

K2 INC
Form S-4/A
January 05, 2004
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As filed with the Securities and Exchange Commission on January 5, 2004

Registration No. 333-111048

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

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.)

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

2051 Palomar Airport Road

Carlsbad, California 92009

(760) 494-1000

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(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:

Bradford P. Weirick

Gibson, Dunn & Crutcher LLP

333 South Grand Avenue

Los Angeles, California 90071-3197

(213) 229-7000

Charles I. Weissman

Swidler Berlin Shereff Friedman, LLP

405 Lexington Avenue, 12th Floor

New York, New York 10174

(212) 973-0111

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. "

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 MAY BE CHANGED OR AMENDED. WE MAY NOT COMPLETE THE EXCHANGE OFFER AND ISSUE 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 FRIDAY, JANUARY 9, 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 39.

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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 or if we exercise our option to purchase additional shares directly from Fotoball USA to reach the 90% threshold, 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, as amended on January 5, 2004.

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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 79. 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 FRIDAY, JANUARY 2, 2004.**

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 79.

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, certain assets and liabilities of Winter Quest LLC on October 17, 2003 and Brass Eagle Inc. (Brass Eagle) on December 11, 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 39.

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 52.

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 39.

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 Friday, January 9, 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. 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 or if we exercise our option to purchase additional shares directly from Fotoball USA to reach the 90% threshold, the merger can be accomplished without any vote under applicable law. We intend to exercise the option if more than approximately 85%, but less than 90%, of the outstanding Fotoball USA shares have been tendered pursuant to the offer.

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 33,381,814 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 42.

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 79.

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. We acknowledge, however, that the safe harbor for forward-looking statements under Section 27A of the Securities Act of 1933, as amended (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. The forward-looking statements contained in these materials 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 35)

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 35)

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 35)

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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 Friday, January 9, 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 39)

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 35)

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 36)

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 37)

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 37. 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 39)

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 39)

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 55)

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 65)

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 66)

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 42)

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 47)

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 44)

Under Delaware law, you will not have any appraisal rights in connection with the offer. However, appraisal rights will be available in connection with a short-form merger that is not subject to Fotoball USA stockholder approval, provided that you follow the procedures described under *The Offer Appraisal Rights* on page 44.

Accounting Treatment (Page 49)

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 50)

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 69)

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, certain assets and liabilities of Winter Quest LLC on October 17, 2003 and Brass Eagle on December 11, 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.

Recent Developments

K2 has received notice from two multi-employer, union-sponsored pension funds that Rawlings, a wholly-owned subsidiary, has incurred a withdrawal liability of approximately \$2 million related to a plant closure of a manufacturing facility in Ava, Missouri. The plant closure was initiated beginning in the fourth calendar quarter of 2002 and completed in the first half of 2003. The acquisition of Rawlings was accounted for

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under the purchase method of accounting, and accordingly the purchased assets and liabilities assumed were recorded at their estimated fair values at the date of acquisition. The pension liability was recorded by K2 in the 2003 fourth quarter when K2 finalized the estimate of the liability, and therefore K2 treated the liability as an adjustment to the fair value of the purchased assets and liabilities assumed on March 26, 2003, the date of the Rawlings acquisition.

Questions About the Offer and Subsequent Merger

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 79. 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 78.

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.

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(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 Brass Eagle on December 11, 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 mergers with Rawlings on March 26, 2003 and with Brass Eagle on December 11, 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 81. 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	
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 was completed on December 11, 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 81.

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 on December 11, 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 79.

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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 79 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.

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.

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

Although K2 and Fotoball 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 Fotoball 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.

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

In considering the recommendation of the Fotoball USA board of directors that Fotoball USA stockholders tender their shares in the offer, Fotoball USA stockholders should recognize that some of Fotoball USA's directors and officers have interests in the offer and the merger that differ from, or are in addition to, their interests as Fotoball 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 50.

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. Three members of Fotoball USA's management are currently bound by employment agreements that could serve as a disincentive to their departure from the combined company, although there can be no assurance that such disincentive will prevent their departure. 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 65.

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 69. 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. Among the strategic alternatives to be considered by the special committee were Fotoball USA remaining as an independent public company, pursuing a sale of Fotoball USA to a third party, combining Fotoball USA's operations with those of one or more third parties or raising additional financing to expand Fotoball USA's business. 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.

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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.

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 USA 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 USA 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 begin negotiating an exclusivity agreement with K2; however, the Fotoball USA special committee instructed Imperial and Swidler Berlin to report back to it prior to committing to enter into any such agreement.

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 decreased projected fourth quarter performance on November 3, 2003, Mr. Heckmann informed Mr. Reese that K2's offer was reduced 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. Please see "Additional Factors for Consideration by Fotoball USA Stockholders - Certain Fotoball USA Financial Projections" on page 32.

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 revenue was 8% lower than what had been projected on November 3, 2003, and its net loss was 37% higher than what had been projected on November 3, 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. Please see "Additional Factors for Consideration by Fotoball USA Stockholders - Certain Fotoball USA Financial Projections" on page 32.

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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 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

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entertainment souvenir and promotional product categories and has developed in-house licensing expertise and co-branding experience. The acquisition of this industry leader expands K2's marketing and licensing capabilities.

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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 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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Certain Fotoball USA Financial Projections

K2 has been advised by Fotoball USA that it does not, as a matter of course, make public forecasts or projections as to its future financial results. However, in connection with K2's analysis of the offer and the merger, Fotoball USA's management provided K2 with forecasted results of operations for Fotoball USA for fiscal years 2003 and 2004. These forecasts were part of the available overall mix of information considered by K2 in connection with its analysis of the transactions and accordingly, a summary of these forecasts is being included herein. The inclusion of these forecasts should not be regarded as a representation by K2, Fotoball USA or any other entity or person that the forecasted results will be achieved, and none of such persons or entities can guarantee the accuracy of such information. Further, the inclusion of these forecasts is not an indication that K2 believes that such forecasts are material to Fotoball USA stockholders' assessment of the offer.

Fotoball USA did not prepare these forecasts with a view to public disclosure or with a view toward complying with the guidelines established by the SEC or the American Institute of Certified Public Accountants with respect to forecasted financial information. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this document are cautioned not to place undue reliance on the forecasted financial information. Neither Fotoball USA's independent auditors, nor any other independent auditors, have compiled, examined or performed any procedures with respect to the forecasted financial information contained herein, nor have they expressed any opinion or any form of assurance on such information or its achievability. Because forecasts of this type are based on a number of significant assumptions, judgments, uncertainties and contingencies, all of which are difficult or impossible to predict accurately and most of which are beyond Fotoball USA's control, K2 believes that there is substantial doubt as to whether the projected financial results presented in the forecasts will be realized. Indeed, it is expected that there will be differences between actual and forecasted results, and actual results may vary materially from those contained in such forecasts.

K2 understands and was advised by Fotoball USA that these forecasts which were prepared on or about November 3, 2003, are forward-looking statements and are based on then-current expectations, forecasts and assumptions of Fotoball USA's management, and involve risks, trends and uncertainties, most of which are beyond Fotoball USA's control, that could cause actual outcomes to differ materially from those forecasted. Such risks, trends and uncertainties include the inability to obtain material cost of sales reductions, sufficient operational efficiencies from its use of technology and to secure new promotions, general economic conditions, competition, price conditions or trends for Fotoball USA's products. These and other risks are described in the reports and other documents filed by Fotoball USA with the SEC. Fotoball USA has not undertaken any updates with respect to these forecasts since they were originally prepared on or about November 3, 2003, and neither K2 nor Fotoball USA undertakes any responsibility to update the forecasts.

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(Dollars in Thousands)

2004 Profit and Loss Projection vs. 2003 Forecast

	Full Year 2004 Projection(1)	Full Year 2003 Forecast
Sales	\$ 33,800	\$ 31,604
Cost of sales	19,916	18,802
Gross profit	13,884	12,802
Operating expenses		
Royalties	2,873	2,695
Sales and marketing	4,126	4,379
General and administrative	5,141	6,134
Depreciation and amortization	601	501
Total operating expenses	12,741	13,709
Income (loss) from operations	1,143	(907)
Other income (expense)	(10)	(10)
Pre-tax income (loss)	1,153	(897)
Income tax (benefit)	462	(359)
Net income (loss)	\$ 691	\$ (538)

(1) Assumes Fotoball USA is operated as a division of K2 and is not a public company.

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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 75.

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 40. 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 39.

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 or if we exercise our option to purchase additional shares directly from Fotoball USA to reach the 90% threshold, we may effect this merger without the approval of Fotoball USA stockholders, as permitted under Delaware law. See Approval of the Merger on page 44. We intend to exercise the option if more than approximately 85%, but less than 90%, of the outstanding Fotoball USA shares have been tendered pursuant to the offer.

When we refer to the expiration of the offer, we mean 12:00 midnight, New York City time, on Friday, January 9, 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 Friday, January 9, 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 37. 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 36, 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 36 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 be deemed to have been validly made until all defects and irregularities in tenders of those shares have been

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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 36.

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 36 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.

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

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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 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 50.

Fotoball USA Actions

Fotoball USA shall have received consents/amendments to the transactions contemplated by the Merger Agreement pursuant to certain of Fotoball USA's contracts, including license agreements with key licensors and the lease agreement for Fotoball USA's headquarters.

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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 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 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 Fotoball 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 Fotoball 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 Fotoball USA common stock, including, without limitation, the right to vote the shares of Fotoball USA common stock purchased by them on all matters properly presented to Fotoball 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 Fotoball 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 Fotoball 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 Fotoball USA, or of K2 and its subsidiaries or (v) imposes damages on K2, Fotoball 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, Fotoball 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 Fotoball 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 Fotoball USA or (ii) (A) the representations and warranties of Fotoball 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 Fotoball 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) Fotoball 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;

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

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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 we shall have terminated the offer after Fotoball USA shall have agreed to permit us to do so.

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;

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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;

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

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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 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.

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

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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. K2 intends to exercise its option if more than approximately 85%, but less than 90%, of the outstanding Fotoball USA shares have been tendered pursuant to the offer.

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 or exercises its option to acquire additional shares directly from Fotoball USA to reach the 90% threshold, 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 39.

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.

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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 asset