics and projected timing of the Offer and the Merger. Imperial then reviewed its financial analysis of the merger consideration and delivered to the Fotoball USA board an oral opinion (confirmed by delivery of a written opinion dated November 25, 2003) to the effect that, as of the date of the opinion and based on and subject to the matters described in its opinion, the consideration to be received by the holders of the Shares in the Offer and subsequent Merger was fair, from a financial point of view, to the stockholders of the Fotoball USA. Messrs. Favish and Dickey were then asked to leave the meeting, and Swidler Berlin reviewed with the Fotoball USA special committee its fiduciary duties under applicable law, including those duties in connection with a sale of Fotoball USA. After extensive discussions, the Fotoball USA special committee determined that the merger under consideration was the best alternative to maximize stockholder value and, by unanimous vote, then recommended that the Fotoball USA board approve the merger agreement.

Following the Fotoball USA special committee meeting, a meeting of the Fotoball USA board was convened, at which time the board unanimously (i) determined that the Merger Agreement, the Offer and the proposed Merger are advisable, fair to and in the best interests of Fotoball USA and its stockholders, (ii) approved the Merger Agreement, the Offer and the proposed Merger, and (iii) recommended that Fotoball USA's stockholders accept the Offer and tender their Shares in the Offer. At such meeting, the Fotoball USA Board also, among other things, approved the consummation of the transactions contemplated by the Merger Agreement for purposes of the merger moratorium provisions contained in Section 203 of the DGCL and for purposes of Fotoball USA's shareholder rights plan. The Fotoball USA board then authorized management to execute the Merger Agreement.

In the afternoon of November 25, 2003, after the close of trading on the markets, Fotoball USA and K2 executed the Merger Agreement, and each of Michael Favish and Scott P. Dickey entered into and executed his respective Exchange Agreements with K2.

On November 26, 2003, Fotoball USA and K2 issued separate press releases announcing the execution of the Merger Agreement and the transactions contemplated thereby, including the Offer and proposed Merger.

On December 10, 2003, K2 commenced the Offer.

Additional Factors for Consideration by Fotoball USA Stockholders

K2's Reasons for Making the Offer

K2's board of directors believes that the acquisition of Fotoball USA represents an opportunity to enhance value for K2 stockholders. The decision of K2's board of directors to enter into the Merger Agreement was the result of careful consideration by the board of directors of numerous factors. Significant factors considered by the K2 board of directors include, among others:

Strategic Growth Through Acquisition. The consolidation of sporting goods retailers worldwide is leading to a consolidation of sporting goods suppliers. K2 believes that the most successful sporting goods suppliers will be those with greater financial resources, a broader selection of products and brands, and broader capabilities. Fotoball USA is an industry leader in many sports and entertainment souvenir and promotional product categories and has developed in-house licensing expertise and co-branding

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experience. The acquisition of this industry leader expands K2's marketing and licensing capabilities.

Development of K2 Marketing Platform. The acquisition of Fotoball USA allows K2 to establish a solid platform to expand K2's marketing capabilities. Because of Fotoball USA's successful franchise

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in marketing and manufacturing souvenir and promotional products, expertise in the industry and place as an industry leader in many sports and entertainment souvenir and promotional product categories, Fotoball USA represents a premier platform for expansion of K2's marketing capabilities.

Establishes In-House Licensing Program. The combination of K2 and Fotoball USA will create opportunities for K2 to take advantage of Fotoball USA's well developed in-house licensing program. K2 believes that this licensing experience, coupled with K2's portfolio of premier, branded consumer products, will lead to a focused licensing strategy that is expected to result in additional revenue sources for K2.

Generates Additional Co-branding Opportunities. The acquisition by K2 of Fotoball USA will create new opportunities for K2 to extend its existing line of co-branded products. At this time, K2's portfolio includes a number co-branded products such as its Barbie and Scooby-Doo, as well as other Looney Tunes character fishing kits and combos, chairs, tents and flotation vests and jackets. However, with Fotoball USA's expertise in co-branding of products and licensor relationships, together with K2's portfolio of premier, branded, consumer products, K2 believes that this acquisition will lead to additional co-branding opportunities.

Enhanced Management Team. K2 and Fotoball USA each enjoy top quality management teams that understand and provide leadership to their respective market segments. The addition of Fotoball USA's management team, a leader in marketing and manufacturing of souvenir and promotional products, to K2 creates an opportunity to grow both businesses by benefiting from each management's core competencies.

The foregoing discussion of factors considered by K2's board is not meant to be exhaustive, but includes the material factors considered by the K2 board in approving the Merger Agreement and the transactions contemplated by the Merger Agreement. The K2 board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination. Rather, the board members made their respective determinations based on the totality of the information presented to them, including the recommendation by K2 management, and the judgments of individual members of the board may have been influenced to a greater or lesser degree by different factors.

Other Factors You Should Consider

In deciding whether or not to tender your shares of Fotoball USA common stock, you should consider the factors described directly above under K2's Reasons for Making the Offer, as well as the factors set forth under Risk Factors on page 19 and the other factors set forth in this prospectus. While we believe the offer should be attractive to you as a Fotoball USA stockholder, you should also consider the following matters:

As a stockholder of K2, your interest in the performance and prospects of Fotoball USA would only be indirect and in proportion to your share ownership in K2. You therefore will not realize the same financial benefits of future appreciation in the value of Fotoball USA, if any, that you may realize if the offer and the subsequent merger were not completed and you were to remain a Fotoball USA stockholder.

An investment in a company like Fotoball USA, which concentrates in one industry, may be associated with greater risk and a greater potential for gain than an investment in a more diversified company like K2. On the other hand, as a stockholder in a diversified company like K2, your investment will be exposed to risks and events that are likely to have little or no effect on Fotoball USA. You therefore would experience the impact of developments, both positive and negative, in the sports and entertainment souvenir and promotional product industry to a lesser extent, but would also experience the impact of developments, both positive and negative, in a variety of sports related industries.

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RECOMMENDATION OF FOTOBALL USA S BOARD OF DIRECTORS

On November 25, 2003, Fotoball USA s board of directors unanimously approved the Merger Agreement, this offer and the proposed merger. Fotoball USA s board of directors also has recommended that Fotoball USA stockholders tender their shares of Fotoball USA common stock in this offer. For more information about the Fotoball USA board of directors recommendation and the reasons for its recommendation, please see the Fotoball USA Recommendation Statement which is being mailed to you together with this prospectus.

Fotoball USA s board of directors has received a written opinion, dated November 25, 2003, from Imperial Capital to the effect that, as of the date of the opinion and based on and subject to the matters described in the opinion, the consideration to be received by the holders of Fotoball USA common stock in the offer and merger is fair, from a financial point of view, to such holders. A summary of Imperial Capital s opinion and of the analyses performed, the bases and methods of arriving at the opinion, and a description of Imperial Capital s investigation and assumptions, is included in the Fotoball USA Recommendation Statement. The full text of Imperial Capital s written opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Imperial Capital in rendering its opinion, is attached to the Fotoball USA Recommendation Statement.

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THE OFFER

Exchange of Shares of Fotoball USA Common Stock

We are offering to exchange 0.2757 of a share, including the associated preferred share purchase rights, of K2 common stock for each outstanding share of Fotoball USA common stock validly tendered and not properly withdrawn prior to the expiration of the offer, upon the terms and subject to the conditions set forth in this prospectus and the related letter of transmittal. The preferred share purchase rights that will accompany each share of K2 common stock are not currently separable from such shares, are not currently exercisable and will not be certificated, transferable or assignable by the holders thereof. For more information on the preferred share purchase rights, see [Comparison of Rights of Holders of Fotoball USA Common Stock and Holders of K2 Common Stock Rights Plan](#) on page 73.

We will not acquire any shares of Fotoball USA common stock in the offer unless Fotoball USA stockholders have validly tendered and not properly withdrawn prior to the expiration of the offer a majority of the shares of Fotoball USA common stock, calculated as described below in

[Conditions of the Offer - Minimum Condition](#) on page 38. As of the date of this prospectus, 3,651,501 shares of Fotoball USA common stock were outstanding. There are also other conditions to the offer that are described under [Conditions of the Offer](#) on page 38.

After completion of the offer, K2 will cause Fotoball USA to complete a merger with Acquisition Sub, in which each outstanding share of Fotoball USA common stock (except for shares held by Fotoball USA, K2 or Acquisition Sub) will be converted into the right to receive K2 common stock at the same exchange ratio as used in the offer, subject to appraisal rights to the extent applicable under Delaware law. If after the completion of this offer, we beneficially own more than 90% of the outstanding shares of Fotoball USA common stock, we may effect this merger without the approval of Fotoball USA stockholders, as permitted under Delaware law. See [Approval of the Merger](#) on page 42.

When we refer to the expiration of the offer, we mean 12:00 midnight, New York City time, on Thursday, January 8, 2004, unless we extend the period of time for which the offer is open, in which case the offer will expire, and references to the expiration of the offer will mean, the latest time and date on which the offer is open.

If you are the record owner of your shares and you tender your shares directly to the exchange agent and depository, you will not be obligated to pay any charges or expenses of the exchange agent and depository or any brokerage commissions. If you own your shares through a broker or other nominee, and your broker or nominee tenders the shares on your behalf, your broker or nominee may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply.

Timing of the Offer

We are commencing the offer on Wednesday, December 10, 2003. The offer is scheduled to expire at 12:00 midnight, New York City time, on Thursday, January 8, 2004, unless we extend the period of the offer. All references to the expiration of the offer mean the time of expiration, as extended. For more information, see the discussion under [Extension, Termination and Amendment](#) immediately below.

Extension, Termination and Amendment

Subject to the right of K2 or Fotoball USA to cause the offer to be extended under certain circumstances, K2 or Fotoball USA can terminate the Merger Agreement at the expiration of the offer period if no shares of Fotoball USA common stock have been purchased by K2. If any condition to the offer is not satisfied or, if permissible, waived, at any scheduled expiration of the offer, then K2 may extend the expiration of the offer from time to time in its discretion. Each extension may last for no more than ten business days, unless Fotoball USA and K2 agree in writing to allow for a longer period. K2 also has the right to extend the offer for any period of time required by the applicable rules and regulations of the SEC. We may elect to provide a subsequent offering period of up to 20 business days after the acceptance of shares of Fotoball USA common stock in the

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offer if, on the expiration date of the offer, all of the conditions to the offer have been satisfied or waived, but the total number of shares of Fotoball USA common stock that have been validly tendered and not withdrawn pursuant to the offer is less than 90% of the total number of shares of Fotoball USA common stock then outstanding and the requirements of Rule 14d-11 under the Exchange Act have been met. K2 also has the right to extend the offer for up to three business days to enable it to evaluate competing acquisition proposals for Fotoball USA. We can extend the offer by giving oral or written notice of extension to Computershare Trust Company, Inc., the exchange agent and depository for the offer. If we decide to extend the offer, we will make an announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration. We are not giving any assurance that we will extend the offer. Fotoball USA has the right to compel us to extend the offer for an initial period of ten business days and for longer periods through March 25, 2004 if all of conditions to the offer, other than those with respect to the effectiveness of the S-4 and the listing of the K2 shares on the New York Stock Exchange, have been satisfied and such outstanding conditions are capable of being satisfied. During any extension, all shares of Fotoball USA common stock previously tendered and not withdrawn will remain deposited with the exchange agent and depository, subject to your right to withdraw your shares of Fotoball USA common stock as described under Withdrawal Rights on page 35. Notwithstanding any rights on the part of K2 or Fotoball USA to cause an extension of the offer, K2 or Fotoball USA can terminate the Merger Agreement if the offer is not consummated by March 25, 2004.

We reserve the right to make any changes in the terms and conditions of the offer by giving oral or written notice of the change to the exchange agent and depository and by making a public announcement. However, without the prior written consent of Fotoball USA, we cannot:

decrease the exchange ratio;

make any changes to the form of consideration to be paid for shares of Fotoball USA common stock in the offer;

impose any additional conditions on the offer other than those already described in the Merger Agreement;

amend or waive the minimum condition, the tax opinion condition or the conditions with respect to the effectiveness of the S-4, the listing on the New York Stock Exchange and the illegality of the offer as described in the Merger Agreement; or

make any other change to the terms and conditions of the offer which is adverse to the holders of shares of Fotoball USA common stock.

We are required to follow any extension, termination, amendment or delay, as promptly as practicable, with a public announcement. In the case of an extension, the announcement is required to be issued no later than 9:00 a.m., New York time, on the next business day after the previously scheduled expiration date. Subject to applicable law, and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any public announcement other than by making a release to Business Wire.

If we make a material change in the terms of the offer or the information concerning the offer, or if we waive a material condition of the offer, we will extend the offer to the extent required under the Exchange Act.

Procedure for Tendering Shares

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For you to validly tender shares of Fotoball USA common stock into the offer, you must do one of the following:

deliver certificates for your shares, a properly completed and duly executed letter of transmittal or a duly executed copy thereof, along with any other required documents, to the exchange agent and depository at its address set forth on the back cover of this prospectus prior to the expiration of the offer;

arrange for a book-entry transfer of your shares to be made to the exchange agent and depository's account at DTC and receipt by the exchange agent and depository of a confirmation of this transfer

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prior to the expiration of the offer, and the delivery of a properly completed and duly executed letter of transmittal or a duly executed copy thereof, and any other required documents, to the exchange agent and depository at its address set forth on the back cover of this prospectus prior to the expiration of the offer; or

arrange for a book-entry transfer of your shares to the exchange agent and depository's account at DTC and receipt by the exchange agent and depository of confirmation of this transfer, including an agent's message, prior to the expiration of the offer.

These deliveries and arrangements must be made before the expiration of the offer. **TENDERS BY NOTICE OF GUARANTEED DELIVERY WILL NOT BE ACCEPTED.** The term "agent's message" means a message, transmitted by DTC to, and received by, the exchange agent and depository and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the shares of Fotoball USA common stock which are the subject of the book-entry confirmation, that the participant has received and agrees to be bound by the terms of the letter of transmittal and that we may enforce that agreement against the participant.

The exchange agent and depository will establish an account with respect to the shares of Fotoball USA common stock at DTC for purposes of the offer within two business days after the date of the distribution of this prospectus, and any financial institution that is a participant in DTC may make book-entry delivery of shares of Fotoball USA common stock by causing DTC to transfer shares of Fotoball USA common stock into the exchange agent and depository's account in accordance with DTC's procedure for the transfer. For a tender made by transfer of shares of Fotoball USA common stock through book-entry delivery at DTC to be valid, the exchange agent and depository must receive, prior to the expiration of the offer, a book-entry confirmation of transfer and either a duly executed letter of transmittal or a duly executed copy thereof, along with any other required documents, at its address set forth on the back cover of this prospectus, or an agent's message as part of the book-entry confirmation. Signatures on all letters of transmittal must be guaranteed by an eligible institution, except in cases in which shares of Fotoball USA common stock are tendered either by a registered holder of shares of Fotoball USA common stock who has not completed the box entitled "Special Delivery Instructions" on the letter of transmittal or for the account of an eligible institution. By "eligible institution" we mean a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association Inc., including the Securities Transfer Agent's Medallion Program (STAMP), the Stock Exchange Medallion Program (SEMP) and the New York Stock Exchange Medallion Signature Program (MSP), or any other eligible guarantor institution, as that term is defined in Rule 17Ad-15 under the Exchange Act.

If the certificates for shares of Fotoball USA common stock are registered in the name of a person other than the person who signs the letter of transmittal, the certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the certificates, with the signature(s) on the certificates or stock powers guaranteed in the manner described above.

The method of delivery of certificates representing shares of Fotoball USA common stock and all other required documents, including delivery through DTC, is at your option and risk, and the delivery will be deemed made only when actually received by the exchange agent and depository. If delivery is by mail, we recommend registered mail with return receipt requested, properly insured. In all cases, you should allow sufficient time to ensure timely delivery before expiration of the offer.

Withdrawal Rights

You may withdraw shares of Fotoball USA common stock that you tender pursuant to the offer at any time before the expiration of the offer. After the expiration of the offer, tenders are irrevocable. However, if we have not accepted tendered shares for exchange by Monday, February 9, 2004, you may withdraw tendered shares at any time thereafter.

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For your withdrawal to be effective, the exchange agent and depository must receive from you, prior to the expiration of the offer, a written or facsimile transmission notice of withdrawal at its address set forth on the back cover of this prospectus, and your notice must include your name, address, social security number, the certificate number(s) and the number of shares of Fotoball USA common stock to be withdrawn, as well as the name of the registered holder, if it is different from that of the person who tendered those shares of Fotoball USA common stock. If shares of Fotoball USA common stock have been tendered pursuant to the procedures for book-entry tender discussed above under Procedure for Tendering Shares on page 34, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn shares of Fotoball USA common stock and must otherwise comply with DTC's procedures. If certificates have been delivered or otherwise identified to the exchange agent and depository, the name of the registered holder and the serial numbers of the particular certificates evidencing the shares of Fotoball USA common stock withdrawn must also be furnished to the exchange agent and depository, as stated above, prior to the physical release of the certificates. We will decide all questions as to the form and validity (including time of receipt) of any notice of withdrawal, in our sole discretion, and our decision will be final and binding.

An eligible institution must guarantee all signatures on the notice of withdrawal unless the shares of Fotoball USA common stock have been tendered for the account of an eligible institution.

None of K2, the exchange agent and depository, the information agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or will incur any liability for failure to give any notification. Any shares of Fotoball USA common stock that you properly withdraw will be deemed not to have been validly tendered for purposes of the offer. However, you may retender withdrawn shares of Fotoball USA common stock by following one of the procedures discussed under Procedure for Tendering Shares on page 34 at any time before the expiration of the offer.

Subsequent Offering Period

If we have satisfied the conditions to the offer, but less than 90% of the Fotoball USA shares have been tendered, we may elect to provide a subsequent offering period of up to 20 business days after the acceptance of shares of Fotoball USA common stock in the initial offer if the requirements of Rule 14d-11 under the Exchange Act have been met. You will not have the right to withdraw any shares of Fotoball USA common stock that you tender during the subsequent offering period. We are required to accept for exchange, and to deliver K2 common stock in exchange for, shares of Fotoball USA common stock that are validly tendered, promptly after they are tendered during any subsequent offering period. If we elect to provide a subsequent offering period, we are required to make a public announcement to that effect no later than 9:00 a.m., New York time, on the next business day after the previously scheduled expiration date.

Effect of a Tender of Shares

By executing a letter of transmittal, you will agree and acknowledge that our acceptance for exchange of shares of Fotoball USA common stock you tender in the offer will, without any further action, revoke any prior powers of attorney and proxies that you may have granted in respect of those shares and you will not grant any subsequent proxies and, if any are granted, they will not be deemed effective. We reserve the right to require that, in order for shares of Fotoball USA common stock to be validly tendered, we must be able to exercise full voting, consent and other rights with respect to those shares of Fotoball USA common stock immediately upon our acceptance of those shares of Fotoball USA common stock for exchange.

We will determine questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of shares of Fotoball USA common stock, in our sole discretion, and our determination will be final and binding. We reserve the absolute right to reject

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any and all tenders of shares of Fotoball USA common stock that we determine are not in proper form or the acceptance of or exchange for which may, in the opinion of our counsel, be unlawful. No tender of shares of Fotoball USA common stock will

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be deemed to have been validly made until all defects and irregularities in tenders of those shares have been cured or waived. None of K2, the exchange agent and depository, the information agent, nor any other person will be under any duty to give notification of any defects or irregularities in the tender of any shares of Fotoball USA common stock or will incur any liability for failure to give any such notification. Our interpretation of the terms and conditions of our offer, including the letter of transmittal and instructions, will be final and binding.

The tender of shares of Fotoball USA common stock pursuant to any of the procedures described above will constitute a binding agreement between you and us upon the terms and subject to the conditions of the offer.

Delivery of Shares of K2 Common Stock

Upon the terms and subject to the conditions of the offer, including, if the offer is extended or amended, the terms and conditions of the extension or amendment, we will accept for exchange shares of Fotoball USA common stock validly tendered and not properly withdrawn promptly after the expiration of the offer and will exchange K2 common stock and cash in lieu of fractional shares for the tendered shares of Fotoball USA common stock promptly afterwards. In all cases, exchange of shares of Fotoball USA common stock tendered and accepted for exchange pursuant to the offer will be made only if the exchange agent and depository timely receives:

certificates for those shares of Fotoball USA common stock, or a timely confirmation of a book-entry transfer of those shares of Fotoball USA common stock in the exchange agent and depository's account at DTC, and a properly completed and duly executed letter of transmittal or a duly executed copy thereof, and any other required documents; or

a timely confirmation of a book-entry transfer of those shares of Fotoball USA common stock in the exchange agent and depository's account at DTC, together with an agent's message as described under Procedure for Tendering Shares on page 34.

For purposes of the offer, we will be deemed to have accepted for exchange shares of Fotoball USA common stock validly tendered and not properly withdrawn when, as and if we notify the exchange agent and depository of our acceptance of the tender of those shares of Fotoball USA common stock pursuant to the offer. The exchange agent and depository will deliver shares of K2 common stock in exchange for shares of Fotoball USA common stock pursuant to the offer and cash in lieu of a fraction of a share of K2 common stock promptly after receipt of our notice. The exchange agent and depository will act as agent for tendering Fotoball USA stockholders for the purpose of receiving shares of K2 common stock and cash instead of a fraction of a share of K2 common stock and transmitting the shares and cash to you. You will not receive any interest on any cash that you are entitled to receive, even if there is a delay in making the exchange. If we do not accept shares of Fotoball USA common stock for exchange pursuant to the offer, or if certificates are submitted for more shares of Fotoball USA common stock than are tendered in the offer, we will return certificates for these unexchanged shares of Fotoball USA common stock without expense to the tendering stockholder. If we do not accept shares of Fotoball USA common stock for exchange pursuant to the offer, shares of Fotoball USA common stock tendered by book-entry transfer into the exchange agent and depository's account at DTC pursuant to the procedures set forth under Procedure for Tendering Shares on page 34 will be credited to the account maintained with DTC from which those shares were originally transferred, promptly following expiration or termination of the offer.

Cash Instead of Fractional Shares of K2 Common Stock

We will not issue any fraction of a share of K2 common stock pursuant to the offer. In lieu thereof, K2 will arrange for the exchange agent and depository to make a cash payment (without interest and subject to any withholding for taxes) equal to the fractional share interest multiplied by the closing price of a share of K2 common stock on the New York Stock Exchange on the first date that K2 accepts shares tendered pursuant to

the offer.

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Conditions of the Offer

The offer is subject to a number of conditions, which we describe below. Notwithstanding any other provision of the offer, K2 shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to K2's obligation to pay for or return tendered shares of Fotoball USA common stock promptly after termination or withdrawal of the offer), pay for and may delay the acceptance for payment of or, subject to the restriction referred to above, the payment for, any tendered shares of Fotoball USA common stock, and (subject to the provisions of the Merger Agreement) may terminate the offer and not accept for payment any tendered shares if any of these conditions are not satisfied or, where permissible, waived as of the expiration of the offer.

Minimum Condition

There must be validly tendered and not properly withdrawn prior to the expiration of the offer a majority of the shares of Fotoball USA common stock determined on a diluted basis, which includes shares of Fotoball USA common stock subject to options with an exercise price of less than \$4.37 per share and which do not terminate upon consummation of the offer, to the extent such options would be vested or exercisable as of the date which is 90 days after the initial expiration date of the offer. As of the date of this prospectus, there were 3,651,501 shares of Fotoball USA common stock outstanding and 482,192 shares of Fotoball USA common stock subject to the options described above. We will not waive this condition without the consent of Fotoball USA.

Registration Statement Effectiveness Condition

The registration statement on Form S-4 of which this prospectus is a part must have become effective under the Securities Act and not be the subject of any stop order or proceedings seeking a stop order. We will not waive this condition without the consent of Fotoball USA.

NYSE Listing Condition

The shares of K2 common stock issuable in exchange for shares of Fotoball USA common stock in the offer and the merger shall have been approved (if such approval is necessary) for listing on the New York Stock Exchange. We will not waive this condition without the consent of Fotoball USA.

Tax Opinion Condition

Fotoball USA shall have received a written opinion from Swidler Berlin Shereff Friedman, LLP (or, if not Swidler Berlin Shereff Friedman, LLP, another nationally recognized tax counsel, which may include Gibson Dunn & Crutcher, LLP) to the effect that the offer and the merger together will constitute a reorganization within the meaning of Section 368(a) of the Code (which opinion may rely on such assumptions and representations as such counsel reasonably deems appropriate). Only Fotoball USA can waive this condition. In addition, K2 shall have received a written opinion from Gibson, Dunn & Crutcher LLP (or, if not Gibson, Dunn & Crutcher LLP, another nationally recognized tax counsel, which may include Swidler Berlin Shereff Friedman, LLP) to the effect that the offer and the merger together will constitute a reorganization

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within the meaning of Section 368(a) of the Code (which opinion may rely on such assumptions and representations as such counsel reasonably deems appropriate). Only K2 can waive this condition.

Conditions Relating to Certain Stockholders

Neither Michael Favish, Fotoball USA's Chairman and Chief Executive Officer, nor Scott P. Dickey, Fotoball USA's President and Chief Operating Officer, each in his capacity as a stockholder, shall have breached any of his obligations under the agreement pursuant to which he has agreed to tender his shares in the offer. See "Interests of Certain Persons in the Offer and Subsequent Merger" on page 48.

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Fotball USA Actions

Fotball USA shall have received consents/amendments to the transactions contemplated by the Merger Agreement pursuant to certain contracts.

Additional Conditions

In addition, K2 shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to K2's obligation to pay for or return tendered shares of Fotball USA common stock promptly after termination or withdrawal of the offer), pay for and may delay the acceptance for payment of or, subject to the restriction referred to above, the payment for, any tendered shares of Fotball USA common stock, and (subject to the provisions of the Merger Agreement) may terminate the offer and not accept for payment any tendered shares if at any time prior to the expiration of the offer, any of the following conditions exist:

there shall be any injunction, judgment, ruling, order or decree issued or entered by any governmental entity that (i) restrains, enjoins, prevents, prohibits or makes illegal the acceptance for payment, payment for or purchase of some or all of the shares of Fotball USA common stock by K2 or the consummation of the transactions contemplated by the Merger Agreement (which condition cannot be waived by K2 without the consent of Fotball USA), (ii) imposes material limitations on the ability of K2 or any of its affiliates effectively to exercise full rights of ownership of 100% of the shares of Fotball USA common stock, including, without limitation, the right to vote the shares of Fotball USA common stock purchased by them on all matters properly presented to Fotball USA's stockholders on an equal basis with all other stockholders (including, without limitation, the adoption of the Merger Agreement and approval of the transactions contemplated by the Merger Agreement), (iii) restrains, enjoins, prevents, prohibits or makes illegal, or imposes material limitations on, K2's or any of its affiliates' ownership or operation of all or any portion of the businesses and assets of Fotball USA, or, as a result of the transactions contemplated by the Merger Agreement, of K2 and its subsidiaries, (iv) compels K2 or any of its affiliates to dispose of any shares of Fotball USA common stock or, as a result of the transactions contemplated by the Merger Agreement, compels K2 or any of its affiliates to hold separate any portion of the businesses or assets of Fotball USA, or of K2 and its subsidiaries or (v) imposes damages on K2, Fotball USA or any of their respective affiliates as a result of the transactions contemplated by the Merger Agreement in amounts that are material with respect to such transactions;

there shall be any law enacted, issued, promulgated, amended or enforced by any governmental entity applicable to (i) K2, Fotball USA or any of their respective affiliates or (ii) the transactions contemplated by the Merger Agreement that results, or is reasonably likely to result, directly or indirectly, in any of the consequences referred to in the immediately preceding paragraph (which condition cannot be waived by K2 without the consent of Fotball USA with respect to clause (i) of the immediately preceding paragraph);

(i) there shall have occurred any events or changes that, individually or in the aggregate, have had or would reasonably be expected to have a Material Adverse Effect (as defined in the Merger Agreement) on Fotball USA or (ii) (A) the representations and warranties of Fotball USA set forth in the Merger Agreement that are qualified as to materiality or Material Adverse Effect shall not be true and correct, or the representations and warranties of Fotball USA set forth in the Merger Agreement that are not so qualified shall not be true and correct in all material respects, in each case, at and as of the date of such determination as if made on such date (other than those representations and warranties that address matters only as of a particular date which are true and correct as of such date), *provided* K2 has not breached, and is still in breach of, any of its obligations under the Merger Agreement in any material respect or (B) Fotball USA shall have breached or failed in any material respect to perform or comply with any obligation, agreement or covenant required by the Merger Agreement to be performed or complied with by it; *provided* K2 has not breached, and is still in breach of, any of its obligations under the Merger Agreement in any material respect;

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the Board of Directors of Fotoball USA or the Special Committee shall have withdrawn or modified in any manner its approval or recommendation of the offer or the merger;

there shall have occurred (i) any general suspension of trading in securities on the New York Stock Exchange, the American Stock Exchange or in the Nasdaq National Market System, for a period in excess of twenty-four hours (excluding suspensions or limitations resulting solely from physical damage or interference with such exchanges not related to market conditions), (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (iii) any limitation or proposed limitation (whether or not mandatory) by any United States governmental entity that has a material adverse effect generally on the extension of credit by banks or other financial institutions, (iv) the commencement of a war involving the United States that, in the reasonable judgment of K2, materially affects K2, Fotoball USA, K2's ability to consummate the offer or materially adversely affects securities markets in the United States generally or (v) in the case of any of the situations in clauses (i) through (iv) of this paragraph existing at the time of the commencement of the offer, a material acceleration or worsening thereof; or

the Merger Agreement shall have been terminated in accordance with its terms or the offer shall have been terminated with the consent of Fotoball USA.

General

All of the foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances (including any action or inaction on our part) giving rise to any such conditions or (except as otherwise provided in the Merger Agreement) may be waived by us in whole or in part at any time and from time to time in our sole discretion prior to the expiration of the offer. The determination as to whether any condition has occurred or has been satisfied will be in our reasonable judgment and will be final and binding on all parties. Any failure by us at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right, the waiver of any such right with respect to any particular facts or circumstances shall not be deemed a waiver with respect to any other facts or circumstances, and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time prior to the expiration of the offer.

K2 cannot assure you that all of the conditions to completing the offer will be satisfied or waived.

Material U.S. Federal Income Tax Consequences

The following discussion, to the extent it constitutes a description of legal matters or legal conclusions, is the opinion of Gibson, Dunn & Crutcher LLP, counsel to K2, as to the material U.S. federal income tax consequences of the offer and the merger to Fotoball USA stockholders. This discussion is based on the Code, the related Treasury regulations, administrative interpretations and court decisions, all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of the statements and the conclusions discussed below and the tax consequences of the offer and the merger. This discussion applies only to Fotoball USA stockholders that hold their shares of Fotoball USA common stock, and will hold the shares of K2 common stock received in exchange for their shares of Fotoball USA common stock, as capital assets within the meaning of Section 1221 of the Code. This discussion does not address all federal income tax consequences of the offer and the merger that may be relevant to particular holders, including holders that are subject to special tax rules. Some examples of holders that are subject to special tax rules are:

dealers in securities;

financial institutions;

insurance companies;

tax-exempt organizations;

holders of shares of Fotoball USA stock as part of a position in a straddle or as part of a hedging or conversion transaction;

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holders who have a functional currency other than the U.S. dollar;

holders who are foreign persons;

holders who own their shares indirectly through partnerships, trusts or other entities that may be subject to special treatment; and

holders who acquired their shares of Fotoball USA common stock through stock option or stock purchase programs or otherwise as compensation.

In addition, this discussion does not address any consequences arising under the laws of any state, local or foreign jurisdiction or any non-income tax consequences. FOTOBALL USA STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO SPECIFIC TAX CONSEQUENCES TO THEM OF THE OFFER AND THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS AND OF CHANGES IN APPLICABLE TAX LAWS.

Tax Consequences of the Offer and the Merger. The obligations of K2 and Fotoball USA to complete the offer are conditioned upon the delivery of an opinion to K2 and to Fotoball USA by Gibson Dunn & Crutcher LLP and/or Swidler Berlin Shereff Friedman, LLP (or other nationally recognized tax counsel reasonably acceptable to K2 and Fotoball USA, respectively), that, for federal income tax purposes, the offer and the merger together will constitute a reorganization within the meaning of Section 368(a) of the Code. These opinions of counsel will be given in reliance on customary representations of K2 and Fotoball USA and assumptions as to certain factual matters, including that the merger occur in the ordinary course after completion of the offer. The opinions of counsel will not bind the courts or the Internal Revenue Service, nor will they preclude the Internal Revenue Service from adopting a position contrary to those expressed in the opinions. No assurance can be given that contrary positions will not successfully be asserted by the Internal Revenue Service or adopted by a court if the issues are litigated. Neither K2 nor Fotoball USA intends to obtain a ruling from the Internal Revenue Service with respect to the federal income tax consequences of the offer and the merger.

The following are the material federal income tax consequences to Fotoball USA stockholders who, consistent with the opinions of counsel referred to above, receive their shares of K2 common stock pursuant to a transaction constituting a reorganization within the meaning of Section 368(a) of the Code:

A Fotoball USA stockholder who exchanges his or her shares of Fotoball USA common stock for K2 common stock pursuant to the offer and/or the merger will not recognize gain or loss for United States federal income tax purposes, except with respect to cash, if any, that he or she receives in lieu of a fractional share of K2 common stock.

Each holder's aggregate tax basis in the K2 common stock received in the offer and/or the merger will be the same as his or her aggregate tax basis in the Fotoball USA common stock surrendered in the offer and/or the merger, decreased by the amount of any tax basis allocable to any fractional share interest for which cash is received. The holding period of the K2 common stock received in the offer and/or the merger by a holder of Fotoball USA common stock will include the holding period of Fotoball USA common stock that he or she surrendered in the offer and/or the merger. If a Fotoball USA stockholder has differing tax bases and/or holding periods in respect of the stockholder's shares of Fotoball USA common stock, the stockholder should consult with a tax advisor in order to identify the tax bases and/or holding periods of the particular shares of K2 common stock that the stockholder receives.

Cash payments received by a Fotoball USA stockholder in lieu of a fractional share of K2 common stock will be treated as received in exchange for that fractional share interest, and gain or loss will be recognized for federal income tax purposes on the receipt of the cash payment, measured by the difference between the amount of cash received and the portion of the basis of the Fotoball USA

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common stock allocable to the fractional share interest. The gain or loss will be long-term capital gain or loss if the Fotoball USA common stock is considered to have been held for more than one year at the time of the exchange.

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If the Internal Revenue Service determines successfully that the offer and the merger together do not constitute a reorganization within the meaning of Section 368(a) of the Code, each Fotoball USA stockholder would be required to recognize gain or loss with respect to each share of Fotoball USA common stock that he or she surrenders in the offer and/or the merger in an amount equal to the difference between the sum of the fair market value of any K2 common stock and cash received in lieu of a fractional share of K2 common stock, and the tax basis of the shares of Fotoball USA common stock surrendered in exchange therefor. The amount and character of gain or loss would be computed separately for each block of Fotoball USA common stock that was purchased by the holder in the same transaction. A Fotoball USA stockholder's aggregate tax basis in the K2 common stock received in the offer and/or the merger would in this case equal its fair market value at the time of the closing of the offer or the merger, as applicable, and the holding period for the K2 common stock would begin the day after the closing of the offer or the merger, as applicable.

Information Reporting and Backup Withholding. Certain U.S. holders may be subject to information reporting with respect to the cash received instead of a fractional share interest in shares of K2 common stock. U.S. holders who are subject to information reporting and who do not provide appropriate information when requested may also be subject to backup withholding. Any amount withheld under such rules is not an additional tax and may be refunded or credited against such U.S. holders' federal income tax liability, provided that the required information is properly furnished in a timely manner to the Internal Revenue Service.

Transferability of Shares of K2 Common Stock

The shares of K2 common stock offered hereby will be registered under the Securities Act and listed on the New York Stock Exchange. Accordingly, such shares may be traded freely subject to restrictions under the Securities Act applicable to subsequent transfers of our shares by affiliates (as defined in the Securities Act) which, in general, provide that affiliates may not transfer our shares except pursuant to further registration of those shares under the Securities Act or in compliance with Rule 145 (or if applicable, Rule 144) under the Securities Act or another available exemption from registration under the Securities Act.

Approval of the Merger

Under Section 251 of the DGCL, the approval of the board of directors of a company and the affirmative vote of the holders of at least a majority of its outstanding shares on the record date for a stockholder vote are required to approve a merger and adopt a merger agreement. Fotoball USA's board of directors has previously approved the merger and adopted the Merger Agreement. If, after completion of this offer, we own less than 90% of the outstanding shares of Fotoball USA common stock, approval of the merger can be accomplished through a special meeting of Fotoball USA stockholders to vote on the merger. Since we will own a majority of the shares of Fotoball USA common stock on the record date, we will have a sufficient number of shares of Fotoball USA common stock to approve the merger without the vote of any other Fotoball USA stockholder and, therefore, approval of the merger by Fotoball USA stockholders will be assured. Completion of the transaction in this manner is referred to in this prospectus as a long-form merger. Under Section 253 of the DGCL, a merger can occur without a vote of Fotoball USA stockholders, referred to as a short-form merger, if, after completion of the offer, as it may be extended and including any subsequent offering period, or if we exercise our option to purchase shares directly from Fotoball USA, we were to own at least 90% of the outstanding shares of Fotoball USA common stock. If, after completion of the offer, as it may be extended and including any subsequent offering period, or after K2's exercise of its option to purchase additional shares from Fotoball USA directly, we own at least 90% of the outstanding shares of Fotoball USA common stock, we may complete the acquisition of the remaining outstanding shares of Fotoball USA common stock by completing a short-form merger.

Appraisal Rights

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Under Delaware law, Fotoball USA stockholders do not have appraisal rights in connection with the offer and would not have such rights in connection with a long-form merger of Fotoball USA and Acquisition Sub. If, after successful completion of the offer K2, owns at least 90% of the outstanding shares of Fotoball USA common stock, and K2 elects to consummate a short-form merger, Fotoball USA stockholders who demand and

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perfect appraisal rights in accordance with Section 262 of the DGCL will be entitled to payment in cash of the fair value of their shares of Fotoball USA common stock, with accrued interest, as determined through Delaware's statutorily prescribed appraisal process. The fair value could be greater than, less than or the same as the merger consideration offered by K2.

The following summarizes provisions of Section 262 of the DGCL regarding appraisal rights that would be applicable in connection with a short-form merger, which would be effected as a merger of Acquisition Sub with and into Fotoball USA. This discussion is qualified in its entirety by reference to Section 262 of the DGCL. A copy of Section 262 of the DGCL is attached to this prospectus as Annex C. If you fail to take any action required by Delaware law, your rights to dissent, if any, in connection with the merger will be waived or terminated.

If one of Fotoball USA's stockholders elects to exercise the right to an appraisal under Section 262, that stockholder must do all of the following:

The stockholder must deliver to Fotoball USA a written demand for appraisal of shares of Fotoball USA common stock held, which demand must reasonably inform Fotoball USA of the identity of the stockholder and that the demanding stockholder is demanding appraisal, within twenty days of the mailing by Fotoball USA of a notice of the effectiveness of the merger. This written demand for appraisal must be in addition to and separate from any proxy or vote against the Merger Agreement. Neither voting against, abstaining from voting nor failing to vote on the Merger Agreement will constitute a valid demand for appraisal within the meaning of Section 262.

The stockholder must not vote in favor of adopting the Merger Agreement. Failing to vote or abstaining from voting will satisfy this requirement, but a vote in favor of the Merger Agreement, by proxy or in person, or the return of a signed proxy that does not specify an abstention or a vote against adoption of the Merger Agreement, will constitute a vote in favor of the Merger Agreement and a waiver of the stockholder's right of appraisal and will nullify any previously delivered written demand for appraisal. If K2 elects to consummate a short-form merger, there will be no stockholder vote, and this requirement will automatically be satisfied.

The stockholder must continuously hold the shares of record until the completion of the merger.

All written demands for appraisal should be addressed to Fotoball USA, Inc., 6740 Cobra Way, San Diego, California 92121, Attn: General Counsel, and received within twenty days of the mailing by Fotoball USA of a notice to its stockholders regarding the effectiveness of the merger. The demand must reasonably inform Fotoball USA of the identity of the stockholder and that the stockholder is demanding appraisal of his, her or its shares of Fotoball USA common stock.

The written demand for appraisal must be executed by or for the record holder of shares of Fotoball USA common stock, fully and correctly, as the holder's name appears on the certificate(s) for their shares. If the shares of Fotoball USA common stock are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, execution of the demand must be made in that capacity, and if the shares are owned of record by more than one person, such as in a joint tenancy or tenancy in common, the demand must be executed by or for all joint owners. An authorized agent, including one of two or more joint owners, may execute the demand for appraisal for a holder of record; however, the agent must identify the record owner(s) and expressly disclose the fact that, in executing the demand, the agent is acting as agent for the record owner(s).

A beneficial owner of shares of Fotoball USA common stock held in street name who desires appraisal should take such actions as may be necessary to ensure that a timely and proper demand for appraisal is made by the record holder of the shares. Shares of Fotoball USA common stock held through brokerage firms, banks and other nominee holders are frequently deposited with and held of record in the name of a nominee of a central security depository. Any beneficial owner desiring appraisal who holds shares of common stock through a nominee holder is

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responsible for ensuring that the demand for appraisal is made by the record holder. The beneficial holder of the shares should instruct the nominee holder that the demand for appraisal should be made by the record holder of the shares, which may be the nominee of a central security depository if the shares have been so deposited.

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A record holder, such as a bank, broker, fiduciary, depository or other nominee, who holds shares of Fotoball USA common stock as a nominee for others, may exercise appraisal rights with respect to the shares held for all or less than all beneficial owners of the shares as to which the person is the record owner. In that case, the written demand must set forth the number of shares of Fotoball USA common stock covered by the demand. Where the number of shares is not expressly stated, the demand will be presumed to cover all shares of Fotoball USA common stock outstanding in the name of the record owner.

Within ten days after the merger, Fotoball USA will give written notice of the date of the completion of the merger to each of Fotoball USA's stockholders. Within 120 days after the completion of the merger, Fotoball USA or any stockholder who has properly demanded appraisal and satisfied the requirements of Section 262, referred to as a dissenting stockholder, may file a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of Fotoball USA common stock that are held by all dissenting stockholders. Fotoball USA is under no obligation, and has no present intention, to file such a petition. Accordingly, it is the obligation of Fotoball USA's stockholders seeking appraisal rights to initiate all necessary actions to perfect appraisal rights within the time prescribed by Section 262.

If a petition for appraisal is timely filed, the court will determine which stockholders are entitled to appraisal rights and will determine the fair value of the shares of Fotoball USA common stock held by dissenting stockholders, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, if any, to be paid on the amount determined to be fair value. In determining fair value, the court shall take into account all relevant factors. The Delaware Supreme Court has stated, among other things, that proof of value by any techniques or methods which are generally acceptable in the financial community and otherwise admissible in court should be considered in an appraisal proceeding. In addition, Delaware courts have decided that the statutory appraisal remedy may or may not be, depending on the factual circumstances, the stockholder's exclusive remedy in connection with transactions such as the merger. The court may determine fair value to be more than, less than or equal to the consideration that the dissenting stockholder would otherwise be entitled to receive pursuant to the Merger Agreement. If a petition for appraisal is not timely filed, then the right to an appraisal shall cease. The costs of the appraisal proceeding shall be determined by the court and taxed against the parties as the court determines to be equitable under the circumstances. Upon application of a stockholder, the court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including reasonable attorneys' fees and the fees and expenses of experts, to be charged *pro rata* against the value of all shares of Fotoball USA common stock entitled to appraisal.

From and after the completion of the merger, no dissenting stockholder shall have any rights of a stockholder with respect to that holder's shares for any purpose, except to receive payment of fair value and to receive payment of dividends or other distributions, on the holder's shares of Fotoball USA common stock, if any, payable to Fotoball USA stockholders of record as of a time prior to the completion of the merger. If a dissenting stockholder delivers to the surviving corporation a written withdrawal of the demand for an appraisal within 60 days after the completion of the merger or subsequently with the written approval of the surviving corporation, or, if no petition for appraisal is filed within 120 days after the completion of the merger, then the right of that dissenting stockholder to an appraisal will cease and the dissenting stockholder will be entitled to receive only the merger consideration. Once a petition for appraisal is filed with the Delaware court, the appraisal proceeding may not be dismissed as to any stockholder without the approval of the court.

If you wish to exercise your appraisal rights, you must strictly comply with the procedures set forth in Section 262 of the DGCL. If you fail to take any required step in connection with the exercise of appraisal rights, it will result in the termination or waiver of these rights.

The foregoing summary of the rights of dissenting Fotoball USA stockholders does not purport to be a complete statement of such rights and the procedures to be followed by stockholders desiring to exercise any available appraisal rights. The preservation and exercise of appraisal rights require strict adherence to the applicable provisions of Delaware law, a copy of which is attached hereto as Annex C.

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CERTAIN LEGAL MATTERS AND REGULATORY APPROVALS

Regulatory Approvals

Other than filings with the SEC and the filing of a certificate of merger with the Delaware Secretary of State, we are unaware of any requirement for the filing of information with, or the obtaining of the approval of, any U.S. governmental authority that is applicable to the offer or the merger.

Non-U.S. Approvals

We are unaware of any requirement for the filing of information with, or the obtaining of the approval of, governmental authorities in any non-U.S. jurisdiction that is applicable to the offer or the merger.

State Takeover Laws

A number of states have adopted takeover laws and regulations which purport, to varying degrees, to be applicable to attempts to acquire securities of corporations which have substantial assets, stockholders, principal executive offices or principal places of business in those states. We have not attempted to comply with any state takeover statutes in connection with the offer, since we do not believe that any of these apply. However, we reserve the right to challenge the validity or applicability of any state law allegedly applicable to the offer, and nothing in this prospectus nor any action taken in connection herewith is intended as a waiver of that right. If one or more takeover statutes apply to the offer and are not found to be invalid, we may be required to file documents with, or receive approvals from, relevant state authorities and we may also be unable to accept for exchange shares of Fotoball USA common stock tendered into the offer or may delay the offer. See "The Offer Conditions of the Offer" on page 38.

Litigation

Following K2's announcement on November 26, 2003 regarding the offer and merger, an individual stockholder of Fotoball USA's common stock filed a putative class action complaint against K2, Fotoball USA and each member of Fotoball USA's board of directors in the Court of Chancery, County of New Castle, State of Delaware. The complaint generally alleges that the consummation of the offer would be a breach of fiduciary duty by the Fotoball USA directors, that the indicated exchange ratio is unfair to the stockholders of Fotoball USA common stock and that K2 aided and abetted the alleged breach of fiduciary duties. The complaint seeks, among other relief, injunctive relief against the consummation of the offer, damages in an unspecified amount and rescission in the event the offer is consummated.

K2, Fotoball USA, and the Fotoball USA directors believe that the allegations in this complaint are without merit and intend to defend this action vigorously; however, no assurances can be given as to the outcome of the lawsuit. Furthermore, one of the conditions to the closing of the offer and the merger is that no injunction issued by any court preventing the consummation of the applicable transactions be in effect. No assurances can be given that the lawsuit will not result in such an injunction being issued, which could prevent or delay the closing of the offer

or the merger.

Table of Contents**CERTAIN EFFECTS OF THE OFFER****Effects on the Market; Exchange Act Registration**

The tender and the acceptance of shares of Fotoball USA common stock in the offer will reduce the number of shares of Fotoball USA common stock that might otherwise trade publicly and also the number of holders of shares of Fotoball USA common stock. This could adversely affect the liquidity and market value of the remaining shares of Fotoball USA common stock held by the public. Depending upon the number of shares of Fotoball USA common stock tendered to and accepted by us in the offer, the shares of Fotoball USA common stock may no longer meet the requirements of the National Association of Securities Dealers for continued inclusion on the Nasdaq National Market System.

If the Nasdaq National Market System ceased publishing quotations for the shares of Fotoball USA common stock, it is possible that the shares of Fotoball USA common stock would continue to trade in the over-the-counter market and that price or other quotations would be reported by other sources. The extent of the public market for such shares of Fotoball USA common stock and the availability of such quotations would depend, however, upon such factors as the number of stockholders and/or the aggregate market value of such securities remaining at such time, the interest in maintaining a market in the shares of Fotoball USA common stock on the part of securities firms, the possible termination of registration under the Exchange Act as described below and other factors. We cannot predict whether the reduction in the number of shares of Fotoball USA common stock that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the shares of Fotoball USA common stock.

Shares of Fotoball USA common stock are currently registered under the Exchange Act. Fotoball USA can terminate that registration upon application to the SEC if the outstanding shares of Fotoball USA common stock are not listed on a national securities exchange and if there are fewer than 300 holders of record of shares of Fotoball USA common stock. Termination of registration of the shares of Fotoball USA common stock under the Exchange Act would reduce the information that Fotoball USA must furnish to its stockholders and to the SEC and would make certain provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b) and the requirement of furnishing a proxy statement in connection with stockholders meetings pursuant to Section 14(a) and the related requirement of furnishing an annual report to stockholders, no longer applicable with respect to the shares of Fotoball USA common stock. In addition, if the shares of Fotoball USA common stock are no longer registered under the Exchange Act, the requirements of Rule 13e-3 under the Exchange Act with respect to going-private transactions would no longer be applicable to Fotoball USA. Furthermore, the ability of affiliates of Fotoball USA and persons holding restricted securities of Fotoball USA to dispose of such securities pursuant to Rule 144 under the Securities Act may be impaired or eliminated. If registration of the shares of Fotoball USA common stock under the Exchange Act were terminated, they would no longer be eligible for Nasdaq National Market System listing or for continued inclusion on the Federal Reserve Board's list of margin securities. K2 may seek to cause Fotoball USA to apply for termination of registration of the shares of Fotoball USA common stock under the Exchange Act as soon after the expiration of the offer as the requirements for such termination are met. If the Nasdaq National Market System listing and the Exchange Act registration of the shares of Fotoball USA common stock are not terminated prior to the merger, then the shares of Fotoball USA common stock will be delisted from the Nasdaq National Market System and the registration of the shares of Fotoball USA common stock under the Exchange Act will be terminated following the consummation of the merger. The shares of Fotoball USA common stock are presently margin securities under the regulations of the Federal Reserve Board, which has the effect, among other things, of allowing brokers to extend credit on the collateral of shares of Fotoball USA common stock. Depending on the factors similar to those described above with respect to listing and market quotations, following consummation of the offer, the shares of Fotoball USA common stock may no longer constitute margin securities for the purposes of the Federal Reserve Board's margin regulations, in which event the shares of Fotoball USA common stock would be ineligible as collateral for margin loans made by brokers.

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Financing of the Offer

Our offer is not conditioned on the receipt of financing. K2's fees and expenses in connection with the offer will be paid from K2's available capital resources. K2 intends to deliver the shares of K2 common stock offered in the offer and the merger from K2's available authorized shares. K2 has notified its senior bank lenders of the transactions contemplated by the Merger Agreement.

Conduct of Fotoball USA if the Offer is not Completed

If the offer is not completed because the minimum condition or another condition is not satisfied or, if permissible, waived, we expect that Fotoball USA will continue to operate its business as presently operated, subject to market and industry conditions.

Plans and Proposals for Fotoball USA Following Completion of the Merger

Consummation of the merger will permit us to receive the benefits that result from ownership of all of the equity interest in Fotoball USA. Such benefits include management and investment discretion with regard to the future conduct of Fotoball USA's business, the benefits of the profits generated by operations and increases, if any, in Fotoball USA's value and the ability to utilize, subject to applicable limitations, Fotoball USA's current and future tax attributes. Conversely, we will bear the risk of any decrease in Fotoball USA's value and losses generated by operations. If you become a K2 stockholder as a result of the offer or merger, your investment should indirectly benefit from any of the foregoing as well as other benefits K2 may obtain as a result of the transactions, and, conversely, be indirectly exposed to the foregoing risks. Except as otherwise described in this prospectus, we have no current plans or proposals or negotiations which relate to or would result in:

an extraordinary corporate transaction, such as a merger, reorganization or liquidation involving Fotoball USA;

any purchase, sale or transfer of a material amount of assets of Fotoball USA;

any change in the management of Fotoball USA or any change in any material term of the employment contract of any executive officer; or

any other material change in Fotoball USA's corporate structure or business.

Accounting Treatment

Our acquisition of Fotoball USA common stock pursuant to the offer will be accounted for under the purchase method of accounting in accordance with accounting principles generally accepted in the United States.

Fees and Expenses

We have retained Morrow & Co., Inc. as information agent in connection with the offer. The information agent may contact holders of Fotoball USA common stock by mail, telephone, telex, telegraph and personal interview and may request brokers, dealers and other nominee stockholders to forward materials relating to the offer to beneficial owners of Fotoball USA common stock. We will pay the information agent approximately \$3,500 for these services in addition to reimbursing the information agent for its reasonable out-of-pocket expenses. We have agreed to indemnify the information agent against certain liabilities and expenses in connection with the offer, including certain liabilities under the U.S. federal securities laws. In addition, we have retained Computershare Trust Company, Inc. as the exchange agent and depository with respect to the offer and the merger. We will pay the exchange agent and depository a \$1,000 administrative fee, plus \$25 for each Fotoball USA stockholder exchanging shares and \$2.50 for each check issued in lieu of fractional shares, for its services in connection with the offer and merger. We will also reimburse the exchange agent and depository for its reasonable out-of-pocket expenses and will indemnify the exchange agent and depository against certain liabilities and expenses in connection with the performance of its services. We will reimburse brokers, dealers, commercial banks and trust companies and other nominees, upon request, for customary clerical and mailing expenses incurred by them in forwarding offering materials to their customers. We will pay the costs mentioned above in this section. We will not pay any costs or expenses associated with the offer of any Fotoball USA stockholder.

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INTERESTS OF CERTAIN PERSONS IN THE OFFER AND SUBSEQUENT MERGER

Interests of Management and the Fotoball USA Board

In considering the recommendations of the Fotoball USA board of directors regarding the offer, Fotoball USA stockholders should be aware that the directors and officers of Fotoball USA have interests in the offer and the merger that differ from those of other stockholders of Fotoball USA, as described below. The Fotoball USA board of directors was aware of these matters and considered them in recommending the tender of shares in the offer.

As a result of these interests, the directors and officers of Fotoball USA could be more likely to vote to recommend the offer and authorize the merger than if they did not hold these interests, and may have reasons for doing so that are not the same as the interests of Fotoball USA stockholders. Fotoball USA stockholders should consider whether these interests may have influenced the directors and officers to support or recommend the offer and the merger.

Stock Options.

Certain officers of Fotoball USA are eligible to receive, and have received, stock options under Fotoball USA's 1998 Stock Option Plan, as amended and restated on June 21, 2001. The Merger Agreement provides that, at the effective time of the merger, each outstanding option to purchase shares of Fotoball USA common stock issued by Fotoball USA to its employees pursuant to Fotoball USA's 1998 Stock Option Plan or any other agreement or arrangement will be converted into an option to purchase shares of common stock of K2. As of the effective time of the merger, each such Fotoball USA option will be deemed to constitute an option to acquire, on the same terms and conditions as were applicable to the Fotoball USA stock option (subject to (a) the acceleration of vesting or exercisability of such option, pursuant to the terms of the option or, by reason of the Merger Agreement, the offer or the merger and (b) the extension of the exercise period for options granted to non-employee directors for a period of 90 days following the effective time of the merger), a number of shares of common stock of K2 equal to the number of shares of Fotoball USA subject to the option multiplied by 0.2757, rounded down to the nearest whole share, at a price per share equal to the per share exercise price applicable to the option divided by 0.2757, rounded up to the nearest cent.

Fotoball USA has agreed in the Merger Agreement to enter into any amendments to the plans or agreements pursuant to which Fotoball USA options have been issued that are necessary to give effect to the conversion of such options. K2 has agreed in the Merger Agreement to file with the SEC, within ten business days after the effective time of the merger, a registration statement on Form S-8 with respect to the shares of common stock of K2 that will be subject to the converted Fotoball USA options.

Employment Contracts.

Fotoball USA has entered into Employment Agreements with Michael Favish, dated August 10, 2002, Scott P. Dickey, dated April 1, 2003 and Kevin Donovan, dated June 16, 2003.

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The Favish Employment Agreement provides for the employment of Michael Favish as Chairman and CEO of Fotoball USA until August 9, 2005 and can be renewed thereafter on a year-to-year basis. Mr. Favish receives a base salary of \$250,000 annually and is eligible to receive a discretionary bonus. Under the agreement, each year Fotoball USA issues to Mr. Favish Non-Qualified Stock Options to purchase not less than 10,000 shares of Fotoball Common Stock at the then fair market value. The Favish Employment Agreement provides that, in the event of a change-of-control of Fotoball USA, Michael Favish shall have the following rights:

if Fotoball USA terminates the employment of Michael Favish within six months following a change-of-control, then Michael Favish shall be entitled to receive severance and non-competition pay of equal to the greater of:

an amount equal to the base salary for the remainder of the term of his agreement plus an amount equal to the bonus compensation earned in respect to the last full fiscal year immediately preceding the year of termination multiplied by the number of full fiscal years remaining under the agreement; or

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2.99 times the sum of the base salary plus the bonus compensation earned in respect to the last full fiscal year immediately preceding the year of termination; and

any unvested options issued under the agreement shall be deemed to have vested on the date of such change of control.

Under this agreement, a change-of-control includes (i) a merger or consolidation with an unaffiliated entity in which either Fotoball USA is not the surviving corporation or Fotoball USA shall have transferred or sold all or substantially all of its assets to an unaffiliated entity, other than a transaction which would cause the stockholders immediately prior to such transaction to own at least 50% of the voting securities of Fotoball USA immediately after such transaction; or (ii) a change in the constituency of a majority of the members of the Board of Directors of Fotoball USA within any twelve month period, other than a change of which a majority of the existing directors voted in favor. The completion of the merger will constitute a change-of-control under this agreement.

The Dickey Employment Agreement provides for the employment of Scott P. Dickey as President and COO of Fotoball USA until March 31, 2005 and can be renewed thereafter on a year-to-year basis. Mr. Dickey will receive a base salary ranging from \$220,000 to \$240,000 annually and is eligible to receive a discretionary bonus.

The Favish and Dickey Employment Agreements provide that if Fotoball USA terminates the agreement (termination includes diminution in responsibilities or change in position) for reasons other than death, disability or for cause, Fotoball USA must make a severance and non-competition payment of an amount equal to the base salary for the remainder of the term of the agreement plus an amount equal to the bonus compensation earned in respect to the last full fiscal year immediately preceding the year of termination multiplied by the number of full fiscal years remaining under the agreement. Additionally, if the agreement is not renewed or is terminated within the last twelve months of the term, Fotoball USA must pay the sum of an amount equal to the base salary plus the bonus compensation earned in respect to the last full fiscal year immediately preceding the year of termination or non-renewal. All unvested options held by either Mr. Favish or Mr. Dickey shall be deemed to have vested on the date of any such termination.

The Donovan Employment Agreement provides for the employment of Kevin Donovan as Vice-President-Managing Director MHQ of Fotoball USA until June 15, 2005. Mr. Donovan will receive a base salary ranging from \$115,000 to \$145,000 annually and is eligible to receive a discretionary bonus. Pursuant to the agreement, Mr. Donovan was granted the option to purchase 20,000 shares of Fotoball USA common stock. If the agreement is terminated for reasons other than death, disability or for cause, Fotoball USA must make a severance and non-competition payment of an amount equal to the base salary for the remainder of the term. All unvested options shall be deemed to have vested on the date of such termination.

All three employment agreements contain non-competition and non-solicitation provisions which provide that the employee agrees not to compete with Fotoball USA and not to solicit business from customers and supplier of Fotoball USA on behalf of a competing entity for the term of the agreement and for one year following the dated of termination of the agreement.

The amount, if any, to be paid under these agreements will depend on K2's and the employees' actions subsequent to the merger, and cannot be specifically determined at this time.

Possible Future Employment Arrangements.

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Although no employment or similar agreements have been entered into between K2 and any members of Fotoball USA management, there have been discussions between K2 management and certain officers of Fotoball USA regarding potential future employment, including discussions with Fotoball USA's Chairman and Chief Executive Officer, Michael Favish, and Fotoball USA's President and Chief Operating Officer, Scott P. Dickey.

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Indemnification.

The Merger Agreement provides that, after the effective time of the merger, K2 will cause Fotoball USA to indemnify, advance expenses to and hold harmless, to the fullest extent required or permitted under applicable law, the present and former directors and officers of Fotoball USA in respect of acts or omissions occurring prior to or after the effective time of the merger, including in connection with the Merger Agreement and the transactions contemplated thereby. In the Merger Agreement, K2 has agreed to cause the certificate of incorporation and by-laws of the surviving corporation to maintain in effect, for a period of six years after the effective time of the merger, the current provisions contained in the restated certificate of incorporation and by-laws of Fotoball USA regarding the elimination of liability of directors, indemnification of directors, officers and employees and advancement of expenses. K2 has also agreed that, from and after the effective time of the merger, it will cause Fotoball USA to honor in all respects the obligations of Fotoball USA pursuant to any indemnification agreements between Fotoball USA and its directors or officers, and any indemnification provisions under Fotoball USA's restated certificate of incorporation or by-laws, existing at the date of the merger.

The Merger Agreement also provides that K2 will, for a period of six years after the effective time of the merger, maintain in effect, if available, directors' and officers' liability insurance covering those persons who, as of immediately prior to the effective time of the merger, are covered by Fotoball USA's directors' and officers' liability insurance policy on terms no less favorable to the insured persons than those of Fotoball USA's directors' and officers' liability insurance policy as of the date of the Merger Agreement. Under the terms of the Merger Agreement, K2 is required to maintain such insurance coverage only to the extent that the coverage can be maintained at an annual cost of not greater than 200% of the current annual premium for Fotoball USA's current directors' and officers' liability insurance policies. If such insurance coverage cannot be purchased or maintained at a cost not greater than such amount, then K2 is required to provide as much insurance coverage as can be purchased or maintained for such amount. In lieu of maintaining Fotoball USA's existing insurance policies, K2 may cause coverage to be provided under any of K2's policies, so long as the terms of such coverage are not materially less advantageous to the intended beneficiaries than the existing insurance of Fotoball USA.

Certain Agreements Between Michael Favish, Scott P. Dickey and K2

Exchange Agreements.

In connection with the Merger Agreement, Michael Favish, Fotoball USA's Chairman and Chief Executive Officer, and Scott P. Dickey, Fotoball USA's President and Chief Operating Officer, each in his capacity as a stockholder of Fotoball USA common stock, has entered into an Exchange Agreement with K2 on November 25, 2003. Pursuant to the Exchange Agreements:

Michael Favish and Scott P. Dickey have each agreed to tender all of his shares of Fotoball USA common stock in the offer, and not withdraw such shares, no later than two business days prior to the initial expiration of the offer, or January 5, 2004; and

Michael Favish and Scott P. Dickey have each agreed not to:

encourage, solicit, initiate or knowingly facilitate the submission of any proposal for a third party acquisition, as described in The Merger Agreement Offers for Alternative Transactions on page 59; or

enter into any agreement regarding any such third party acquisition.

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The Exchange Agreements will terminate, and Michael Favish and Scott P. Dickey will have no obligation to tender their respective shares of Fotoball USA, and either may withdraw any shares previously tendered, if:

the Merger Agreement is terminated by Fotoball USA because, prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, Fotoball USA receives a superior proposal, as described in "The Merger Agreement - Offers for Alternative Transactions" on page 59, and has accepted such superior proposal, but only if:

Fotoball USA has complied with the terms as discussed in "Offers for Alternative Transactions" on page 59; and

Fotoball USA has paid all amounts due as discussed in "Termination and Termination Fee" on page 63; or

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, the average of the closing prices for K2 common stock on the New York Stock Exchange (as reported in the New York City edition of the Wall Street Journal or, if not reported thereby, another nationally recognized source) for any ten consecutive trading days ending not later than two trading days prior to the expiration of the offer, is less than \$11.78, and as a result of such event (a) Fotoball USA terminates the merger agreement or (b) Michael Favish or Scott P. Dickey does not intend to tender his shares in the offer and provides notice of such intent to K2 two trading days following the expiration of such ten consecutive trading days.

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THE MERGER AGREEMENT

The following is a summary of the Merger Agreement. This summary does not purport to be a complete description of the terms and conditions of the Merger Agreement and is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached as Annex A to this prospectus. Fotoball USA stockholders are urged to read the Merger Agreement in its entirety. In the event of any discrepancy between the terms of the Merger Agreement and the following summary, the Merger Agreement will control.

The Offer

The Merger Agreement provides for the making of the offer. The obligation of K2 to accept for purchase and to exchange shares of K2 common stock for shares of Fotoball USA common stock tendered pursuant to the offer is subject to the satisfaction of the minimum condition and certain other conditions described under "The Offer - Conditions of the Offer" on page 38. We may:

extend the offer beyond the initial scheduled expiration date set forth on the cover of this prospectus, or any subsequent scheduled expiration date, if, at the scheduled expiration of the offer, any of the conditions to our obligation to accept for exchange, and to exchange, shares of K2 common stock for shares of Fotoball USA common stock tendered shall not be satisfied or, to the extent permitted by the Merger Agreement, waived, subject, however, to the right of K2 or Fotoball USA to terminate the Merger Agreement as described below under "Termination and Termination Fee" on page 63;

extend the offer for any period required by any rule, regulation or interpretation of the SEC applicable to the offer (each such extension may last for no more than ten business days, unless Fotoball USA and K2 agree in writing to allow for a longer period); and

extend the offer for up to three business days beyond the then-scheduled expiration date in the event that Fotoball USA provides K2 with a notice of a superior proposal less than three business days prior to the scheduled expiration date of the offer, to enable K2 to evaluate the superior proposal prior to any withdrawal or adverse modification by Fotoball USA's board of directors of its recommendation in favor of the merger agreement or any recommendation by Fotoball USA's board of directors of a superior proposal.

Fotoball USA has the right to compel us to extend the offer for an initial period of ten business days and for longer periods through March 25, 2004 if all of conditions to the offer, other than those with respect to the effectiveness of the S-4 and the listing of the K2 shares on the New York Stock Exchange, have been satisfied and such outstanding conditions are capable of being satisfied. We may elect to provide a subsequent offering period of up to 20 business days after the acceptance of shares of Fotoball USA common stock in the offer if, on the expiration date of the offer, all of the conditions to the offer have been satisfied or waived, but the total number of shares of Fotoball USA common stock that have been validly tendered and not withdrawn pursuant to the offer is less than 90% of the total number of shares of Fotoball USA common stock then outstanding and the requirements of Rule 14d-11 under the Exchange Act have been met.

Top-Up Option

After we have purchased Fotoball USA shares pursuant to the offer, we may purchase additional shares of Fotoball USA common stock directly from Fotoball USA, for the same consideration as the purchase of shares of Fotoball USA common stock pursuant to the offer, if the number of

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shares of Fotoball USA common stock that have been validly tendered and not withdrawn pursuant to the offer is less than 90% of the total number of shares of Fotoball USA common stock then outstanding. Fotoball USA has granted us an irrevocable option to purchase up to that number of shares of Fotoball USA common stock equal to the lowest number of shares of Fotoball USA common stock that, when added to the number of shares of Fotoball USA common stock purchased by K2 pursuant to the offer or otherwise owned by K2, Acquisition Sub and their affiliates, equals 90% of the outstanding shares of Fotoball USA common stock plus certain shares of Fotoball USA common stock issuable

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by Fotoball USA pursuant to stock options. K2 may exercise this option at any time after K2's acceptance of shares for payment pursuant to the offer but before the earliest to occur of the effective time of the merger or the termination of the Merger Agreement. There is no minimum number of Fotoball USA shares that K2 must purchase directly from Fotoball USA in order to exercise the option. The option is intended to apply when close to (but less than) 90% of the outstanding Fotoball USA shares have been tendered in the offer, and K2 currently intends to exercise the option only if more than approximately 85%, but less than 90%, of the outstanding Fotoball USA shares have been tendered. Although Fotoball USA has approximately 11.3 million authorized shares available for issuance, because the Merger Agreement limits the number of shares issuable pursuant to the option to a number that would not require stockholder approval under applicable Nasdaq National Market System rules, or other applicable laws, K2 is limited with respect to the number of shares it can purchase pursuant to the top-up option. In addition, K2 may only exercise the option if such exercise would not have any adverse consequences on the tax-free nature of the acquisition.

Prompt Payment for Shares of Fotoball USA Common Stock in the Offer

Subject to the terms of the offer and the Merger Agreement, and the satisfaction, or waiver to the extent permitted, of the conditions to the offer, we are required to accept for exchange all shares of Fotoball USA common stock validly tendered and not withdrawn pursuant to the offer promptly after the applicable expiration of the offer, as it may be extended pursuant to the Merger Agreement, and are required to exchange all accepted shares of Fotoball USA common stock promptly after acceptance. We will not issue fractional shares of K2 common stock in the offer. Instead, each tendering Fotoball USA stockholder who would otherwise be entitled to a fractional share (after aggregating all fractional shares of K2 common stock that otherwise would be received by the stockholder) will receive cash (without interest and subject to withholding for taxes) equal to the fractional share interest multiplied by the closing price of a share of K2 common stock on the New York Stock Exchange on the first date that K2 accepts shares tendered pursuant to the offer.

The Merger

Generally

The Merger Agreement provides that, after completion of the offer, Acquisition Sub will, subject to the conditions described below, be merged into Fotoball USA. Upon completion of the merger, Fotoball USA will continue as the surviving corporation and will be a wholly-owned subsidiary of K2.

The Completion of the Merger

The merger will become effective when the certificate of merger is filed with the Secretary of State of the State of Delaware or at such other time as specified in the certificate of merger. The merger will be completed after all of the conditions to the merger contained in the Merger Agreement are satisfied or, where permissible, waived. Upon the effective time of the merger:

the directors of Acquisition Sub immediately before the merger and the individuals specified on the exhibit to the Merger Agreement as officers will become the directors and officers, respectively, of the surviving corporation;

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the certificate of incorporation of the surviving corporation will be amended to be substantively identical to Acquisition Sub s certificate of incorporation immediately before the merger, except for the name of the surviving corporation, which will remain Fotoball USA, Inc., until it is subsequently amended as provided by applicable law and such certificate of incorporation; and

the by-laws of the surviving corporation will be amended to be substantively identical to Acquisition Sub s by-laws immediately before the merger, until they are subsequently amended as provided by applicable law and such by-laws.

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Manner and Basis of Converting Shares of Fotoball USA Common Stock in the Merger

Under the terms of the Merger Agreement, upon the effective time of the merger, each share of Fotoball USA common stock issued and outstanding immediately before the merger other than Dissenting Shares (as defined in the Merger Agreement) or shares of Fotoball USA common stock held by Fotoball USA, K2 or Acquisition Sub, will, without any action on the part of Acquisition Sub, Fotoball USA or the stockholder, be converted into the right to receive 0.2757 of a share, including the associated preferred share purchase rights, of K2 common stock. Shares of Fotoball USA common stock held by Fotoball USA, K2 or any subsidiary of K2 immediately before the completion of the merger will be canceled at the effective time of the merger without payment of any consideration and without any action on the part of K2, Fotoball USA or Acquisition Sub.

We will not issue fractional shares of K2 common stock in the merger. Instead, each tendering Fotoball USA stockholder who would otherwise be entitled to a fractional share (after aggregating all fractional shares of K2 common stock that otherwise would be received by the stockholder) will receive cash (without interest and subject to any withholding for taxes) equal to the fractional share interest multiplied by the closing price of a share of K2 common stock on the New York Stock Exchange on the date of the effective time of the merger.

The Merger Agreement provides that, promptly after the effective time of the merger, the exchange agent will mail to each record holder of a certificate or certificates that represented outstanding shares of Fotoball USA common stock immediately before the merger, a letter of transmittal and instructions for use in exchanging Fotoball USA common stock certificates for K2 common stock certificates. In addition, the Merger Agreement contemplates that, after the exchange agent receives back from a record holder a Fotoball USA common stock certificate, the duly executed letter of transmittal and any other documents that are reasonably required by the exchange agent or K2, the exchange agent will mail to the record holder a certificate or certificates representing the appropriate number of shares of K2 common stock, any dividends or other distributions to which the holder is entitled pursuant to the Merger Agreement and an amount of cash for any fractional share.

Basis of Converting Shares of Common Stock of Acquisition Sub in the Merger

Under the terms of the Merger Agreement, upon the effective time of the merger, each share of common stock of Acquisition Sub outstanding immediately before the merger will be converted into one share of common stock of the surviving corporation.

Treatment of Fotoball USA Stock Options

Each outstanding and vested option to purchase shares of Fotoball USA common stock issued pursuant to the Fotoball USA 1998 Stock Option Plan or otherwise will be converted upon the effective time of the merger into an option to purchase a number of shares of K2 common stock determined by multiplying the number of shares of Fotoball USA common stock issuable upon exercise of the option immediately prior to the merger by the exchange ratio of 0.2757, rounded down to the nearest whole share. The exercise price per K2 common share for each of these options will be:

the per share exercise price for the shares of Fotoball USA common stock otherwise purchasable pursuant to such option; *divided by*

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0.2757, rounded up to the nearest cent.

The replacement K2 options will generally have the same terms and conditions as those under the applicable Fotoball USA option plans, provided that replacement options granted to non-employee directors of Fotoball USA will be exercisable for 90 days following the completion of the merger.

K2 will file a registration statement on Form S-8 with the SEC within ten business days after the effective time of the merger to register the shares of K2 common stock issuable upon exercise of the Fotoball USA stock options assumed in the merger. K2 will use all commercially reasonable efforts to maintain the effectiveness of the registration statement covering these assumed stock options as long as they remain outstanding.

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Representations and Warranties

The Merger Agreement contains a number of representations and warranties made by K2 and Fotoball USA, including with respect to:

due organization, valid existence, good standing and qualification to do business;

capital structure;

corporate power and authority to enter into the Merger Agreement and authorization, execution, delivery and enforceability of the Merger Agreement;

accuracy in all material respects of SEC reports, financial statements and the information provided for inclusion in this prospectus;

governmental consents and filings required for the merger;

absence of conflicts caused by the merger with corporate governance documents, contracts or laws;

absence of undisclosed liabilities since September 30, 2003, outside the ordinary course of business;

absence of violations or breaches of or defaults under corporate governance documents, contracts or laws;

absence of certain material adverse changes or events since September 30, 2003;

absence of undisclosed material litigation;

compliance in all material respects with applicable laws;

off balance sheet liabilities;

absence of facts or actions that would prevent the merger from qualifying as a reorganization under Section 368(a) of the Code; and

brokers' fees.

The Merger Agreement also contains representations and warranties made solely by Fotoball USA, including with respect to:

employee benefit plans;

labor matters;

environmental matters;

tax matters;

intellectual property (including inbound license agreements);

material contracts;

title to property;

absence of significant revenue from any new promotions or selling arrangements since September 30, 2003;

absence of affiliates under Rule 145 of the Securities Act, other than those disclosed to K2;

absence of any material changes to relationships with major customers and suppliers;

receipt of a fairness opinion from Fotoball USA's financial advisor;

interested party transactions;

the effect of state takeover laws on the merger; and

absence of liability under a certain General Release of Claims.

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The Merger Agreement also contains a representation and warranty made solely by K2 and Acquisition Sub that there were no prior activities of Acquisition Sub.

The representations and warranties asserted in the Merger Agreement will not survive the merger, but they form the basis of certain conditions to K2's and Fotoball USA's respective obligations to complete the merger.

Conduct of Business Pending the Merger

Covenants of Fotoball USA. Except as set forth in the Merger Agreement, made known in the disclosure letter, required by law or as consented to in writing by K2, Fotoball USA has agreed that, until completion of the merger or termination of the Merger Agreement, it will conduct its business in the ordinary course of business, consistent with past practice. In addition, Fotoball USA will seek to preserve intact its current business organization, keep available the services of its current officers and employees and preserve its relationships with customers and suppliers, with the intention that its goodwill and ongoing businesses shall be unimpaired at the effective time of the merger. Without limiting the above, Fotoball USA has agreed that it will be subject to specific restrictions laid out in the Merger Agreement relating to:

any changes in its charter or by-laws;

any issuance, sale or delivery of capital stock, including through the issuance or granting of options, warrants or otherwise, except pursuant to the exercise of Fotoball USA stock options outstanding on November 25, 2003;

any split, combination or reclassification of capital stock, the declaration or payment of any dividend or distribution or the redemption, repurchase or acquisition of any securities of Fotoball USA;

any adoption of a plan of liquidation, whether complete or partial, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization, other than the merger with K2;

any incurrence or assumption of indebtedness, except for borrowings under existing lines of credit in the ordinary course of business, consistent with past practice;

any assumption of obligations of any other person, consistent with past practice;

any loans, advances or capital contributions to, or investments in, any other person, or customary loans or advances to employees in the ordinary course of business, consistent with past practice;

any pledge or encumbrance of shares of capital stock of Fotoball USA, or equity investments of Fotoball USA;

any mortgage or pledge of Fotoball USA's material properties or assets, or grant of a material lien thereon;

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any execution, adoption, amendment or termination of any bonus, profit sharing, compensation, severance, termination, stock option, stock appreciation right, restricted stock, performance unit, stock equivalent or stock purchase agreement, other than those agreements entered into with new hires in the ordinary course of business consistent with past practice and performance bonuses granted to employees on a basis consistent with past practices;

any execution, adoption, amendment or termination of any pension, retirement, deferred compensation, employment, health or disability insurance, dependent care, severance or other employee benefit plan agreement, trust, fund or other arrangement for the benefit or welfare of any director, officer or employee, except in the ordinary course of business, consistent with past practice;

any increase in any manner of the compensation or fringe benefits of any director, officer, employee or consultant or any payment of any benefit not required by any plan or arrangement, except for normal increases in cash compensation in the ordinary course of business, consistent with past practice for employees other than an employee who is party to an employment agreement;

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any acquisition, sale, lease, license or disposition of any assets or properties in any single transaction or series of transactions having a fair market value in excess of \$250,000 in the aggregate, except the sale or license of products in the ordinary course of business, consistent with past practice;

any entry into an exclusive license, other than inbound license agreements entered into on customary terms in the ordinary course of business consistent with past practices;

any entry into distribution, marketing or sales agreements;

any entry into development services or other similar agreements pursuant to which Fotoball USA may purchase or otherwise acquire the services of another person, except for in the ordinary course of business, consistent with past practice;

any acquisition, sale, lease, license, transfer, encumbrance, enforcement or disposition of any intellectual property, other than in the ordinary course of business, consistent with past practice;

any sales pursuant to new promotional programs or promotional programs outside the ordinary course of business, special selling arrangements or concessions, rights of return or otherwise, or pursuant to new or amended accounting practices or interpretations;

any infringement upon, misappropriation of or other violations of the rights of any third party intellectual property;

any change of accounting principles, practices or methods, except as required by a change in applicable law or accounting principles generally accepted in the United States;

any revaluation of assets or properties, including writing down the value of inventory or writing-off notes or accounts receivables, except in the ordinary course of business, consistent with past practice or as otherwise required by accounting principles generally accepted in the United States;

any acquisition of any corporation, limited liability company, partnership or other person or any division thereof or equity interest therein;

any entry into a contract that would be material to Fotoball USA, other than in the ordinary course of business consistent with past practices or any amendment, modification or waiver of any right under any of its existing material contracts;

any modification of standard warranty terms for products or services or any amendment or modification of any product or service warranties in a material manner that is adverse to Fotoball USA;

any entry into any contract that contains non-competition restrictions or would otherwise restrict Fotoball USA from conducting its business as presently conducted;

any authorization of new capital expenditures, other than those set forth in the Fotoball USA disclosure letter;

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making or rescinding of any express or deemed tax election, settling or compromising any tax liability, entering into any closing or other agreement with any tax authority, filing any amended tax return or a claim for a refund of previously paid taxes, agreeing to an extension of the statute of limitations on any tax assessment, failing to file any tax returns when due, failing to comply with tax laws, filing a tax return inconsistent with similar tax returns filed in prior periods or taking, electing or adopting any position or method on tax returns inconsistent with similar returns filed in prior periods;

any settlement or compromise of any pending or threatened legal matter:

relating to the merger or the transactions set forth in the Merger Agreement;

requiring payment by Fotoball USA of damages in excess of \$100,000; or

involving any equitable relief;

suffering to exist any suit, claim, action, proceeding or investigation against Fotoball USA that, if decided adversely would, individually or in the aggregate, result in any charge, assessment, levy, fine or other liability being imposed upon or incurred by Fotoball USA exceeding \$350,000;

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knowingly taking any action that results in a failure to maintain the trading of shares of Fotoball USA common stock on the Nasdaq National Market System;

taking an action that results in the acceleration or vesting of Fotoball USA stock options, except as required by any agreement in effect as of November 25, 2003;

allowing any insurance policy to be amended or terminated without replacing the policy, to the extent commercially feasible, with one that provides equal coverage and insures against comparable risks issued by a financially comparable insurance company;

taking or permitting any of its affiliates to take any action preventing the offer and the merger together from qualifying as a reorganization under the provisions of Section 368(a) of the Code;

creating, causing to be created or otherwise acquiring any subsidiary or transferring of any assets to a subsidiary; and

taking or agreeing to take any of the above actions.

Notwithstanding the above and certain provisions in the Merger Agreement, neither K2 nor Acquisition Sub has any right to control Fotoball USA's operations before the merger becomes effective.

Covenants of K2. Except as set forth in the Merger Agreement, made known in the disclosure letter, required by law or as consented to in writing by Fotoball USA, K2 has agreed that, until the effective time of the merger or termination of the Merger Agreement, it will conduct its and its subsidiaries' business in the ordinary course of business, consistent with past practice. In addition, K2 will seek to preserve intact its current business organization, keep available the services of its current key officers and employees and preserve its relationships with customers and suppliers, with the intention that its goodwill and ongoing businesses shall be materially unimpaired at the effective time of the merger. Without limiting the above, K2 has agreed that it and its subsidiaries will be subject to specific restrictions laid out in the Merger Agreement relating to:

any changes in their charters, other than to increase the number of authorized shares of K2 capital stock, or by-laws;

any split, combination or reclassification of capital stock of K2 or any of its not wholly owned subsidiaries, the declaration or payment of any dividend or distribution or the redemption or acquisition of any securities of K2 or any of its not wholly-owned subsidiaries;

any adoption of a plan of complete or partial liquidation or dissolution;

knowingly taking any action that results in a failure to maintain the trading of the K2 common stock on the New York Stock Exchange;

any change of accounting principles, practices or methods, except as required by a change in applicable law or accounting principles generally accepted in the United States;

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taking or permitting any of its affiliates to take any action preventing the offer and the merger together from qualifying as a reorganization under the provisions of Section 368(a) of the Code;

taking or permitting the surviving corporation in the merger to take any action subsequent to the effective time of the merger preventing the offer and the merger together from qualifying as a reorganization under the provisions of Section 368(a) of the Code; and

taking or agreeing to take any of the above actions.

Notwithstanding the above and certain provisions in the Merger Agreement, Fotoball USA has no right to control K2's operations before or after the merger becomes effective.

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Preparation of Registration Statement

K2 is obligated to prepare and file a registration statement on Form S-4 with the SEC, of which this prospectus is a part. K2 shall use its best efforts to have:

the S-4 declared effective by the SEC; and

the S-4 remain effective as long as necessary to consummate the offer and the merger and any transactions contemplated by the merger.

K2 is obligated to promptly provide Fotoball USA with copies of any written comments and advise Fotoball USA of any oral comments or communications received from the SEC regarding the S-4. In addition, K2 shall cooperate and provide Fotoball USA with a reasonable opportunity to review and comment on any amendment or supplement to the S-4 before such amendment or supplement is filed with the SEC. Further, no such amendment or supplement will be made without the approval of both K2 and Fotoball USA, which approval cannot be unreasonably withheld or delayed. For documents incorporated by reference into the S-4, this right of approval applies only to the extent such incorporated documents relate to the Merger Agreement, the transactions set forth in the Merger Agreement, Fotoball USA or its business, financial condition or results of operations. K2 is also required to take any action, other than qualifying to do business in any jurisdiction in which K2 is now not so qualified, required to be taken under any applicable state securities laws in connection with the issuance of K2 common stock in the offer, the merger and upon exercise of Fotoball USA stock options.

If, prior to the effective time of the merger, either K2 or Fotoball USA obtains information or takes any action which causes this prospectus or the S-4 to contain a misstatement of material fact or omit any material fact necessary to make the statements therein not misleading, the party obtaining the knowledge or taking the action is obligated to promptly notify the other party. Thereafter, K2 and Fotoball USA shall cooperate in filing with the SEC any appropriate amendment or supplement required by law and providing such information to the stockholders of each company. K2 is obligated to provide Fotoball USA with prompt notification of any stop order, suspension of the qualification of the K2 common stock issuable in connection with the offer and the merger for offering or sale in any jurisdiction or any request by the SEC for amendment of this prospectus or the S-4.

Offers for Alternative Transactions

Fotoball USA has agreed not to:

continue any existing activities, discussions or negotiations with any other persons as to a possible third party acquisition, as defined below;

encourage, solicit, initiate or knowingly facilitate the submission of any proposal for a third party acquisition;

participate in or initiate any discussions or negotiations regarding a third party acquisition;

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provide any non-public information about Fotoball USA or its businesses, assets and properties in connection with a third party acquisition;

knowingly facilitate any third party acquisition, or any inquiries or the making of any proposal that constitutes, or that may reasonably be expected to lead to, any third party acquisition; or

enter into any agreement regarding any third party acquisition.

Fotoball USA has also agreed not to authorize or permit any of its affiliates or its respective officers, directors, employees, investment bankers, attorneys, accountants or other representatives or agents to, either directly or indirectly, take any of the above-listed actions. However, if Fotoball USA receives an unsolicited bona fide written proposal for a third party acquisition, Fotoball USA may furnish information to or enter into discussions or negotiations with such third party if Fotoball USA:

provides two business days prior written notice to K2 that it proposes to take such action; and

receives from such third party an executed confidentiality agreement in reasonably customary form and containing terms as to confidentiality at least as stringent as those agreed to by K2;

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but only if:

after consultation with independent legal counsel, Fotoball USA's special committee reasonably determines in its good faith judgment by majority vote, that it is required to do so to comply with its fiduciary duties to the Fotoball USA stockholders under applicable law; and

Fotoball USA's special committee, by majority vote, reasonably determines that such proposal constitutes or is reasonably likely to result in a superior proposal, as defined below, which if accepted, is reasonably capable of being consummated, taking into account all legal, financial, regulatory and other aspects of the proposed third party acquisition,

A third party acquisition includes:

the acquisition by any person other than K2 or any of its affiliates of any portion of the assets of Fotoball USA, representing 15% or more of the aggregate fair market value of Fotoball USA's business immediately prior to such acquisition, not including the sale or license of products in the ordinary course of business, consistent with past practices;

the acquisition by a third party of 15% of the outstanding shares of Fotoball USA common stock;

the adoption by Fotoball USA of a plan of liquidation;

the declaration or payment by Fotoball USA of an extraordinary dividend, whether in cash or other property;

the repurchase by Fotoball USA of more than ten percent of the outstanding shares of Fotoball USA common stock; or

the acquisition by Fotoball USA by merger, purchase of stock or assets, joint venture or otherwise, of a direct or indirect ownership interest or investment in any person or business whose annual revenues or assets are equal to or greater than 15% of the annual revenues or assets of Fotoball USA, for the twelve month period ended September 30, 2003.

A superior proposal means any bona fide proposal to acquire, directly or indirectly in one or a series of related transactions contemplated by a proposed single agreement, 80% or more of the shares of then outstanding Fotoball USA common stock or 80% or more of the fair market value of the assets of Fotoball USA, for consideration consisting of cash and/or securities, which is on terms that Fotoball USA's board of directors, after consultation with its financial advisor or another financial advisor of nationally recognized reputation, has determined by majority vote in its good faith judgment would result in a transaction more favorable to the Fotoball USA stockholders than the proposed merger with K2.

Fotoball USA has agreed to notify K2 within 24 hours of receipt of any proposal for or inquiry regarding a third party acquisition, or any request for nonpublic information by any person making or considering making a third party acquisition proposal as to Fotoball USA. Such notice shall include the material terms of the request or proposal and the identity of the person making it. In addition, Fotoball USA has agreed to provide K2 with a copy of any written third party acquisition proposal, including any amendments or supplements, to keep K2 informed of the status of any inquiries, discussions or negotiations with such person making such third party acquisition proposal and to provide a copy of any information delivered to such person which has not previously been made available to K2.

Fotoball USA's Board of Directors Recommendations and Entering into Acquisition Agreement with Third Party

Pursuant to the terms of the Merger Agreement, the Fotoball USA board of directors, on the unanimous recommendation of its special committee, has agreed to recommend that its stockholders accept the offer and approve the merger and the Merger Agreement. The Fotoball USA board of directors and its special committee

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have each agreed not to withdraw, adversely modify or propose to withdraw or adversely modify their respective recommendation in favor of the offer and the merger in a manner adverse to K2, nor approve or recommend any third party acquisition. However, the Fotoball USA board of directors, on the recommendation of its special committee, may take any of the above prohibited actions, recommend a superior proposal or enter into an agreement with respect to a superior proposal if all of the following conditions are satisfied:

Fotoball USA receives an unsolicited bona fide written proposal for a third party acquisition which the special committee, by a majority vote, reasonably determines in good faith constitutes a superior proposal, that if accepted, is likely to be consummated, taking into account all legal, financial, regulatory and other aspects of the proposal and the third party making the proposal;

the special committee determines in its good faith judgment by majority vote, after consultation with independent legal counsel, that it is required to do so to comply with its fiduciary duties to the Fotoball USA stockholders under applicable law;

the Fotoball USA board of directors provides K2 prior written notice specifying the material terms and conditions of the superior proposal and identifying the person making the superior proposal;

K2 does not, prior to the close of on the earlier of (a) the third business day after receipt of the notice of a superior proposal and (b) the scheduled expiration date of the offer, as may be extended, make an offer that the Fotoball USA board of directors, by majority vote, on the recommendation of its special committee, determines in its good faith judgment, after receiving the advice of its financial advisor or another financial advisor of nationally-recognized reputation, to be at least as favorable to the Fotoball USA stockholders as the superior proposal; and

before entering into an agreement with respect to a superior proposal, the Merger Agreement must be terminated and Fotoball USA must pay K2 a termination fee of \$700,000 as described below.

In the event that Fotoball USA provides K2 with a notice of a superior proposal less than three business days prior to the scheduled expiration date of the offer, K2 is entitled to extend the offer for up to three business days beyond the then-scheduled expiration date to enable K2 to evaluate the superior proposal prior to any withdrawal or adverse modification by Fotoball USA's board of directors of its recommendation in favor of the merger agreement or any recommendation by Fotoball USA's board of directors of a superior proposal.

The Merger Agreement permits Fotoball USA to comply with its fiduciary duties or with Rule 14e-2 or Rule 14d-9 under the Exchange Act as to required disclosure in connection with receipt of any third party acquisition proposal or otherwise.

Indemnification and Insurance

The Merger Agreement provides that, after the effective time of the merger, as permitted by law, K2 will cause the surviving corporation in the merger to indemnify persons who were directors or officers of Fotoball USA prior to the effective time of the merger who incur liabilities or losses from any threatened or actual claim or proceeding based on the Merger Agreement or a claim arising by reason of the fact that the person was a director or officer of Fotoball USA. In addition, K2 has agreed to cause the surviving corporation in the merger to fulfill and honor any indemnification agreements and the provisions of Fotoball USA's restated certificate of incorporation and by-laws which provide for the indemnification of officers and directors as in effect on November 25, 2003. Finally, K2 has agreed to maintain in effect the current provisions regarding elimination of liability of directors, indemnification of officers, directors and employees, and advancement of expenses currently in Acquisition's restated certificate of incorporation and by-laws for six years after the effective time of the merger.

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K2 has agreed to maintain or cause the surviving corporation in the merger to maintain in effect, if available, the current Fotoball USA directors and officers liability insurance for six years after the effective

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time of the merger. However, K2 is not required to expend an amount in excess of 200% of the current premium paid by Fotoball USA in any one year. If the aggregate expenditure on coverage exceeds that amount, K2 will purchase as much insurance as can be obtained for that amount. Instead of maintaining Fotoball USA's existing insurance, K2 may provide coverage under any policy maintained for the benefit of K2 or its subsidiaries on terms not materially less advantageous to the intended beneficiaries as the existing insurance.

Other Covenants

K2 and Fotoball USA have also agreed to:

provide information reasonably requested by the other party;

use all commercially reasonable efforts to take all action reasonably necessary to consummate the offer and the merger;

consult with one another and mutually agree upon any press releases issued, except as required by law, the rules of the New York Stock Exchange or the Nasdaq National Market System or following a change by Fotoball USA's board of directors of its recommendation of the offer or the merger;

provide notice to each other regarding:

any event that would cause any representation or warranty to become untrue or inaccurate; or

any failure to comply with or satisfy any covenant, condition or agreement in any material respect; and

in the event any anti-takeover or similar statute or regulation is applicable to the offer or the merger, use their reasonable best efforts to secure any required consents or approvals and take all legal and reasonable actions so that the offer and the merger may be consummated.

Fotoball USA has agreed to:

use all commercially reasonable efforts to obtain a letter agreement from all Fotoball USA stockholders who may be affiliates of K2 or Fotoball USA regarding compliance with Rule 145 of the Securities Act.

K2 has agreed to:

use its commercially reasonable efforts to cause the shares of K2 common stock to be issued in the offer and the merger and to be reserved for issuance upon exercise of Fotoball USA stock options to be approved for listing on the New York Stock Exchange; and

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permit employees of Fotoball USA who become employees of K2 or any of its subsidiaries to participate in K2's 1999 and 1994 Incentive Stock Option Plans, subject to the terms and conditions of such plans.

Conditions to the Offer

For a list of the conditions to the offer, see "The Offer - Conditions of the Offer" on page 38.

Conditions to the Merger

Neither K2 nor Fotoball USA will be required to complete the merger unless:

the Fotoball USA stockholders have approved the Merger Agreement, if and to the extent required by applicable law, in order to complete the merger;

no law or order by any United States federal or state court or other governmental authority prohibits or restricts the merger;

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the registration statement on Form S-4 containing this prospectus is effective and is not subject to any stop order or proceedings seeking a stop order by the SEC;

all state securities laws or blue sky permits and authorizations necessary to issue K2 common stock in the merger have been obtained;

the shares of K2 common stock to be issued in the offer or the merger or to be reserved for issuance upon exercise of the Fotoball USA stock options shall have been approved for listing on the New York Stock Exchange;

K2 shall have purchased shares of Fotoball USA common stock pursuant to the offer; and

the opinion received by Fotoball USA, and the opinion received by K2, each stating that the offer and the merger together will constitute a reorganization under Section 368(a) of the Code, shall not have been withdrawn.

K2 cannot assure you that all of the conditions to completing the merger will be satisfied or waived.

Termination and Termination Fee

Right to Terminate. The Merger Agreement may be terminated and the offer and the merger may be abandoned at any time before the effective time of the merger in a number of different ways. The Merger Agreement may be terminated by mutual written consent of K2, Fotoball USA and Acquisition Sub.

The Merger Agreement may also be terminated by either K2, Acquisition Sub or Fotoball USA if:

any order or ruling by a court or other governmental authority enjoining or prohibiting the merger has become final and nonappealable; or

the offer has expired pursuant to its terms and no shares of Fotoball USA common stock were purchased by K2 or the offer has not been consummated by March 25, 2004 and the failure of the offer to be completed or consummated is not due to the breach of the Merger Agreement by the terminating party.

The Merger Agreement may be terminated by Fotoball USA alone if:

Fotoball USA has not materially breached any of its obligations set forth in the Merger Agreement and any representation or warranty of K2 that is qualified as to materiality or material adverse effect is not true and correct or any representation or warranty of K2 that is not so qualified is not true and correct in all material respects;

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Fotball USA has not materially breached any of its obligations set forth in the Merger Agreement and K2 or Acquisition Sub has breached any of its covenants or obligations contained in the Merger Agreement having a material adverse effect on K2 or materially and adversely affecting or delaying the consummation of the offer or the merger and, if curable, such breach is not cured within 20 business days after receipt by K2 of notice of such breach;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, Fotoball USA receives a superior proposal, as defined above, and accepts such superior proposal, but only if:

Fotball USA has complied with the terms as discussed in "Offers for Alternative Transactions" on page 59; and

Fotball USA has paid all amounts due as discussed in "Termination Fees" on page 64; or

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, the average of the closing prices for K2 common stock on the New York Stock Exchange (as reported in the New York City edition of the Wall Street Journal or, if not reported thereby, another nationally

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recognized source) for any ten consecutive trading days ending not later than two trading days prior to the expiration of the offer, is less than \$11.78, and Fotoball USA exercises its right to terminate within two trading days following the expiration of such ten consecutive trading days.

The Merger Agreement may be terminated by K2 and Acquisition Sub alone if:

K2 or Acquisition Sub have not materially breached any of their obligations set forth in the Merger Agreement and any representation or warranty of Fotoball USA that is qualified as to materiality or material adverse effect is not true and correct or any representation or warranty of Fotoball USA that is not so qualified is not true and correct in all material respects;

K2 or Acquisition Sub have not materially breached any of their obligations set forth in the Merger Agreement and Fotoball USA has breached any of its covenants or obligations contained in the Merger Agreement having a material adverse effect on Fotoball USA or materially and adversely affecting or delaying the consummation of the offer or the merger and, if curable, such breach is not cured within 20 business days after receipt by Fotoball USA of notice of such breach;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, the Fotoball USA board of directors or its special committee submits or recommends a superior proposal to a vote of the Fotoball USA stockholders;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, the Fotoball USA board of directors or its special committee withdraws or modifies its approval or recommendation of the Merger Agreement, the offer or the merger, fails to include such recommendation in the Fotoball USA Recommendation Statement or fails to reconfirm its recommendation within three business days after a reasonable request from K2 to reconfirm such recommendation;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, the Fotoball USA board of directors or its special committee has failed to reject a third party acquisition proposal or has failed to recommend against a third party acquisition proposal in a filing required under the Exchange Act within ten days of receiving such proposal;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, the Fotoball USA board of directors or its special committee breaches its obligations with respect to a third party acquisition or superior proposal under the terms of the Merger Agreement as described in "Offers for Alternative Transactions" on page 59;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, Michael Favish or Scott P. Dickey breaches his obligations pursuant to his Exchange Agreement; or

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, events or changes occur that, individually or in the aggregate, have had or would reasonably be expected to have a material adverse effect on Fotoball USA.

Should any of these potential grounds for termination occur, K2's and Fotoball USA's board of directors may or may not exercise their respective rights to terminate the Merger Agreement.

Termination Fees. Fotoball USA has agreed to pay K2 a fee of \$700,000 in liquidated damages if the Merger Agreement is terminated pursuant to any one of the circumstances described below:

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prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, Fotoball USA terminates because the Fotoball USA board of directors receives a superior proposal and resolves to accept the superior proposal;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, K2 terminates because the Fotoball USA board of directors or its special committee has submitted or recommended a superior proposal to a vote of its stockholders;

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prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, K2 terminates because the Fotoball USA board of directors or its special committee has withdrawn or modified its approval or recommendation of the Merger Agreement, the offer or the merger, has failed to include such recommendation in the Fotoball USA Recommendation Statement or has failed to reconfirm its recommendation within three business days after a reasonable request by K2 to do so;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, K2 terminates because the Fotoball USA board of directors or its special committee has failed to reject a third party acquisition proposal or has failed to recommend against a third party acquisition proposal in a filing required under the Exchange Act within ten days of receiving such proposal;

prior to K2's acceptance of Fotoball USA common stock for exchange pursuant to the offer, the Fotoball USA board of directors breaches its obligations with respect to a third party acquisition or superior proposal under the terms of the Merger Agreement as described in "Offers for Alternative Transactions" on page 59; or

K2 terminates because of a willful and knowing breach by Fotoball USA of either its representations and warranties or covenants under the Merger Agreement, and within twelve months after such breach, an acquisition of Fotoball USA occurs or Fotoball USA enters into an agreement with respect to such acquisition.

Payment of the termination fee is required under the above circumstances whether or not Fotoball USA stockholders have approved the Merger Agreement. Except for any claims based on fraud, if the termination fee is paid, such fee shall be the only remedy for such termination and all matters arising out of, in connection with or in any way related to such termination. Neither party shall be entitled to any further rights, claims or remedies.

Amendment and Waiver

K2, Acquisition Sub and Fotoball USA may amend the Merger Agreement in writing by action taken by K2's, Acquisition Sub's and Fotoball USA's respective boards of directors at any time.

At any time before the effective time of the merger, each party may:

extend the time for the performance of any obligations or other acts of the other party;

waive any inaccuracies in the representations and warranties contained in the Merger Agreement or in any document, certificate or writing delivered pursuant to the Merger Agreement; or

waive compliance by the other party with any of the agreements or conditions contained in the Merger Agreement.

Costs and Expenses

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All costs and expenses incurred in connection with the offer, the merger and the Merger Agreement will be paid by the party incurring such expenses.

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INFORMATION ABOUT FOTOBALL USA

Fotball USA is a premier sports and entertainment marketer and manufacturer. Fotoball USA's products and services are sold into distinct markets by four separate sales groups: Fotoball Sports, which services national and regional retailers; Fotoball Entertainment Marketing, which services entertainment destinations such as theme parks, resorts and casinos; Fotoball Sports Team, which supports the retail needs of professional franchises across the nation; and Marketing Headquarters, which develops custom programs for Fortune 500 companies. Fotoball USA currently holds licenses with Major League Baseball, the National Football League, the National Basketball Association, the National Hockey League, more than 100 NCAA colleges, Warner Bros. Scooby Doo, Marvel's Spider-Man, Incredible Hulk and X-Men, MGA Entertainment's Bratz and Nickelodeon's Blue's Clues.

For your reference, this prospectus is accompanied by copies of Fotoball USA's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (including the 10-K/A filed in connection therewith) and Fotoball USA's most recent Quarterly Report on Form 10-Q for the quarter ended September 30, 2003. The Annual Report is attached to this prospectus as Annex D and the Quarterly Report is attached as Annex E. Please refer to these reports for a more detailed discussion of Fotoball USA's business, results of operations and financial condition.

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**COMPARISON OF RIGHTS OF HOLDERS OF FOTOBALL USA COMMON STOCK
AND HOLDERS OF K2 COMMON STOCK**

K2 and Fotoball USA are both Delaware corporations. The rights of stockholders of each company are generally governed by the DGCL, and each company's respective certificate of incorporation and by-laws. Upon completion of the merger, Fotoball USA stockholders will become K2 stockholders and the K2 restated certificate of incorporation and by-laws will govern the rights of former Fotoball USA stockholders.

The following description summarizes the material differences that may affect the rights of the stockholders of Fotoball USA, but does not purport to be a complete statement of all those differences, or a complete description of the specific provisions referred to in this summary. Stockholders should carefully read the relevant provisions of the DGCL and K2's and Fotoball USA's respective certificates of incorporation and by-laws. For more information on how to obtain these documents, see [Additional Information Where You Can Find Additional Information](#) on page 77.

Capitalization

K2. The authorized capital stock of K2 consists of 60,000,000 shares of common stock, par value \$1.00 per share, and 12,500,000 shares of preferred stock, par value \$1.00 per share.

K2 Common Stock. As of the date of this prospectus there were approximately 33,187,040 shares of K2 common stock outstanding and held of record by approximately 2,895 persons. K2 common stock is listed on the New York Stock Exchange under the symbol KTO. Holders of K2 common stock are entitled to one vote per share on all matters to be voted upon by K2 stockholders. K2 stockholders may not cumulate votes in connection with the election of directors. The holders of K2 common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the K2 board out of funds legally available for the payment of dividends. In the event of a liquidation, dissolution or winding up of K2, the holders of K2 common stock are entitled to share ratably in all assets remaining after payment of liabilities of K2 and of the preferential amounts, if any, to which the holders of K2 preferred stock are entitled. The K2 common stock has no preemptive, conversion or other subscription rights. There are no redemption or sinking fund provisions applicable to the K2 common stock. All outstanding shares of K2 common stock are fully paid and non-assessable, and the shares of K2 common stock to be outstanding upon completion of the merger will be fully paid and non-assessable. Computershare Trust Company, Inc. is the Transfer Agent and Registrar for the shares of K2 common stock.

K2 Preferred Stock. The K2 board may issue up to 12,500,000 shares of K2 preferred stock in one or more series and may, subject to the DGCL:

fix its rights, preferences, privileges and restrictions;

fix the number of shares and designation of any series; and

increase or decrease the number of shares of any series if not adjusting to a level below the number of then outstanding shares.

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K2's certificate of designation, dated August 10, 1989, as amended on August 9, 1999, designates 200,000 shares of preferred stock as Series A Preferred Stock in connection with K2's rights plan, as described below in Rights Plan K2 on page 73. The powers, preferences or special rights of this series may not be materially and adversely changed without the approval of at least two-thirds of the outstanding shares of K2's Series A Preferred Stock voting separately as a class.

At the date of this prospectus, no shares of K2 preferred stock were outstanding. Although K2 presently does not intend to do so, its board may issue K2 preferred stock with voting, liquidation, dividend, conversion and such other rights which could negatively affect the voting power or other rights of the K2 common stockholders without the approval of the K2 common stockholders. Any issuance of K2 preferred stock may delay or prevent a change in control of K2.

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Fotball USA. The authorized capital stock of Fotoball USA consists of 15,000,000 shares of common stock, \$0.01 par value and 1,000,000 shares of preferred stock, par value \$0.01 per share, 75,000 of which have been designated Series A Preferred Stock.

Fotball USA Common Stock. As of the date of this prospectus there were approximately 3,651,501 shares of Fotoball USA common stock outstanding that were held of record by approximately 98 persons and held beneficially by approximately 1,024 persons. Fotoball USA common stock is listed on the Nasdaq National Market System under the symbol FUSA. Holders of Fotoball USA common stock are entitled to one vote per share on all matters to be voted upon by Fotoball USA stockholders. The holders of Fotoball USA common stock are entitled to receive dividends, if any, as may be declared from time to time by the Fotoball USA board. The Fotoball USA common stock has no preemptive, conversion or other subscription rights. There are no redemption or sinking fund provisions applicable to the Fotoball USA common stock. All outstanding shares of Fotoball USA common stock are fully paid and non-assessable.

Fotball USA Preferred Stock. The Fotoball USA board may issue up to 1,000,000 shares of Fotoball USA preferred stock in one or more series and may, subject to the DGCL:

fix its rights, preferences, privileges and restrictions;

fix the number of shares and designation of any series; and

increase or decrease the number of shares of any series if not adjusting to a level below the number of then outstanding shares.

Fotball USA's certificate of designation, dated August 12, 1996, designates 75,000 shares of preferred stock as Series A Preferred Stock in connection with Fotoball USA's rights plan, as described below in Rights Plan Fotoball USA on page 73. The powers, preferences or special rights of this series may not be materially and adversely changed without the approval of a majority of the outstanding shares of Fotoball USA's Series A Preferred Stock voting separately as a class.

As of the date of this prospectus, no preferred stock of Fotoball USA is issued or outstanding.

Number, Election, Vacancy and Removal of Directors

Delaware General Corporation Law. Under the DGCL, a board of directors must have at least one director. A majority of the directors in office can fill any vacancy or newly created directorship. A director may be removed with or without cause by a majority of the shares entitled to vote at an election of the directors. However, if the board is divided into classes, unless the certificate of incorporation provides otherwise, a director may only be removed for cause. The board may fill any vacancy created for any reason.

K2. The K2 board of directors has ten members. The K2 restated certificate of incorporation provides that the board shall consist of between eight and eleven members, as set by the board of directors. The board shall be divided into three nearly equal classes, with each class serving a three year term. The K2 restated certificate of incorporation and by-laws are silent as to the filling of vacancies, the appointment of new directors to fill newly-created positions and the removal of directors. Therefore, as provided by the DGCL, vacancies and newly created

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directorships are filled by a vote of a majority of the K2 directors in office.

Fotoball USA. The Fotoball USA board of directors has six members. The Fotoball USA restated certificate of incorporation and the Fotoball USA amended and restated by-laws provide that the Fotoball USA board of directors shall consist of between one and nine members, as set by the board of directors. The board shall be divided into three nearly equal classes, with each class serving a three year term. Vacancies and newly created board positions are filled by the vote of a majority of the directors then in office. Directors may be removed only for cause by the vote of a majority of the outstanding shares of all classes of capital stock entitled to vote in the election of directors.

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Amendments to Certificate of Incorporation

Delaware General Corporation Law. Under the DGCL, an amendment to a corporation's certificate of incorporation requires approval by both the board of directors and a majority of the shares entitled to vote, unless a different proportion is provided for in the certificate of incorporation. If the amendment increases or decreases the aggregate number of authorized shares of a class, then the outstanding shares of such class shall be entitled to vote on the amendment, whether or not entitled to vote thereon by the certificate of incorporation. If the corporation's stock is divided into classes, then a majority of each class entitled to vote on the amendment as a class must approve the amendment, unless a different proportion is provided by the certificate of incorporation.

K2. The K2 restated certificate of incorporation may be amended or repealed as permitted or prescribed by applicable law and approved by a majority of the shares entitled to vote. The K2 restated certificate of incorporation requires supermajority stockholder approval with respect to amending certain provisions of the restated certificate of incorporation. Specifically, the affirmative vote of holders of at least:

two-thirds of the outstanding shares of K2 stock is required for K2 to amend Article Fourteen of its restated certificate of incorporation, which requires the approval of two-thirds of the shares entitled to vote for any merger or consolidation of K2 with another entity, or the sale or other transfer of substantially all of the assets of K2;

80% of the shares entitled to vote, voting together as a single class, and two-thirds of the shares entitled to vote and held by stockholders other than an interested stockholder is required to amend Article Fifteen of K2's restated certificate of incorporation, which requires comparable support to approve a transaction under certain circumstances involving K2 or any of K2's subsidiaries and an interested stockholder or another business entity; and

two-thirds of the outstanding shares of Series A Preferred Stock is required to materially change the powers, preferences or special rights of the Series A Preferred Stock. No shares of Series A Preferred Stock are currently outstanding.

Fotoball USA. The Fotoball USA restated certificate of incorporation states that it may be amended or repealed by Fotoball USA as permitted or prescribed by applicable law, with all rights conferred upon Fotoball USA stockholders subject to such reservation. In addition, any amendment or repeal of Article Seventh of the Fotoball USA restated certificate of incorporation, which limits the liability of directors, will not adversely affect any right or protection of a director for any act or omission occurring prior to the date of such amendment or repeal.

Amendments to By-laws

K2. The K2 by-laws may be amended by the board of directors or at a stockholder meeting by the vote of 75% of the shares entitled to vote.

Fotoball USA. The Fotoball USA by-laws may be amended by the board of directors or at a stockholder meeting by the vote of over 50% of the shares entitled to vote.

Stockholder Action

Delaware General Corporation Law. Under the DGCL, in the absence of a specification in the certificate of incorporation or bylaws of the corporation, in all matters other than the election of directors, the affirmative vote of the majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

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K2. Except for those matters requiring a supermajority vote as described above, the vote of a majority of the shares present and entitled to vote at a duly called and held meeting is the act of the K2 stockholders. The K2 restated certificate of incorporation provides that any action required or permitted to be taken by stockholders must be effected at a duly called annual or special meeting and may not be effected by written consent.

Fotball USA. The Fotoball USA amended and restated certificate of incorporation and amended and restated by-laws are silent as to the votes that shall be necessary to transaction of any business. Therefore, as provided by the DGCL, an affirmative vote of the majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. The Fotoball USA amended and restated certificate of incorporation provides that any action required or permitted to be taken by stockholders must be effected at a duly called annual or special meeting and may not be effected by written consent.

Notice of Certain Stockholder Actions

K2. The K2 by-laws state that a stockholder may only bring business before a stockholder meeting, including a nomination of a director for the board, if the stockholder gives at least 90 days advance written notice of the business to K2's Secretary or, if later, the tenth day after the first public announcement of the date of the meeting. In addition, for business to be properly brought before any stockholder meeting, the matter must be a proper matter for stockholder action.

Fotball USA. The Fotoball USA amended and restated by-laws and amended and restated certificate of incorporation state that a stockholder may only bring business before a stockholder meeting, including a nomination of a director for the board, if the stockholder gives at least 60 and no more than 90 days advance written notice of the business to Fotoball USA's principal executive offices, or in the case of a nomination of a director for the board, to Fotoball USA's Secretary or, if later, the tenth day after the first public announcement of the date of the meeting. In addition, for business to be properly brought before any stockholder meeting, the matter must be a proper matter for stockholder action.

Special Stockholder Meetings

Delaware General Corporation Law. Under the DGCL, a special meeting of a corporation's stockholders may be called by the board or by any other person authorized by the corporation's certificate of incorporation or by-laws. All stockholders of record entitled to vote must receive notice of all stockholder meetings not less than ten, nor more than 60, days before the date of the stockholder meeting.

K2. The K2 by-laws provide that only the board of directors or the Chairman of the Board can call a special meeting of the K2 stockholders. No business may be transacted at a special meeting of the stockholders other than that stated in the notice of the meeting.

Fotball USA. The Fotoball USA amended and restated certificate of incorporation provides that a special meeting of the stockholders may be called only by the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Board of Directors pursuant to a resolution approved by a majority of the members of the Board of Directors or the stockholders of Fotoball USA pursuant to a resolution approved by the holders of a majority of the outstanding shares of Fotoball USA common stock. The Fotoball USA amended and restated by-laws provide that no business may be transacted at a special meeting of the stockholders other than that stated in the notice of the meeting.

Limitation of Personal Liability of Directors and Indemnification

Delaware General Corporation Law. Under the DGCL, a corporation may include a provision in its certificate of incorporation eliminating or limiting the personal liability of a director to the corporation or its

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stockholders for certain monetary damages resulting from breaches of fiduciary duties. Specifically, the corporation may indemnify any director, officer, employee or agent of the corporation for expenses, monetary damages, fines and settlement amounts to the extent the person:

acted in good faith;

acted in a manner he or she believed to be in the best interests of the corporation; and

with respect to any criminal action, had no reasonable cause to believe the conduct was unlawful.

However, no provision can eliminate or limit director liability for any:

breach of his or her duty of loyalty to the corporation or its stockholders;

act or omission not in good faith or involving intentional misconduct or a knowing violation of the law;

violation of Section 174 of the DGCL regarding unlawful payment of dividends or unlawful stock purchases or redemptions;

transaction from which the director received any improper personal benefit; or

act or omission that took place before the date of adoption of the provision in the certificate of incorporation eliminating or limiting the liability of a director for breaches of fiduciary duties.

Indemnification is also not permitted if the person is held liable to the corporation or its stockholders, except to the extent that an appropriate court concludes that the person is fairly and reasonably entitled to indemnification for those expenses that the court deems proper.

K2. The K2 restated certificate of incorporation provides a right to indemnification of current and former directors and officers to the fullest extent authorized or permitted by the DGCL, as described above. However, if the DGCL is amended to further eliminate or limit director liability, then the indemnification provided shall be expanded to the fullest extent permitted by the DGCL, as amended. In addition, the K2 restated certificate of incorporation requires K2 to indemnify any present or former director or officer who has been successful on the merits or otherwise in the defense of any claim or proceeding for expenses, including attorneys' fees. The K2 restated certificate of incorporation also permits K2's board of directors to provide indemnification of employees and agents of K2 with the same scope and effect as the indemnification provided for directors and officers. This right to indemnification is not exclusive of any other right the director or officer may have.

Even if K2 is prohibited from indemnifying such person under the DGCL, it may maintain insurance at the corporation's expense to protect itself and any director, officer, employee or agent against such expense, liability or loss. K2 currently maintains such insurance and has also entered into customary indemnification agreements with each of its directors.

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Fotball USA. The Fotoball USA amended and restated certificate of incorporation provides that directors shall not be personally liable for monetary damages for breach of fiduciary duty, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. However, if the DGCL is amended to further eliminate or limit director liability, then the liability of a director shall be eliminated or limited to the fullest extent permitted by the DGCL, as amended. In addition, the Fotoball USA amended and restated certificate of incorporation provides a right to indemnification of current and former directors officers, employees and agents of Fotoball USA. The Fotoball USA amended and restated certificate of incorporation further provides a right to indemnification of current and former directors, officers, employees and agents who may serve at Fotoball USA's request as a director, officer, employee or agent of another corporation, joint venture, trust or other enterprise. This right to indemnification is not exclusive of any other right the director or officer may have.

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Mergers, Acquisitions and Other Transactions

Delaware General Corporation Law. Under the DGCL, the board of directors and a majority of the shares entitled to vote must approve a merger, consolidation or sale of all or substantially all of a corporation's assets. However, unless the corporation provides otherwise in its certificate of incorporation, no stockholder vote of a constituent corporation surviving a merger is required if:

the merger agreement does not amend the constituent corporation's certificate of incorporation;

each share of stock of the constituent corporation outstanding before the merger is an identical outstanding or treasury share of the surviving corporation after the merger; and

either no shares of common stock of the surviving corporation are to be issued or delivered by way of the merger or, if common stock will be issued or delivered, it will not increase the number of outstanding shares of common stock immediately before the merger by more than 20%.

K2. K2's restated certificate of incorporation has two independent provisions regarding mergers and business combinations. Article Fourteen requires the affirmative vote of at least two-thirds of the shares entitled to vote to approve any merger or business combination involving K2. Article Fifteen requires approval by 80% of the shares entitled to vote for any merger or business combination involving K2 or any of its subsidiaries and another corporation or an interested stockholder. This second group of transactions must also be approved by two-thirds of the shares entitled to vote other than those held by the interested stockholder in question, if an interested stockholder is involved. Regardless, if the transaction involving another corporation or an interested stockholder is approved by two-thirds of the disinterested directors or several other conditions are met, then the supermajority provisions of Article Fifteen no longer apply.

Fotball USA. Fotoball USA's restated certificate of incorporation does not alter the required vote of Fotoball USA stockholders to approve a merger, consolidation or sale of all or substantially all of Fotoball USA's assets under the DGCL. Therefore, as provided by the DGCL, a majority of the Fotoball USA shares entitled to vote must approve a merger, consolidation or sale of all or substantially all of Fotoball USA's assets.

Dissenters' Appraisal Rights

Delaware General Corporation Law. Under the DGCL, dissenters' appraisal rights are available to a corporation's stockholders in connection with certain mergers and consolidations. However, no rights are available in certain situations. A corporation's stockholders will not receive such rights if the corporation is the surviving corporation and no stockholder vote is required for the merger. Also, no such rights are available if the corporation's stock is either:

listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.; or

held of record by more than 2,000 stockholders.

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However, dissenters' appraisal rights will be available if the merger or consolidation requires stockholders to exchange their stock for anything other than:

shares of the surviving corporation;

shares of another corporation that will be listed on a national securities exchange, designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 stockholders; or

cash in place of fractional shares.

In addition, appraisal rights will be available in connection with a short-form merger pursuant to Section 253 of the DGCL. See [The Offer Appraisal Rights](#) on page 42.

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K2. Because all of the above tests are satisfied, K2 stockholders will not receive dissenters' appraisal rights with respect to the merger.

Fotoball USA. Because all of the above tests are satisfied, Fotoball USA stockholders will not receive dissenters' appraisal rights with respect to the merger, unless the merger is accomplished as a short-form merger pursuant to Section 253 of the DGCL.

Rights Plan

K2. K2 maintains a stockholder rights plan which is designed to protect its stockholders from attempts to acquire control of K2 without the approval of K2's board and to prevent abusive tactics from potential acquirers that do not treat all stockholders fairly.

The rights issued under the plan are not currently exercisable or transferable, and no separate certificates evidencing such rights will be distributed, unless certain events, described below, occur. Although K2 does not intend the rights plan to prevent a takeover of K2, the plan may cause substantial dilution to certain persons or groups that beneficially acquire 15% or more of K2's common stock, unless the rights issuable under the plan are first redeemed by the board of directors. A summary of the key provisions of the plan is provided below.

K2 entered into a Rights Agreement dated as of July 1, 1999 between K2 and Harris Trust Company of California. Pursuant to the rights agreement, a right is attached to each share of K2 common stock outstanding as of September 5, 1999 or outstanding between September 5, 1999 and the earlier of the exercisability of the rights and the termination of the plan. The rights become exercisable ten days after the public announcement that any person or group has:

acquired 15% or more of the outstanding shares of K2 common stock; or

initiated a tender offer for shares of K2 common stock, which would result in any person or group acquiring 15% or more of the outstanding shares of K2 common stock.

Each right entitles its holder to purchase 1/100th of a share of K2 Series A Junior Participating Cumulative Preferred Stock at a price of \$60 per 1/100th of a share of preferred stock. Once exercisable, each right will entitle its holder to purchase a number of shares of K2 common stock having a market value of two times the exercise price of the right. At any time after any person or group becomes a 15% beneficial owner of K2 common stock, but before a change in control transaction, the K2 board of directors may exchange each right not owned by a 15% beneficial owner for one share of K2 common stock or other K2 preferred stock with rights similar to those of the Series A Junior Participating Cumulative Preferred Stock.

In addition, each right, other than rights owned by the acquiring person, such person's affiliates, associates and any group of which such person is a member, will entitle the holder of such rights to purchase a number of shares of the common stock of the acquiring entity or its parent having a market value equal to two times the exercise price of the right, unless the rights are earlier redeemed by K2, after:

a person or group acquires 15% or more of the outstanding shares of K2 common stock;

K2 is acquired in a merger or other business combination transaction; or

50% or more of K2's consolidated assets or earning power are sold.

K2 may redeem the rights, at a price of \$0.001 per right at any time prior to the close of business on the tenth day after a person or group obtains 15% or more of the outstanding shares of K2's common stock. The rights expire on September 5, 2009, unless extended or earlier redeemed.

Fotball USA. Fotball USA maintains a stockholder rights plan which is designed to protect its stockholders from attempts to acquire control of Fotball USA without the approval of Fotball USA's board.

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Fotball USA is party to a Rights Agreement dated as of August 19, 1996, as amended and restated as of May 18, 1999, between Fotball USA and Continental Stock Transfer & Trust Company, as rights agent. Pursuant to the rights agreement, a right is attached to each share of Fotball USA common stock outstanding as of August 30, 1996 or outstanding between August 30, 1996 and the earlier of the distribution of the rights or the expiration of the plan. The rights will not be deemed to have been distributed and will not be exercisable, transferable separately or trade separately from the shares of Fotball USA common stock, until

the 10th business day after the date a person or group publicly announces that it is an Acquiring Person (see below); or

the 10th business day, or such later day as the Fotball USA board determines, after a person or group announces a tender or exchange offer, which, if consummated, would result in such person or group beneficially owning 15% or more of the Fotball USA common stock.

Separate certificates representing the rights will be mailed as of the distribution date. After the distribution date, each right will entitle its registered holder to buy .001 of a share of Fotball USA's Series A preferred stock, par value \$.01 per share, at an exercise price of \$30.00, subject to certain antidilution adjustments. The ability to purchase shares of Class A preferred stock will continue until August 11, 2006 or, if earlier, the redemption or exchange of the rights. The holders of rights will not have any voting rights or be entitled to dividends until the rights are exercised.

In general, an Acquiring Person means any person or group of affiliated persons, other than

Fotball USA or its subsidiaries

certain benefit plans and other entities affiliated with Fotball USA or its subsidiaries

any person or group of affiliated persons whose acquisition of 15% or more is approved in advance by the Fotball USA board,

who, after August 12, 1996, acquires beneficial ownership of 15% or more of the outstanding shares of Fotball USA common stock. No person or group who beneficially owned 15% or more of the outstanding shares of Fotball USA common stock on August 12, 1996 will be considered an Acquiring Person unless he or it acquires an additional 2% of the Fotball USA common stock in a transaction not approved by the Fotball USA board in advance. The date that the 15% level or the 2% level is exceeded is referred to as the stock acquisition date.

If a person or group of affiliated persons becomes an Acquiring Person, then each right other than rights owned by such Acquiring Person and its affiliates and associates, will entitle the holder thereof to purchase, for the exercise price, a number of shares of Fotball USA common stock having a then current market value of twice the exercise price. Accordingly, at the original exercise price of \$30.00, each right would entitle its registered holder to purchase \$60.00 worth of Fotball common stock for \$30.00. Each right owned by an Acquiring Person and its affiliates and associates will be null and void.

If at any time

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Fotball USA merges into another entity;

an acquiring entity merges into Fotball USA and the Fotball USA common stock is changed into or exchanged for other securities or assets of the acquiring entity, or

Fotball USA sells more than 50% of its assets or earning power,

then each right will entitle the holder thereof to purchase, for the exercise price, a number of shares of common stock of such other entity having a current market value of twice the exercise price. The foregoing will not apply to a transaction approved by a majority of the Fotball USA board.

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At any time after any person becomes an Acquiring Person, the Fotoball USA board may exchange rights, other than rights owned by the Acquiring Person and its affiliates and associates, in whole or in part, for Fotoball USA common stock on a 1:1 basis, subject to adjustment. Each right owned by an Acquiring Person and its affiliates and associates will be null and void.

The purchase price payable, and the number of shares of Series A preferred stock or other securities or property issuable, upon exercise of the rights are subject to adjustment from time to time. With certain exceptions, no adjustment in the purchase price will be required until cumulative adjustments amount to at least 2% of the purchase price. No fractional shares will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Series A preferred stock on the last trading date prior to the date of exercise. The rights are redeemable at Fotoball USA's option, at any time prior to the stock acquisition date, for \$.01 per right, payable in cash or shares of Fotoball USA common stock.

The Fotoball USA board may amend the amended and restated rights agreement in any manner prior to the distribution date. After the distribution date, the board may amend the amended and restated rights agreement only to cure ambiguities, shorten or lengthen certain time periods, or if such amendment does not adversely affect the interests of rights holders and does not relate to any principal economic term of the rights.

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ADDITIONAL INFORMATION

Legal Matters

Gibson, Dunn & Crutcher LLP, counsel to K2, will pass upon the validity of the K2 common stock to be issued in connection with the offer and merger and the accuracy of the section entitled "Material U.S. Federal Income Tax Consequences" on page 40. Gibson, Dunn & Crutcher LLP, counsel to K2, and Swidler Berlin Shereff Friedman, LLP, counsel to Fotoball USA, are expected to render opinions concerning the federal income tax consequences of the merger.

Experts

The consolidated financial statements and schedule of K2 and subsidiaries appearing in K2's Annual Report on Form 10-K for the year ended December 31, 2002 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The financial statements and related financial statement schedule of Fotoball USA as of December 31, 2002 and for the year then ended, and the statements of operations, stockholders' equity and cash flows of Fotoball USA for the year ended December 31, 2000, and the related financial statement schedule, have been included herein in reliance upon the reports of KPMG LLP, independent accountants, appearing elsewhere herein and upon the authority of such firm as experts in accounting and auditing. The financial statements of Fotoball USA as of December 31, 2001 and for the year then ended have been included herein in reliance upon the report of Good Swartz Brown & Berns LLP, independent accountants, as set forth in their report thereon appearing elsewhere in this document and upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Brass Eagle and its subsidiaries as of December 31, 2002 and 2001, and for each of the three years in the period ended December 31, 2002 have been incorporated by reference herein (to Annexes D and E of K2's Registration Statement on Form S-4 filed on November 4, 2003, as amended on November 28, 2003) in reliance upon the report of Crowe Chizek and Company LLC, independent accountants, which is incorporated by reference herein and upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Rawlings and its subsidiaries as of August 31, 2002, and for the year ended August 31, 2002, have been incorporated by reference herein (to K2's Registration Statement filed on January 17, 2003, as amended on February 25, 2003) in reliance upon the report of KPMG LLP, independent accountants, as set forth in their report, which is incorporated by reference herein, and upon the authority of such firm as experts in accounting and auditing.

Although Rawlings dismissed Arthur Andersen LLP as its independent public accountants effective June 13, 2002 and engaged KPMG LLP, the consolidated financial statements of Rawlings at August 31, 2001 and for each of the two years in the period ended August 31, 2001 incorporated by reference herein have been audited by Arthur Andersen LLP. We have not sought the written consent of Arthur Andersen LLP to our naming it as an expert and incorporating by reference herein its audit report for the financial statements of Rawlings at August 31, 2001 and for each of the two years in the period ended August 31, 2001. The requirement to obtain such consent has been dispensed with in reliance on Rule 437a under the Securities Act. Because Arthur Andersen LLP has not consented to the incorporation by reference herein of its report,

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you will not be able to recover against Arthur Andersen LLP under Section 11 of the Securities Act for any untrue statement of a material fact contained in the financial statements audited by Arthur Andersen LLP or any omissions to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

Table of Contents**Where You Can Find Additional Information**

K2 and Fotoball USA file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or information that the companies file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the public reference rooms. K2's and Fotoball USA's SEC filings are also available to the public from commercial document retrieval services and at the Internet web site maintained by the SEC at www.sec.gov.

K2 filed the registration statement on Form S-4 to register with the SEC the shares of K2 common stock to be issued to Fotoball USA stockholders in the offer and the merger. This prospectus is a part of that registration statement and constitutes a prospectus of K2. K2 also filed with the SEC, on the same day as it filed the Form S-4, a tender offer statement on Schedule TO pursuant to the Exchange Act in connection with the offer. You may obtain copies of the Form S-4 and the Schedule TO (and any amendments to those documents) in the manner described above. Fotoball USA is required to file with the SEC a solicitation/recommendation statement on Schedule 14D-9 regarding the offer within ten business days from the date of the distribution of this prospectus and to disseminate this statement to Fotoball USA stockholders. Fotoball USA has agreed to file its recommendation statement on the same day that we file the registration statement on Form S-4 with the SEC. A copy of Fotoball USA's recommendation statement on Schedule 14D-9 is enclosed. You may also obtain a copy of the Schedule 14D-9 (and any amendments to that document) in the manner described above.

As allowed by SEC rules, this prospectus does not contain all the information you can find in the K2 registration statement or the exhibits to the registration statement. The SEC allows K2 to incorporate by reference information into this prospectus, which means that K2 can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be a part of this prospectus, except for any information that is superseded by information that is included directly in this document. This prospectus incorporates by reference the documents set forth below that K2 has previously filed with the SEC. These documents contain important information about the companies and their financial condition.

K2 SEC Filings (File No. 001-04290)	Period
Annual Report on Form 10-K	Year ended December 31, 2002
Quarterly Reports on Form 10-Q	Quarters ended March 31, 2003, June 30, 2003 and September 30, 2003
Current Reports on Form 8-K	Filed on February 24, 2003, March 13, 2003, April 1, 2003, May 28, 2003 (Item 7), June 5, 2003, June 5, 2003, October 1, 2003, October 23, 2003 (Item 5 and Item 7), October 29, 2003, November 4, 2003 and December 9, 2003
Current Report on Form 8-K/A	Filed on December 2, 2003
Definitive Proxy Statement on Schedule 14A	Filed April 21, 2003
Registration Statements on Form 8-A	Filed on August 21, 1989 and August 9, 1999
Registration Statement on Form 8-A/A	Filed on January 23, 1998
Registration Statements on Form S-4	
Rawlings	Filed January 17, 2003; Amendment No. 1 filed February 25, 2003
Brass Eagle	Filed November 4, 2003; Amendment No. 1 filed November 28, 2003

All additional documents that K2 may file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the earlier of the effective time of the merger and the termination of the Merger Agreement, shall also be deemed to be incorporated by reference.

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K2 has supplied all information contained or incorporated by reference in this prospectus relating to K2.

You can obtain any of the documents incorporated by reference through K2, the SEC or the SEC's Internet web site as described above. Documents incorporated by reference are available from K2 without charge, excluding all exhibits, unless K2 has specifically incorporated by reference an exhibit in this prospectus. Stockholders may obtain documents incorporated by reference in this prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses:

K2 Inc.

Attention: Investor Relations

2051 Palomar Airport Road

Carlsbad, California 92009

(760) 494-1000

If you would like to request documents from us, please do so by December 13, 2003 to receive them before the initial expiration of the exchange offer. If you request any incorporated documents from K2, we will mail them to you by first-class mail, or other equally prompt means, within one business day of receipt of your request.

You should rely only on the information contained or incorporated by reference in this prospectus to make your decision regarding the tender of shares. K2 and Fotoball USA have not authorized anyone to provide you with information that is different from what is contained in this prospectus. This prospectus is dated December 10, 2003, and was first mailed to stockholders on December 10, 2003. You should not assume that the information contained in the prospectus is accurate as of any date other than that date, and neither the mailing of this prospectus to the stockholders nor the issuance of K2 shares in the offer or the merger shall create any implication to the contrary.

Miscellaneous

The offer is being made solely by this prospectus and the related letter of transmittal and is being made to holders of all outstanding shares of Fotoball USA common stock. We are not aware of any jurisdiction where the making of the offer is prohibited by any administrative or judicial action or pursuant to any valid state statute. If we become aware of any valid state statute prohibiting the making of the offer or the acceptance of shares pursuant thereto, we will make a good faith effort to comply with any such state statute. If, after making a good faith effort, we cannot comply with that state statute, the offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares in that state. In any jurisdiction where the securities, blue sky or other laws require the offer to be made by a licensed broker or dealer, the offer shall be deemed to be made on our behalf by one or more registered brokers or dealers licensed under the laws of that jurisdiction. No person has been authorized to give any information or make any representation on behalf of K2 not contained in this prospectus or in the letter of transmittal, and if given or made, such information or representation must not be relied upon as having been authorized.

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**UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL INFORMATION**

K2's recent acquisition of Rawlings was, and its proposed acquisition of Brass Eagle will be accounted for as a purchase. K2 has presented below unaudited pro forma condensed combined financial information that reflects the acquisition of Rawlings and the proposed acquisition of Brass Eagle. This information is intended to give you a better picture of what the businesses of K2 combined with the recent merger with Rawlings and the proposed merger with Brass Eagle might have looked like if each of the respective mergers had occurred on January 1, 2002, the first day of the first period for which financial information is presented.

The unaudited pro forma condensed combined statement of income for the year ended December 31, 2002 combines the K2 consolidated statement of income for the year ended December 31, 2002, the Rawlings statement of income for the twelve month period ended November 30, 2002 and the Brass Eagle statement of income for the year ended December 31, 2002 to reflect K2's recent merger with Rawlings and the proposed merger with Brass Eagle.

The unaudited pro forma condensed combined statement of income for the nine months ended September 30, 2003 combines the K2 consolidated statement of income for the nine months ended September 30, 2003, the Rawlings statement of income for the three month period ended February 28, 2003 and the Brass Eagle statement of income for the nine months ended September 30, 2003 to reflect K2's recent merger with Rawlings and the proposed merger with Brass Eagle.

The unaudited pro forma condensed combined balance sheet has been prepared as of September 30, 2003, giving effect to the proposed merger with Brass Eagle as though it had been consummated on that date. For purposes of the pro forma presentation, the excess of the purchase price over the fair value of the assets acquired and liabilities assumed related to the Brass Eagle transaction is preliminarily reflected as goodwill. A separate determination will be made in the 2003 fourth quarter following the completion of the merger regarding whether any intangible assets have been acquired that should be recognized apart from goodwill. The unaudited combined balance sheet reflects those separately identifiable intangible assets acquired in the Rawlings transaction.

This unaudited pro forma financial information presented is based on the assumptions and adjustments described in the accompanying notes. The unaudited pro forma condensed combined statement of income does not purport to represent what our results of operations actually would have been if the events described above had occurred as of the dates indicated or what such results would be for any future periods. The unaudited pro forma condensed combined financial statements are based upon assumptions and adjustments that we believe are reasonable. Assumptions regarding the value of K2 common stock are based on a five day average of the last reported sale price of K2's stock on the New York Stock Exchange from October 20, 2003 through October 24, 2003. The unaudited pro forma financial statements, and the accompanying notes, should be read in conjunction with the historical financial statements and related notes of K2, Rawlings and Brass Eagle included in the applicable company's annual report on Form 10-K and quarterly reports on Form 10-Q incorporated by reference in this prospectus. See [Where You Can Find Additional Information](#) on page 77.

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

As of September 30, 2003

(in thousands)

	Historical		Adjustments	Combined
	K2	Brass Eagle		
	As of	As of		
	September 30, 2003	September 30, 2003		
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 14,615	\$ 171		\$ 14,786
Accounts receivable, net	176,922	22,775		199,697
Inventories, net	200,756	25,405	2,085(2)	228,246
Deferred Income Tax	37,975	1,956		39,931
Prepaid expenses and other current assets	12,903	613		13,516
	<u>443,171</u>	<u>50,920</u>	<u>2,085</u>	<u>496,176</u>
Property, plant and equipment, net	76,078	15,670		91,748
Intangibles, including goodwill, net	127,444	32,284	(32,284)(1)	173,827
			46,383(1)	
Other assets	13,085	809	(144)(2)	13,750
	<u>13,085</u>	<u>809</u>	<u>(144)(2)</u>	<u>13,750</u>
Total Assets	<u>\$ 659,778</u>	<u>\$ 99,683</u>	<u>16,040</u>	<u>775,501</u>
LIABILITIES AND SHAREHOLDERS EQUITY				
Current Liabilities				
Bank loans	8,116	1,800		9,916
Accounts payable	52,004	12,294	4,471(1)	68,769
Accrued Liabilities	83,923	5,309		89,232
Current portion of long-term debt	6,667	5,600		12,267
	<u>150,710</u>	<u>25,003</u>	<u>4,471</u>	<u>180,184</u>
Total current liabilities	150,710	25,003	4,471	180,184
Long-term Debt	35,079	4,200		39,279
Long-term Pension Liabilities and Other Liabilities	12,553	754		13,307
Deferred Taxes	18,952	2,913		21,865
Convertible subordinated debentures	97,951			97,951
Shareholders' Equity				
Common Stock	29,017	77	(77)(1)	33,538
			4,521(1)	
Additional paid-in capital	231,004	27,283	(27,283)(1)	304,865
			71,025(1)	
			2,836(1)	
Retained earnings	105,465	40,729	(40,729)(1)	105,465
	(1,206)			(1,206)

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Employee Stock Ownership Plan and stock option loans				
Treasury shares	(9,117)	(1,276)	1,276(1)	(9,117)
Accumulated other comprehensive loss	(10,630)			(10,630)
Total Shareholders Equity	<u>344,533</u>	<u>66,813</u>	<u>11,569</u>	<u>422,915</u>
Total Liabilities and Shareholders Equity	<u>\$ 659,778</u>	<u>\$ 99,683</u>	<u>\$ 16,040</u>	<u>\$ 775,501</u>

See accompanying notes to unaudited pro forma condensed combined financial statements

For explanations of pro forma adjustments, see below

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**

(in thousands, except per share data)

For the twelve months ended

	K2		Adjustments (b)	Pro	Brass Eagle		Pro
	December 31,	Rawlings		forma	December 31,	Pro	
	2002	November 30, 2002 (a)		Combined	2002	forma	
Net sales	\$ 582,159	\$ 170,278		\$ 752,437	\$ 104,923		\$ 857,360
Cost of products sold	411,620	121,999		533,619	63,918		597,537
Gross profit	170,539	48,279		218,818	41,005		259,823
Selling expenses	86,394	29,392		115,786	16,346		132,132
General and administrative expenses	56,862	11,196	1,200 (3)	69,258	8,516		77,774
Operating income	27,283	7,691	(1,200)	33,774	16,143		49,917
Interest expense	8,966	2,351		11,317	1,456		12,773
Other income, net	(253)			(253)			(253)
Income before provision for income taxes	18,570	5,340	(1,200)	22,710	14,687		37,397
Provision for income taxes	6,500	1,853	(420)(4)	7,933	5,016		12,949
Net income	\$ 12,070	\$ 3,487	\$ (780)	\$ 14,777	\$ 9,671	\$	\$ 24,448
Basic earnings per share:							
Net income	\$ 0.67	\$ 0.43		\$ 0.55	\$ 1.35		\$ 0.78
Diluted earnings per share:							
Net income	\$ 0.67	\$ 0.43		\$ 0.55	\$ 1.30		\$ 0.77
Basic shares outstanding	17,941	8,117	687 (5)	26,745	7,189	(2,668)(5)	31,266
Diluted shares outstanding	17,994	8,146	898 (5)	27,038	7,461	(2,924)(5)	31,575

- (a) Statement of income information of Rawlings for the twelve month period ended November 30, 2002 was derived by combining amounts for the year ended August 31, 2002 with the quarter ended November 30, 2002 and deducting the amounts for the quarter ended November 30, 2001 as follows:

Three		Twelve		Three		Twelve
months ended	+	months ended	-	months ended	=	months ended
November		August 31,		November		November
30,		2002		30,		30,
2002				2001		2002

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Net sales	\$ 29,974	\$ 173,712	\$ 33,408	\$ 170,278
Operating income (loss)	(511)	7,618	(584)	7,691
Net income (loss)	\$ (658)	\$ 3,347	\$ (798)	\$ 3,487

- (b) Pro forma adjustments to the financial statements do not reflect potential cost saving opportunities, including the elimination of duplicative selling, general and administrative expenses.

See accompanying notes to unaudited pro forma condensed combined financial statements

For explanations of pro forma adjustments, see below

Table of Contents**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**

For the nine months ended September 30, 2003

(in thousands, except per share data)

	Historical						
	K2	Rawlings				Brass Eagle	
	Nine months	Three				Nine months	
	ended	months				ended	Pro
September 30,	ended				September 30,	forma	
2003	February 28,	Pro				September 30,	forma
2003	2003	forma	Combined	2003	Adjustments (a)	Combined	
Net sales	\$ 524,754	\$ 61,013		\$ 585,767	\$ 62,670		\$ 648,437
Cost of products sold	362,524	42,741		405,265	41,008		446,273
Gross profit	162,230	18,272		180,502	21,662		202,164
Selling expenses							
General and administrative expenses	135,627	10,724	300 (3)	146,651	18,047		164,698
Operating income	26,603	7,548	(300)	33,851	3,615		37,466
Interest expense	7,248	686		7,934	804		8,738
Debt extinguishment costs	6,745			6,745			6,745
Other income, net	(1,654)			(1,654)			(1,654)
Income before provision for income taxes	14,264	6,862	(300)	20,826	2,811		23,637
Provision for income taxes	4,992	2,502	(105)(4)	7,389	1,067		8,456
Net income	\$ 9,272	\$ 4,360	\$ (195)	\$ 13,437	\$ 1,744	\$	\$ 15,181
Basic earnings per share:							
Net income	\$ 0.39	\$ 0.54	\$	\$ 0.51	\$ 0.24	\$	\$ 0.49
Diluted earnings per share:							
Net income	\$ 0.38 (b)	\$ 0.52	\$	\$ 0.48(b)	\$ 0.23	\$	\$ 0.47 (b)
Basic shares outstanding	23,576	8,148	(5,216)(5)	26,508	7,381	(2,860)(5)	31,029
Diluted shares outstanding	26,623 (b)	8,317	(5,278)(5)	29,662(b)	7,567	(3,018)(5)	34,211 (b)

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- (a) Pro forma adjustments to the financial statements do not reflect potential cost saving opportunities, including the elimination of duplicative selling, general and administrative expenses.
 - (b) For the nine month period ended September 30, 2003, diluted shares outstanding and diluted earnings per share include the dilutive impact of 2.3 million shares of common stock issuable upon conversion of K2's \$100 million of convertible subordinated debentures and \$1.1 million of related interest expense (\$0.7 million, net of taxes) on the assumed conversion of the debentures, respectively.

See accompanying notes to unaudited pro forma condensed combined financial statements

For explanations of pro forma adjustments, see below

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**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL INFORMATION**

Basis of Presentation

The unaudited pro forma condensed combined statement of income for the year ended December 31, 2002 combines the K2 consolidated statement of income for the year ended December 31, 2002, the Rawlings statement of income for the twelve month period ended November 30, 2002 and the Brass Eagle statement of income for the year ended December 31, 2002 to reflect K2's recent merger with Rawlings and the proposed merger with Brass Eagle.

The unaudited pro forma condensed combined statement of income for the nine months ended September 30, 2003 combines the K2 consolidated statement of income for the nine months ended September 30, 2003, the Rawlings statement of income for the three month period ended February 28, 2003 and the Brass Eagle statement of income for the nine months ended September 30, 2003 to reflect K2's recent merger with Rawlings and the proposed merger with Brass Eagle.

The unaudited pro forma condensed combined balance sheet has been prepared as of September 30, 2003, giving effect to the proposed merger with Brass Eagle as though it had been consummated on that date. For purposes of the pro forma presentation, the excess of the purchase price over the fair value of the assets acquired and liabilities assumed related to the proposed transaction is reflected as goodwill. A separate determination will be made in the 2003 fourth quarter following the completion of the merger regarding whether any intangible assets have been acquired that should be recognized apart from goodwill.

The pro forma condensed combined financial statements included herein have been prepared by K2, without audit, under the rules and regulations of the SEC. Some information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted under these rules and regulations. However, K2 believes that the disclosures are adequate to make the information presented not misleading.

The preparation of unaudited pro forma condensed combined financial statements in conformity with accounting principles generally accepted in the United States 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 unaudited pro forma condensed combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pro Forma Income Per Share

The pro forma combined net income per share is based on the weighted average number of common shares and the dilutive impact of stock options outstanding of K2 with additional shares of K2 common stock issued at the beginning of the period presented based upon approximately 8.8 million shares of K2 stock issued in exchange for shares of Rawlings upon completion of the merger on March 26, 2003, and approximately 4.5 million additional shares of K2 common stock issued at the beginning of the period presented for shares of Brass Eagle upon the completion of the proposed merger on or about December 10, 2003.

Merger Related Expenses of K2 and Brass Eagle

K2 estimates that it will incur merger-related expenses, consisting primarily of transaction costs for investment banker fees, attorneys, accountants, financial printing and other related charges, of approximately \$4.4 million. This estimate is preliminary and is therefore subject to change. These nonrecurring costs are added to the purchase price of the acquisition and considered in the calculation of goodwill.

Table of Contents**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED****FINANCIAL INFORMATION (Continued)****Adjustments to Pro Forma Statements**

- (1) Reflects adjustments to assets and liabilities assumed based on their estimated fair values, to eliminate the historical Brass Eagle shareholders' equity accounts and intangible assets, record the issuance of K2 common stock and stock options and accrue for the related merger costs under the purchase method of accounting. The allocation of the aggregate purchase cost below is preliminary and assumes that the excess purchase price will be entirely allocated to goodwill as K2 has no basis to allocate excess purchase price to identifiable intangibles. No portion of the excess purchase price is being amortized in the pro forma information contained herein. The final purchase price allocation, which is expected to be completed following the closing of the merger and managements' final evaluation of such assets and liabilities, could include identifiable intangible assets with finite and indefinite lives separate from goodwill. Should there be assets with finite lives, those assets would be subject to amortization resulting in additional amortization expense. The allocation of purchase cost and the resulting effect on net income or loss may differ significantly from the pro forma amounts included herein.

	September 30, 2003
	(in thousands)
Purchase price	\$ 78,382
Merger related expenses	4,471
Aggregate merger cost	82,853
Less: Estimated fair value of net tangible assets acquired.	(36,470)
Excess of cost over preliminary estimate of fair value of net tangible assets acquired	\$ 46,383

The purchase price assumes a \$16.71 share price for K2 common stock at the time of the merger. This assumption is based on a five day average of the last reported sale price of K2 common stock on the New York Stock Exchange from October 20, 2003 through October 24, 2003.

The preliminary estimate of K2 shares issued and stock options is based on the estimated number of shares of common stock of Brass Eagle outstanding at the time of the merger, as well as Brass Eagle stock options outstanding which will become fully vested and immediately exercisable at the time of the merger.

Table of Contents**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED****FINANCIAL INFORMATION (Continued)**

The adjustment to shareholders' equity is based on the pro forma capitalization of K2 as follows:

	(in thousands)
Brass Eagle common shares outstanding	7,490
Exchange ratio	0.6036
<hr/>	
Shares of K2 common stock	4,521
Multiplied by: Assumed stock price	\$ 16.71
<hr/>	
Assumed value of K2 stock to be issued for Brass Eagle common shares outstanding (a)	\$ 75,546
Outstanding Brass Eagle stock options	604
Exchange ratio	0.6036
<hr/>	
Options to purchase shares of K2 common stock	365
Multiplied by: Fair value of stock options based on Black-Scholes estimate*	\$ 7.77
<hr/>	
Assumed value of K2 stock options to be issued for stock options outstanding (b)	\$ 2,836
Assumed value of K2 stock and stock options to be issued for Brass Eagle common shares and stock options outstanding (a + b)	\$ 78,382
Less: Historical Brass Eagle shareholders' equity at September 30, 2003	(66,813)
<hr/>	
Total adjustment to shareholders' equity	\$ 11,569
<hr/>	

* Black-Scholes estimate based on the following assumptions: (1) risk free interest rate of 2.70%, (2) volatility of K2 common stock of 0.428, (3) expected life of four years, (4) weighted average exercise price of \$12.64 and (5) stock price at grant date of \$16.71.

- (2) Preliminary pro forma adjustments were made to adjust Brass Eagle's assets and liabilities to fair market value at September 30, 2003. The adjustments consisted of (a) increasing inventories by \$2.1 million to reflect the inventory at its fair market value, net of costs of disposal and a reasonable profit for the remaining selling effort and (b) an adjustment of \$0.1 million consisting of the write-off of capitalized debt costs, to reflect the debt to be assumed at its fair value which is expected to be paid off in connection with the merger.

The increase to inventory values will result in cost of goods sold being higher when the related inventories are sold in future periods after the merger is completed.

No pro forma adjustments have been made to reflect any cost savings that could be realized as the result of the merger of the two companies.

- (3) Pro forma adjustment reflects K2's additional amortization expense based on the identified intangible assets acquired with finite lives resulting from the merger with Rawlings on March 26, 2003.

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- (4) Pro forma adjustment reflects the decrease in income tax expense as the result of the pro forma adjustment above.

Table of Contents**NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED****FINANCIAL INFORMATION (Continued)**

- (5) Pro forma adjustments were made to the number of basic and diluted shares outstanding based on the number of shares of K2 common stock and stock options (under the treasury stock method) that were issued in connection with the merger with Rawlings on March 26, 2003 and based on the preliminary number of shares of K2 common stock and stock options (under the treasury stock method) that are expected to be issued in connection with the merger with Brass Eagle on or about December 10, 2003, based on the number of Brass Eagle shares of common stock and stock options outstanding at an exchange ratio of 0.6036 of a share of K2 common stock for each Brass Eagle share.

	Year Ended	For the
	December 31,	Nine Months
	2002	Ended
	2002	September 30,
	2003	2003
Basic:		
Weighted average shares of K2 common stock issued for Rawlings shares	8,804	2,932(a)
Less: elimination of Rawlings shares	(8,117)	(8,148)
	<u>687</u>	<u>(5,216)</u>
Pro forma adjustment	687	(5,216)
	<u>4,521</u>	<u>4,521</u>
Shares of K2 common stock to be issued for Brass Eagle shares	4,521	4,521
Less: elimination of Brass Eagle shares	(7,189)	(7,381)
	<u>(2,668)</u>	<u>(2,860)</u>
Pro forma adjustment	(2,668)	(2,860)
Diluted:		
Weighted average shares of K2 common stock issued for Rawlings shares	8,804	2,932
Options to purchase K2 common stock under the treasury stock method	240	107
Less: elimination of Rawlings shares	(8,146)	(8,317)
	<u>898</u>	<u>(5,278)</u>
Pro forma adjustment	898	(5,278)
	<u>4,521</u>	<u>4,521</u>
Shares of K2 common stock to be issued for Brass Eagle shares	4,521	4,521
Options to purchase K2 common stock under the treasury stock method	16	28
Less: elimination of Brass Eagle shares	(7,461)	(7,567)
	<u>(2,924)</u>	<u>(3,018)</u>
Pro forma adjustment	(2,924)	(3,018)

- (a) Amount represents the impact on weighted average shares for the period resulting from the issuance of approximately 8.8 million shares of K2 common stock for Rawlings shares on March 26, 2003.

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ANNEX A

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

DATED AS OF NOVEMBER 25, 2003

AMONG

K2 INC.

FOTOBALL USA, INC.

AND

BOCA ACQUISITION SUB, INC.

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