

K2 INC
Form S-4
November 04, 2003
Table of Contents

As filed with the Securities and Exchange Commission on November 4, 2003

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4 REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

K2 INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

3949
(Primary Standard Industrial
Classification Code No.)

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

2051 Palomar Airport Road
Carlsbad, California 92009
(760) 494-1000

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

Edgar Filing: K2 INC - Form S-4

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

Craig R. Martahus

Thompson Hine LLP

3900 Key Center 127 Public Square

Cleveland, Ohio 44114-1291

(216) 566-5500

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered (1)	Amount To Be Registered (2)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price (3)	Amount of Registration Fee
Common Stock, par value \$1.00 per share	4,880,733	N/A	\$79,485,763.37	\$6,430.40

- (1) Includes associated preferred share rights to purchase shares of the Registrant's common stock pursuant to the Registrant's shareholder rights plan, which rights are not currently separable from the shares of common stock and are not currently exercisable.
- (2) Based on the maximum number of shares of Registrant common stock issuable in the offer and the merger. The maximum number of 4,880,733 equals the sum of (i) 4,521,229, the product of (a) 7,490,439, the total number of shares of Brass Eagle Inc. common stock outstanding as of November 3, 2003 and (b) 0.6036 and (ii) 359,504, the product of (a) 595,600, the number of outstanding options to purchase shares of Brass Eagle common stock and (b) 0.6036.
- (3) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) and 457(c) under the Securities Act of 1933, based upon the product of \$9.83, representing the average of the high and low sale prices of the Brass Eagle Inc. common stock as reported on the Nasdaq National Market System on October 31, 2003, and 8,086,039, representing the maximum number of shares of Brass Eagle Inc. to be acquired by Registrant in the offer and the merger.

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

Table of Contents

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

OFFER BY K2 INC.

to

Exchange 0.6036 of a Share of Common Stock

(Including the Associated Preferred Share Purchase Rights)

of

K2 Inc.

for

Each Outstanding Share of Common Stock

of

Brass Eagle Inc.

THIS OFFER, AND YOUR RIGHT TO WITHDRAW SHARES OF BRASS EAGLE COMMON STOCK YOU TENDER INTO THIS OFFER, WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, DECEMBER 8, 2003, UNLESS WE EXTEND THIS OFFER.

We are offering to exchange 0.6036 of a share, including the associated preferred share purchase rights, of common stock of K2 Inc. (K2) for each outstanding share of common stock of Brass Eagle Inc. (Brass Eagle), 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 October 22, 2003, by and among K2, Cabe Acquisition Sub, Inc. (Acquisition Sub) and Brass Eagle. The board of directors of Brass Eagle has (i) adopted the Merger Agreement and approved the transactions contemplated thereby, including this offer, and (ii) recommended that holders of Brass Eagle common stock accept this offer and tender their Brass Eagle common stock to K2 pursuant to this offer. Charter Oak Partners, the largest stockholder of Brass Eagle, holding approximately 49.06% of the outstanding common stock of Brass Eagle, has agreed to tender its Brass Eagle 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 Brass Eagle 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.

After completion of the offer, K2 will cause Brass Eagle to complete a merger with Acquisition Sub, in which each outstanding share of Brass Eagle common stock (except for shares held by Brass Eagle, K2 or Acquisition Sub) will be converted into the right to receive shares 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 Brass Eagle common stock, we may effect this merger without the approval of Brass Eagle stockholders, as permitted under Delaware law.

K2 is not asking Brass Eagle stockholders for a proxy at this time and Brass Eagle 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. Brass Eagle common stock is traded on the Nasdaq National Market System under the symbol XTRM.

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 November 4, 2003 and it will be distributed on or about November 4, 2003.

Table of Contents**TABLE OF CONTENTS**

	<u>Page</u>
<u>QUESTIONS AND ANSWERS ABOUT THE OFFER</u>	
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	1
<u>SUMMARY</u>	3
<u>The Offer</u>	3
<u>The Companies</u>	8
<u>Selected Consolidated Historical Financial Information of K2 and Brass Eagle</u>	10
<u>Selected Unaudited Pro Forma Condensed Combined Financial Information</u>	14
<u>Unaudited Comparative Per Share Information</u>	15
<u>Comparative Per Share Market Price and Dividend Information</u>	17
<u>Recent Closing Prices</u>	18
<u>RISK FACTORS</u>	19
<u>Risk Factors Relating to the Offer and the Subsequent Merger</u>	19
<u>Risks Factors and Trends Relating to K2 and the Combined Company</u>	21
<u>BACKGROUND AND REASONS FOR THE OFFER AND SUBSEQUENT MERGER</u>	27
<u>Background of the Offer and Subsequent Merger</u>	27
<u>Additional Factors for Consideration by Brass Eagle Stockholders</u>	31
<u>RECOMMENDATION OF BRASS EAGLE'S BOARD OF DIRECTORS</u>	33
<u>THE OFFER</u>	34
<u>Exchange of Shares of Brass Eagle Common Stock</u>	34
<u>Timing of the Offer</u>	34
<u>Extension, Termination and Amendment</u>	35
<u>Procedure for Tendering Shares</u>	36
<u>Withdrawal Rights</u>	37
<u>Subsequent Offering Period</u>	38
<u>Effect of a Tender of Shares</u>	38
<u>Delivery of Shares of K2 Common Stock</u>	38
<u>Cash Instead of Fractional Shares of K2 Common Stock</u>	39
<u>Conditions of the Offer</u>	39
<u>Material U.S. Federal Income Tax Consequences</u>	42
<u>Transferability of Shares of K2 Common Stock</u>	43
<u>Approval of the Merger</u>	44
<u>Appraisal Rights</u>	44
<u>CERTAIN LEGAL MATTERS AND REGULATORY APPROVALS</u>	47
<u>Regulatory Approvals</u>	47
<u>Non-U.S. Approvals</u>	47
<u>State Takeover Laws</u>	47
<u>CERTAIN EFFECTS OF THE OFFER</u>	48
<u>Effects on the Market; Exchange Act Registration</u>	48
<u>Financing of the Offer</u>	49
<u>Conduct of Brass Eagle if the Offer is Not Completed</u>	49
<u>Plans and Proposals for Brass Eagle Following Completion of the Merger</u>	49
<u>Accounting Treatment</u>	49
<u>Fees and Expenses</u>	49
<u>INTERESTS OF CERTAIN PERSONS IN THE OFFER AND SUBSEQUENT MERGER</u>	50
<u>Interests of Management and the Brass Eagle Board</u>	50
<u>Certain Agreements between Charter Oak Partners and K2</u>	53

Table of Contents

TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>THE MERGER AGREEMENT</u>	55
<u>The Offer</u>	55
<u>The Merger</u>	56
<u>Representations and Warranties</u>	57
<u>Conduct of Business Pending the Merger</u>	58
<u>Preparation of Registration Statement</u>	62
<u>Offers for Alternative Transactions</u>	62
<u>Brass Eagle's Board of Directors Recommendations and Entering into Acquisition Agreement with Third Party</u>	64
<u>Indemnification and Insurance</u>	64
<u>Employee Benefits</u>	65
<u>Other Covenants</u>	65
<u>Conditions to the Offer</u>	66
<u>Conditions to the Merger</u>	66
<u>Termination and Termination Fee</u>	66
<u>Amendment and Waiver</u>	69
<u>Costs and Expenses</u>	69
<u>INFORMATION ABOUT BRASS EAGLE</u>	70
<u>COMPARISON OF RIGHTS OF HOLDERS OF BRASS EAGLE COMMON STOCK AND HOLDERS OF K2 COMMON STOCK</u>	71
<u>ADDITIONAL INFORMATION</u>	78
<u>Legal Matters</u>	78
<u>Experts</u>	78
<u>Where You Can Find Additional Information</u>	78
<u>Miscellaneous</u>	80
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	81
<u>ANNEX A Agreement and Plan of Merger and Reorganization</u>	A-1
<u>ANNEX B Information Concerning the Directors and Executive Officers of K2 and Cabe Acquisition Sub. Inc.</u>	B-1
<u>ANNEX C Section 262 of the Delaware General Corporation Law</u>	C-1
<u>ANNEX D Brass Eagle's Annual Report on Form 10-K for the Year Ended December 31, 2002</u>	D-1
<u>ANNEX E Brass Eagle's Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2003</u>	E-1

Table of Contents

As permitted under the rules of the Securities and Exchange Commission (the SEC), this prospectus incorporates important business and financial information about K2 and Brass Eagle 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 78. 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 e-mail address is xtrm.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 MONDAY, DECEMBER 1, 2003.**

Except as otherwise specifically noted, we, our, us and similar words in this prospectus refer to K2. Acquisition Sub refers to Cabe Acquisition Sub, Inc., a wholly-owned subsidiary of K2. We refer to Brass Eagle Inc. as Brass Eagle.

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 78.

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.

Table of Contents

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. Our 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, 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. Our other recreational products include Planet Earth apparel, Adio and Hawk skateboard shoes, Tubbs and Atlas snowshoes and Hilton corporate casuals. In addition, our 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. We have embarked upon an aggressive strategy to expand our operations and diversify our product offerings within the sporting goods and recreational products industries by seeking to combine with other well-established companies. In pursuing this strategy, we acquired Rawlings Sporting Goods Company, Inc. (Rawlings) on March 26, 2003, Worth, Inc. on September 16, 2003 and Winter Quest LLC, Atlas Snowshoes Company, LLC and Little Bear Snowshoe Company, LLC on October 17, 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 Brass Eagle common stock.

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

- A. If we complete the offer, you will receive 0.6036 of a share, including the associated preferred share purchase rights, of K2 common stock in exchange for each share of Brass Eagle common stock that you validly tender in the offer. We will not issue fractional shares of K2 common stock. Instead, any Brass Eagle stockholder entitled to receive a fractional share of K2 common stock will 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 Brass Eagle Think of the Offer and the Subsequent Merger?

- A. On October 22, 2003, the board of directors of Brass Eagle approved the Merger Agreement, this offer and the merger. The board of directors of Brass Eagle also has recommended that Brass Eagle stockholders tender their shares of Brass Eagle common stock in this offer. The board of directors of Brass Eagle has received a written opinion, dated October 22, 2003, from Wachovia Capital Markets, LLC (Wachovia Securities), the financial advisor to Brass Eagle, 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 Brass Eagle stockholders in the offer and merger is fair, from a financial point of view, to such stockholders. A summary of Wachovia Securities' opinion, including the analyses performed, the bases and methods of arriving at the opinion and a description of Wachovia Securities' investigation and assumptions, is provided in Brass Eagle's Solicitation/Recommendation Statement on Schedule 14D-9 (the Brass Eagle Recommendation Statement), which is being mailed to you together with this prospectus. The full text of Wachovia Securities' written opinion, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to the Brass Eagle Recommendation Statement. For more information about the position of the board of directors of Brass Eagle on the offer, see the Brass Eagle Recommendation Statement.

Table of Contents

Q. What Has Charter Oak Partners, Brass Eagle's Largest Stockholder, Agreed to Do with Respect to the Offer and the Merger?

- A. On October 22, 2003, Charter Oak Partners entered into an Exchange Agreement with K2, pursuant to which it has agreed to tender its Brass Eagle shares in the offer, subject to certain conditions. See *Interests of Certain Persons in the Offer and Subsequent Merger* Certain Agreements Between Charter Oak Partners and K2 Exchange Agreement on page 53.

Q. What are the Potential Benefits of this Offer to Brass Eagle Stockholders?

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

based on the closing prices of shares of K2 common stock and shares of Brass Eagle common stock on October 22, 2003, the last trading day preceding our first announcement of our intention to acquire the outstanding shares of Brass Eagle common stock, the value of shares of Brass Eagle common stock as used in the exchange ratio represented a 22.5% premium over the price of shares of Brass Eagle common stock. On November 3, 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 Brass Eagle common stock, as reported in the consolidated transaction reporting system, were \$16.30 and \$9.90, 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 Brass Eagle on a stand-alone basis; and

you will have the opportunity to continue to share in Brass Eagle'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.

Q. What are Some of the Other Factors You Should Consider in Deciding Whether to Tender Your Shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle, if any, that you may realize if the offer and the merger were not completed and you remained a Brass Eagle stockholder; and

an investment in a company of Brass Eagle'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 Brass Eagle.

We describe various factors Brass Eagle 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 Brass Eagle Stockholders on page 31.

Q. How Do You Participate in the Offer?

Edgar Filing: K2 INC - Form S-4

- 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 Brass Eagle 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.

Table of Contents

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 Brass Eagle common stock and certain shares subject to Brass Eagle 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;

any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), must have expired or been terminated (early termination of the waiting period was granted on October 30, 2003);

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

Brass Eagle and K2 shall have received certain tax opinions;

K2 shall have received from Charter Oak Partners, the largest stockholder of Brass Eagle, an executed non-competition agreement;

Charter Oak Partners shall not have breached any of its obligations under the Exchange Agreement pursuant to which it has agreed to tender its shares in the offer;

Brass Eagle shall have received certain consents to the transactions contemplated by the Merger Agreement and shall have taken certain actions under its deferred compensation plan;

there shall have been no event having a material adverse effect on Brass Eagle and no specified breaches by Brass Eagle 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

Brass Eagle's board of directors shall not have withdrawn its recommendation of the offer.

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 Brass Eagle Common Stock?

A.

Edgar Filing: K2 INC - Form S-4

We will not acquire any shares of Brass Eagle common stock in the offer unless the minimum condition is satisfied. Your failure to tender your shares of Brass Eagle common stock will reduce the likelihood that we will receive tenders of a sufficient number of shares of Brass Eagle common stock to be able to complete the offer. However, in light of the agreement of Charter Oak Partners to tender its shares, subject to the terms of the Exchange Agreement, and the intent of the directors and officers of Brass Eagle to tender their shares in the offer, we believe that it is highly unlikely that the minimum condition will not be satisfied in the offer, unless an event occurs that enables Brass Eagle to terminate the Merger Agreement.

The offer is the first step in our acquisition of Brass Eagle and is intended to facilitate our acquisition of all of the outstanding shares of Brass Eagle common stock. After completion of the offer, we will cause Brass Eagle to complete a merger with Acquisition Sub. The purpose of the merger is to acquire all of the outstanding shares of Brass Eagle common stock not exchanged in the offer. In the merger, each outstanding share of Brass Eagle common stock (except for shares held by Brass Eagle, K2 or Acquisition Sub) will be

Table of Contents

converted into the right to receive shares 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, which would provide appraisal rights for non-tendering stockholders, the only difference to you between tendering your Brass Eagle common stock in the offer and not tendering your Brass Eagle 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 Brass Eagle 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 the fourth quarter of 2003. The offer is currently scheduled to expire on Monday, December 8, 2003. 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 Brass Eagle in the Merger Agreement. After completion of the offer, K2 will cause Brass Eagle to complete a merger with Acquisition Sub, in which each outstanding share of Brass Eagle common stock (except for shares held by Brass Eagle, K2 or Acquisition Sub) will be converted into the right to receive shares 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 Brass Eagle common stock, including because we have exercised our option to purchase shares directly from Brass Eagle, we may effect this merger without the approval of Brass Eagle stockholders, as permitted under Delaware law, which could occur promptly following the completion of the offer. If we complete the offer but own less than 90% of the outstanding shares of Brass Eagle common stock after the offer, and we do not exercise our option to purchase shares directly from Brass Eagle, then the merger will require Brass Eagle stockholder approval, and we will complete the merger after a definitive information statement regarding our written consent as the then majority stockholder of Brass Eagle is distributed to Brass Eagle stockholders. In such circumstances, the consummation of the merger could take several weeks following the completion of the offer.

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

A. Because we are extending the offer directly to Brass Eagle stockholders, Brass Eagle stockholders are not being asked to vote to approve the offer. Approval by Brass Eagle stockholders, however, may be required to approve the merger following the successful completion of the offer. Please note that because the offer can only be completed if we acquire a majority of the outstanding shares of Brass Eagle common stock, once the offer is completed, approval of the merger can be accomplished by the written consent of K2, as the then majority stockholder of Brass Eagle, without the additional votes of any other Brass Eagle stockholder, as permitted by Delaware law. If such written consent for the merger is required under applicable law, Brass Eagle stockholders will receive an information statement at that time. If we own 90% or more of the outstanding common stock of Brass Eagle following completion of the offer, the merger can be accomplished without any vote under applicable law.

Q. What Percentage of the K2 Common Stock Will Current Brass Eagle 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 Brass Eagle common stock into approximately 14% 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 10% on a fully-diluted basis. In general, this assumes that:

approximately 4,900,000 shares of K2 common stock would be issued in the offer and the subsequent merger;

Table of Contents

approximately 28,500,000 shares of K2 common stock are outstanding before giving effect to the completion of the offer and the subsequent merger; and

no Brass Eagle 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 Brass Eagle receive legal opinions from their respective tax counsel 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 Brass Eagle stockholder who, consistent with such opinions, receives his, her or its shares of K2 common stock pursuant to a transaction constituting a reorganization within the meaning of Section 368(a) of the Code 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 Brass Eagle 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 mail this prospectus and the related letter of transmittal to Brass Eagle stockholders.

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 Brass Eagle 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 78.

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: xtrm.info@morrowco.com

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

Edgar Filing: K2 INC - Form S-4

Stockholders, please call (800) 607-0088

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

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

pro forma financial statements and projections of future financial performance;

future sales and earnings;

marketing efforts and trends regarding:

team sports including baseball, softball, basketball and football;

fishing tackle markets;

active watersports and outdoor products markets;

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

winter sports including skis and snowboards;

foreign exchange rate fluctuations;

expected levels of debt reduction;

retail inventory levels;

product acceptance and demand;

growth efforts, including strategic acquisitions;

cost reduction efforts;

cost savings and economies of scale;

dependence on foreign manufacturing;

margin enhancement efforts;

product development efforts;

market positioning;

the combined company after the merger; and

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

1

**CAUTIONARY STATEMENT REGARDING
FORWARD-LOOKING STATEMENTS**

Table of Contents

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 Brass Eagle'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 Brass Eagle may differ significantly from those expressed in these forward-looking statements. Brass Eagle 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 Brass Eagle's subsequent reports filed with the SEC on Forms 10-K, 10-Q and 8-K.

CAUTIONARY STATEMENT REGARDING

FORWARD-LOOKING STATEMENTS

Table of Contents

SUMMARY

*This brief summary highlights selected information from this document. It does not contain all of the information that is important to Brass Eagle stockholders. Brass Eagle 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 Brass Eagle 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 Brass Eagle, see *Additional Information Where You Can Find Additional Information* on page 78.*

The Offer (Page 34)

We are proposing to acquire all of the outstanding shares of Brass Eagle common stock. We are offering to exchange 0.6036 of a share, including the associated preferred share purchase rights, of K2 common stock for each outstanding share of Brass Eagle 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 Brass Eagle common stock in the offer unless Brass Eagle stockholders have validly tendered and not properly withdrawn prior to the expiration of the offer a majority of the shares of Brass Eagle common stock, calculated as described in this prospectus. Charter Oak Partners, the largest stockholder of Brass Eagle, holding approximately 49.06% of the outstanding common stock of Brass Eagle, has agreed to tender its Brass Eagle shares in the offer, subject to certain conditions.

After completion of the offer, K2 will cause Brass Eagle to complete a merger with Acquisition Sub, in which each outstanding share of Brass Eagle common stock (except for shares held by Brass Eagle, K2 or Acquisition Sub) will be converted into the right to receive shares 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, either as a result of the offer alone or in conjunction with the exercise of our option to purchase shares directly from Brass Eagle, we beneficially own more than 90% of the outstanding shares of Brass Eagle common stock, we may effect this merger without the approval of Brass Eagle stockholders, as permitted under Delaware law.

The number of shares of K2 common stock issued to Brass Eagle stockholders in the offer and the merger will constitute approximately 14% of the outstanding common stock of the combined company after the merger.

Exchange of Shares of Brass Eagle Common Stock (Page 34)

Upon the terms and subject to the conditions of the offer, promptly after the expiration of the offer, we will accept shares of Brass Eagle common stock which are validly tendered and not properly withdrawn in exchange for shares of K2 common stock. We are offering to exchange 0.6036 of a share, including the associated preferred share purchase rights, of K2 common stock for each outstanding share of Brass Eagle common stock.

Timing of the Offer (Page 34)

Edgar Filing: K2 INC - Form S-4

We are commencing the offer on November 4, 2003, the date of the distribution of this prospectus. The offer is scheduled to expire at 12:00 midnight, New York City time, on Monday, December 8, 2003, unless we extend the period of the offer. All references to the expiration of the offer mean the time of expiration, as extended.

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 Brass Eagle common stock, calculated as described in this prospectus;

Table of Contents

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

any applicable waiting periods under the HSR Act must have expired or been terminated (early termination was granted on October 30, 2003);

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

Brass Eagle and K2 shall have received certain tax opinions;

K2 shall have received from Charter Oak Partners, the largest stockholder of Brass Eagle, an executed non-competition agreement;

Charter Oak Partners shall not have breached any of its obligations under the Exchange Agreement pursuant to which it has agreed to tender its shares in the offer;

Brass Eagle shall have received certain consents to the transactions contemplated by the Merger Agreement and shall have taken certain actions under its deferred compensation plan;

there shall have been no event having a material adverse effect on Brass Eagle and no specified breaches by Brass Eagle 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

Brass Eagle's board of directors shall not have withdrawn its recommendation of the offer.

Extension, Termination and Amendment (Page 35)

Subject to the right of K2 or Brass Eagle to cause the offer to be extended under certain circumstances, K2 or Brass Eagle can terminate the Merger Agreement at the expiration of the offer period if no shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock then outstanding and the requirements of Rule 14d-11 under the Exchange Act have been met. Brass Eagle has the right to compel us to extend the offer for an initial period of ten business days and for longer periods through January 15, 2004 if all but certain conditions to the offer have been satisfied. K2 or Brass Eagle can terminate the Merger Agreement if the offer is not consummated by April 22,

Edgar Filing: K2 INC - Form S-4

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 Brass Eagle common stock previously tendered and not validly withdrawn will remain deposited with the exchange agent and depository, subject to your right to withdraw your shares of Brass Eagle 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.

4

SUMMARY

Table of Contents

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 Brass Eagle 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; and

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

by giving oral or written notice of such termination, waiver or amendment to the exchange agent and depository and by making a public announcement.

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 Brass Eagle 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 Brass Eagle 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, January 5, 2004, you may withdraw tendered shares at any time thereafter.

Delivery of Shares of K2 Common Stock (Page 38)

Subject to the satisfaction (or, where permissible, waiver) of the conditions to the offer as of the expiration of the offer, we will accept for exchange shares of Brass Eagle 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 Brass Eagle common stock promptly afterwards. In

Table of Contents

all cases, the exchange of shares of Brass Eagle 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 Brass Eagle common stock, or a timely confirmation of a book-entry transfer of those shares of Brass Eagle 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 Brass Eagle 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 56)

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

Termination of the Merger Agreement (Page 66)

The Merger Agreement provides that it can be terminated by Brass Eagle 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;

Edgar Filing: K2 INC - Form S-4

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

the offer is not consummated by April 22, 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:

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

Brass Eagle 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;

Brass Eagle 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;

Charter Oak Partners is in breach of its Exchange Agreement to tender its Brass Eagle 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 Brass Eagle;

SUMMARY

Table of Contents

by Brass Eagle, 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 Brass Eagle;

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

a material adverse event has occurred with respect to K2;

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 \$12.64; or

K2 has consummated a merger or consolidation in which K2 is not the surviving corporation or K2 has consummated a sale of all or substantially all of its assets.

Termination Fees (Page 68)

Termination of the merger by either K2 or Brass Eagle under specified circumstances could result in Brass Eagle being required to pay K2 a termination fee in the amount of \$3,700,000.

Material U.S. Federal Income Tax Consequences (Page 42)

It is a condition to the completion of the offer that K2 and Brass Eagle receive legal opinions from their respective tax counsels to the effect that the offer and the merger together will constitute a reorganization within the meaning of the Code. A Brass Eagle stockholder who, consistent with such opinions, receives his or her shares of K2 common stock pursuant to a transaction constituting a reorganization within the meaning of Section 368(a) of the Code 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 Brass Eagle and its subsidiaries, on a consolidated basis, that may be materially adversely affected by our acquisition of Brass Eagle common stock, or any regulatory filing or approval that would be required for our acquisition of Brass Eagle common stock, other than the expiration or termination of the waiting period under the HSR Act, which occurred on October 30, 2003. K2 and Brass Eagle 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 may be available in connection with a short-form merger that is not subject to Brass Eagle stockholder approval.

Accounting Treatment (Page 49)

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

Table of Contents

Interests of Certain Persons in the Offer and the Subsequent Merger (Page 50)

Certain Brass Eagle 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 arrangements;

the conversion of stock options previously issued to certain officers of Brass Eagle;

payments pursuant to change of control agreements previously entered into between Brass Eagle and certain of its officers;

the payment of success bonuses to certain members of Brass Eagle's management upon consummation of the merger;

the possible post-merger membership on K2's board of a director mutually acceptable to K2 and Charter Oak Partners, the largest stockholder of Brass Eagle; and

the indemnification of directors and officers of Brass Eagle against certain liabilities.

In addition, Charter Oak Partners, Brass Eagle's largest stockholder, has entered into an Exchange Agreement with K2, pursuant to which Charter Oak Partners has agreed to tender its shares in the offer, subject to certain conditions, and will enter into a non-competition agreement with K2 and Brass Eagle. The members of the boards of directors of K2 and Brass Eagle 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 Brass Eagle Common Stock and Holders of K2 Common Stock (Page 71)

Brass Eagle and K2 are both Delaware corporations. If we complete the offer, holders of Brass Eagle 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 Brass Eagle and the restated certificate of incorporation and by-laws of K2.

The Companies

K2 Inc.

Edgar Filing: K2 INC - Form S-4

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. Our 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, 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. Our other recreational products include Planet Earth apparel, Adio and Hawk skateboard shoes, Tubbs and Atlas snowshoes and Hilton corporate casuals. In addition, our 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 strategy to expand its operations and diversify its product offerings within the sporting goods and recreational products industries by seeking to combine with other well-established companies. In pursuing this strategy K2 acquired Rawlings on March 26, 2003, Worth, Inc. on September 16, 2003 and Winter Quest LLC, Atlas Snowshoes Company, LLC and Little Bear Snowshoe Company, LLC on October 17, 2003.

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

Brass Eagle Inc.

1201 SE 30th Street

Bentonville, Arkansas 72712

(479) 464-8700

Brass Eagle is one of the world's leading designers, manufacturers, marketers and distributors

SUMMARY

Table of Contents

of paintball markers, paintballs, paintball protective gear, paintball kits and accessories associated with the growing sport of paintball. Based in Bentonville, Arkansas, Brass Eagle has manufacturing and distribution facilities in Neosho, Missouri, Batesville, Mississippi and Chula Vista, California.

Brass Eagle offers a full range of innovative paintball markers and accessory products for the beginner through competition-level participants and is a primary manufacturer that offers paintball products to consumers through easily accessible channels such as mass merchandisers and major sporting goods retailers. These products generally sell at various price levels to offer the consumer the opportunity to move up through the product line. Brass Eagle has gained a competitive advantage through improved efficiency in its product development and manufacturing activities. These efficiencies are realized through its manufacturing processes that are designed to produce high-volume, low-cost-per-unit products. As the market for paintball products has grown, Brass Eagle has planned and implemented strategic changes to expand Brass Eagle's operations, facilities and internal controls consistent with the increased demand for its products.

Brass Eagle's common stock is currently traded on the Nasdaq National Market System (symbol: XTRM). Brass Eagle is headquartered in Bentonville, Arkansas.

Recent Closing Prices (Page 18)

On October 22, 2003, the last trading day before K2 and Brass Eagle announced the offer, K2 common stock closed at \$16.75 per share and Brass Eagle common stock closed at \$8.30 per share. On November 3, 2003, the last trading day prior to the printing of this prospectus for which this information was practicably available, K2 common stock closed at \$16.30 per share and Brass Eagle common stock closed at \$9.90 per share.

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: xtrm.info@morrowco.com

Banks and Brokerage Firms, please call

Edgar Filing: K2 INC - Form S-4

(800) 654-2468

Stockholders, please call

(800) 607-0088

All others, please call collect

(212) 754-8000

9

SUMMARY

Table of Contents

Selected Consolidated Historical Financial Information of K2 and Brass Eagle

The information in the following tables is based on the K2 and Brass Eagle historical financial information that K2 and Brass Eagle have presented in their prior filings with the SEC. Brass Eagle 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 78. The Brass Eagle 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, and Brass Eagle's audited historical financial statements were audited by Crowe Chizek and Company LLC, independent auditors. See *Additional Information Experts* on page 78.

The accompanying unaudited interim information for K2 and Brass Eagle for the six months ended June 30, 2003 and 2002 have been derived from financial information included in each of K2's and Brass Eagle's Form 10-Q for the three and six months ended June 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 include all adjustments necessary for the fair presentation of the results of the interim periods. The results of operations for the six months ended June 30, 2003 for K2 and Brass Eagle may not be indicative of their results for the full fiscal year. All amounts are stated in U.S. dollars.

SUMMARY

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION****K2 INC.****(in thousands, except per share data)****As of and for the****Six Months Ended****June 30,****As of and for the Year Ended December 31,**

	2003 (a)	2002	2002	2001 (b)	2000	1999 (c)	1998 (d)
Income Statement Data:							
Net sales	\$ 356,791	\$ 304,676	\$ 582,159	\$ 589,519	\$ 665,562	\$ 640,461	\$ 579,139
Cost of products sold	249,430	217,289	411,620	429,338	462,242	462,033	418,950
Gross profit	107,361	87,387	170,539	160,181	203,320	178,428	160,189
Selling expenses	53,614	41,829	86,394	103,688	108,274	101,130	92,018
General and administrative expenses	34,899	28,853	56,862	55,212	56,223	52,454	51,421
Operating income	18,848	16,705	27,283	1,281	38,823	24,844	16,750
Interest expense	4,608	4,867	8,966	13,631	14,814	12,741	12,163
Debt extinguishment costs	6,745						
Other (income) expense, net	(1,600)	13	(253)	(375)	(191)	(413)	(236)
Income (loss) from continuing operations before provision for income taxes	9,095	11,825	18,570	(11,975)	24,200	12,516	4,823
Provision (credit) for income taxes	3,184	4,139	6,500	(4,271)	7,502	4,005	955
Income (loss) from continuing operations	5,911	7,686	12,070	(7,704)	16,698	8,511	3,868
Discontinued operations, net of taxes (e)					(119)	1,332	975
Net income (loss)	5,911	7,686	12,070	(7,704)	16,579	9,843	4,843
Per Common Share Data:							
Basic earnings (loss) per share:							
Continuing operations	0.27	0.43	0.67	(0.43)	0.93	0.50	0.23
Discontinued operations					(0.01)	0.08	0.06
Net income (loss)	0.27	0.43	0.67	(0.43)	0.92	0.58	0.29
Diluted earnings (loss) per share:							
Continuing operations	0.26	0.43	0.67	(0.43)	0.93	0.50	0.23
Discontinued operations					(0.01)	0.08	0.06
Net income (loss)	0.26	0.43	0.67	(0.43)	0.92	0.58	0.29
Cash dividends per common share							
						0.11	0.44
Basic shares	21,954	17,940	17,941	17,940	17,949	16,880	16,554
Diluted shares	23,034	17,954	17,994	17,940	18,040	16,883	16,637
Balance Sheet Data:							
Total current assets	418,614	325,943	323,924	304,813	305,132	345,809	335,570
Total assets	599,619	440,766	438,410	421,038	424,110	491,442	456,454
Total current liabilities	146,428	99,631	127,855	100,965	121,742	162,187	130,597
Long-term debt	109,500	105,228	73,007	97,828	69,836	107,280	110,724
Shareholders' equity	320,075	228,319	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 six months ended June 30, 2003 include the results of Rawlings from March 26, 2003, the date of acquisition, through June 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 factory closures, K2 experienced a substantial industry-wide slowdown of sales of small-wheeled products in 2001, necessitating a

Edgar Filing: K2 INC - Form S-4

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 \$5.0 million of the total amount was a charge to earnings that resulted in or

SUMMARY

Table of Contents

- will result in a cash 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.

SUMMARY

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION****BRASS EAGLE INC.**

(in thousands, except per share data)

	As of and for the		As of and for the Year Ended December 31,				
	Six Months Ended June 30,						
	2003	2002	2002	2001	2000 (a)	1999	1998
Income Statement Data:							
Net sales	\$ 38,039	\$ 46,824	\$ 104,923	\$ 91,885	\$ 86,760	\$ 68,230	\$ 75,149
Cost of products sold	24,965	28,889	63,918	58,845	53,305	42,119	49,253
Gross profit	13,074	17,935	41,005	33,040	33,455	26,111	25,896
Selling, general and administrative expenses	11,855	11,719	24,862	24,628	18,476	13,431	12,806
Operating income	1,219	6,216	16,143	8,412	14,979	12,680	13,090
Interest expense (income), net	567	666	1,456	1,920	957	(190)	(338)
Income before provision for income taxes	652	5,550	14,687	6,492	14,022	12,870	13,428
Provision for income taxes	246	2,092	5,016	2,566	5,354	4,685	5,233
Net income	406	3,458	9,671	3,926	8,668	8,185	8,195
Per Common Share Data:							
Basic earnings per share:							
Net income	0.06	0.48	1.35	0.55	1.21	1.13	1.13
Diluted earnings per share:							
Net income	0.05	0.46	1.30	0.52	1.15	1.07	1.07
Cash dividends per common share							
Basic shares	7,326	7,150	7,189	7,145	7,137	7,246	7,239
Diluted shares	7,581	7,537	7,461	7,540	7,522	7,671	7,672
Balance Sheet Data:							
Total current assets	47,667	42,585	50,107	43,235	46,237	32,588	33,543
Total assets	96,617	91,598	98,919	92,295	95,816	48,445	41,430
Total current liabilities	22,198	19,700	22,598	21,294	24,660	5,878	6,943
Long-term debt	5,600	11,403	8,400	14,607	19,615		
Shareholders' equity	65,371	57,712	64,347	54,155	50,720	42,007	34,274

- (a) On June 30, 2000, Brass Eagle acquired the assets of JT USA, L.P., a leading manufacturer of protective accessories and apparel for the paintball industry. This acquisition materially affects the period-to-period comparability of the financial information set forth in the table.

Table of Contents

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

The following selected unaudited pro forma financial information combines K2's historical results for the six months ended June 30, 2003 and for the year ended December 31, 2002 with Brass Eagle's historical results for the six months ended June 30, 2003 and the year ended December 31, 2002, giving effect to K2's merger with Rawlings on March 26, 2003 as if it had occurred as of January 1, 2002 for income statement purposes. The following selected unaudited pro forma 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 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 the merger.

	For the Six Months Ended June 30, 2003	For the Year Ended December 31, 2002
	(in thousands, except per share figures)	
Income Statement Data		
Net sales	\$ 455,843	\$ 857,360
Cost of products sold	317,136	597,537
Gross profit	138,707	259,823
Income before provision for income taxes	16,309	37,397
Provision for income taxes	5,827	12,949
Net income	10,482	24,448
Per Common Share Data		
Basic net income per share	\$ 0.34	\$ 0.78
Diluted net income per share	0.33	0.77
Dividends declared		
Balance Sheet Data		
Cash and cash equivalents		\$ 41,106
Total assets		714,048
Long-term debt		17,266
Total shareholders' equity		398,787

SUMMARY

Table of Contents

Unaudited Comparative Per Share Information

The following table summarizes the net income and book value per share information for K2 and Brass Eagle on a pro forma, historical and unaudited pro forma combined 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 it therefore reflects the additional shares of K2 common stock issued in connection with such merger and includes the earnings of Rawlings as if such merger had occurred at the beginning of each period presented.

The pro forma combined information gives effect to the merger with Brass Eagle on a purchase method basis as described in Unaudited Pro Forma Condensed Combined Financial Information beginning on page 81. The pro forma combined information is presented as if such merger and the Rawlings merger were completed as of 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 merger. The historical book value per common share of Brass Eagle is computed by dividing total stockholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma combined book value per K2 common share is computed by dividing pro forma combined shareholders' equity by the pro forma number of shares of K2 common stock outstanding at the end of the period after giving effect to the Brass Eagle merger and the Rawlings merger.

The information listed as pro forma combined per equivalent share was obtained by multiplying the pro forma combined amounts by the exchange ratio in the merger of 0.6036 of a share of K2 common stock to be issued for each share of Brass Eagle common stock.

K2 expects to incur merger and integration charges as a result of combining K2 and Brass Eagle. K2 also anticipates that the merger will provide the combined company with financial benefits that include reduced operating expenses and the opportunity to earn more revenue. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect these expenses or benefits and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had K2, Rawlings and Brass Eagle actually been combined during the periods presented.

The information in the following table is based on, and should be read together with, the K2 and Rawlings historical financial information contained in prior SEC filings, which are incorporated herein by reference, the Brass Eagle 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 BRASS EAGLE**

	For the Six Months Ended June 30, 2003	For the Year Ended December 31, 2002
Unaudited pro forma K2 (a)		
Net income per common share basic	\$ 0.38	\$ 0.55
Net income per common share diluted	\$ 0.37	\$ 0.55
Dividends declared per share (b)		
Book value per common share at period end	\$ 11.85	\$ 11.52
Historical Brass Eagle		
Net income per common share basic	\$ 0.06	\$ 1.35
Net income per common share diluted	\$ 0.05	\$ 1.30
Dividends declared per share (b)		
Book value per common share at period end	\$ 8.73	\$ 8.81
Unaudited pro forma combined per K2 share (c)		
Net income per common share basic	\$ 0.34	\$ 0.78
Net income per common share diluted	\$ 0.33	\$ 0.77
Dividends declared per share (b)		
Book value per common share at period end	\$ 12.65	\$ 12.34
Unaudited pro forma combined per equivalent share		
Net income per common share basic	\$ 0.21	\$ 0.47
Net income per common share diluted	\$ 0.19	\$ 0.46
Book value per common share at period end	\$ 7.64	\$ 7.45

- (a) The pro forma amounts for K2 were adjusted to reflect the pro forma impact of the merger with Rawlings on March 26, 2003, as if the merger with Rawlings had occurred on January 1, 2002.
- (b) K2 and Brass Eagle 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. Brass Eagle's credit facilities currently prohibit the payment of cash dividends or stock repurchases by Brass Eagle.
- (c) These calculations are based on the exchange ratio of 0.6036 of a share, including the associated preferred share purchase rights, of K2 common stock to be issued for each Brass Eagle share or stock option outstanding.

SUMMARY

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

K2 common stock is listed on the New York Stock Exchange. Brass Eagle common stock is listed on the Nasdaq National Market System. K2's and Brass Eagle's ticker symbols are KTO and XTRM, 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 Brass Eagle 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 Brass Eagle paid dividends. K2's credit facilities currently limit the payment of cash dividends or stock repurchases by K2. Brass Eagle's credit facilities currently prohibit the payment of any cash dividends or stock repurchases by Brass Eagle.

	K2		Brass Eagle	
	Common Stock		Common Stock	
	High	Low	High	Low
2001				
March 31	\$ 9.75	\$ 7.75	\$ 8.75	\$ 6.03
June 30	\$ 11.43	\$ 7.80	\$ 10.30	\$ 6.81
September 30	\$ 11.99	\$ 5.40	\$ 11.38	\$ 4.31
December 31	\$ 8.74	\$ 5.31	\$ 5.50	\$ 3.35
2002				
March 31	\$ 7.60	\$ 6.32	\$ 5.50	\$ 4.01
June 30	\$ 10.25	\$ 6.55	\$ 6.38	\$ 4.40
September 30	\$ 10.00	\$ 7.50	\$ 7.77	\$ 4.75
December 31	\$ 11.01	\$ 6.40	\$ 9.75	\$ 5.60
2003				
March 31	\$ 10.06	\$ 7.72	\$ 8.72	\$ 6.90
June 30	\$ 12.75	\$ 7.45	\$ 8.43	\$ 6.73
September 30	\$ 18.09	\$ 12.30	\$ 8.50	\$ 7.31

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 Brass Eagle common stock as reported on the Nasdaq National Market System on October 22, 2003, the last full trading day prior to the announcement of the Merger Agreement, and November 3, 2003, the most recent practicable date prior to the mailing of this prospectus to Brass Eagle's stockholders.

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

<u>Date</u>	<u>K2 Common Stock</u>	<u>Brass Eagle Common Stock</u>	<u>Equivalent Per Share Price of Brass Eagle Common Stock with Exchange Ratio of 0.6036</u>
October 22, 2003	\$ 16.75	\$ 8.30	\$ 10.11
November 3, 2003	\$ 16.30	\$ 9.90	\$ 9.84

The above table shows only historical and hypothetical comparisons. These prices may fluctuate prior to the offer and the merger and Brass Eagle stockholders are urged to obtain current stock price quotations for K2 common stock and Brass Eagle 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 78.

SUMMARY

Table of Contents

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 of the two companies 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 78 for where you can find the additional risk factors incorporated by reference.

Risk Factors Relating to the Offer and the Subsequent Merger

K2 and Brass Eagle may not successfully integrate their business operations after the merger.

The integration of K2's and Brass Eagle's operations after the merger may be difficult, time consuming and costly. After completion of the merger, the combined company must successfully integrate, among other things, the product and service offerings, product development, sales and marketing, research and development, administrative and customer service functions and the management information systems of Brass Eagle with those of K2. 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, restructuring and integration costs in connection with the transaction and the integration of Brass Eagle's operations.

K2 and Brass Eagle expect to incur costs associated with combining the operations of the two companies, transaction fees and other costs related to the merger. K2 faces potential costs related to employee redeployment or relocation, reorganization or closure of facilities, relocation and disposition of excess equipment and other integration costs. 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 Brass Eagle common stock.

In the offer and the subsequent merger, each share of Brass Eagle common stock will be exchanged for 0.6036 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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;

Table of Contents

changes in key management personnel;

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.

Brass Eagle stockholders may receive a lower return on their investment after the merger.

Although K2 and Brass Eagle 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 Brass Eagle'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.

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

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

current and future employment arrangements;

severance benefits;

success bonuses payable to certain members of Brass Eagle's management upon consummation of the merger;

conversion of stock options; and

indemnification of directors and officers of Brass Eagle 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.

Brass Eagle stockholders will have a reduced ownership and voting interest after the merger.

After completion of the merger, Brass Eagle stockholders will own a significantly smaller percentage of the combined company and its voting stock than they currently own of Brass Eagle. Consequently, Brass Eagle stockholders will not be able to exercise as much influence over the management and policies of the combined company as they currently exercise over Brass Eagle.

RISK FACTORS

Table of Contents

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

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

Failure to complete the offer or the merger could be costly to Brass Eagle and its stockholders.

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

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

Brass Eagle 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 Brass Eagle of a termination fee of \$3,700,000 if the Merger Agreement is terminated under certain circumstances. The obligation to make that payment may adversely affect the ability of Brass Eagle to engage in another transaction and may have an adverse impact on the financial condition of Brass Eagle. See "The Merger Agreement - Termination and Termination Fee" on page 66.

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;

Edgar Filing: K2 INC - Form S-4

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

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 Brass Eagle 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;

Table of Contents

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.

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 Walmart, Gart Sports/The Sports Authority and Target accounted for approximately 24% of K2's annual sales 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, for the six months ended June 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.

RISK FACTORS

Table of Contents

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.

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, Brass Eagle stockholders should not view K2's historical results of operations as reliable indications of its future performance.

K2's business is highly seasonal.

K2's business is highly seasonal. Historically, K2 and Brass Eagle 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

Table of Contents

revenues from international operations were approximately 25% 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, for the six months ended June 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, for the six months ended June 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 Brass Eagle'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 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 Brass Eagle'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.

RISK FACTORS

Table of Contents

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 \$1.4 million as of June 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.

The spread of Severe Acute Respiratory Syndrome may have a material adverse effect on K2's manufacturing facilities in China and K2's operations generally.

The Centers for Disease Control and the World Health Organization continue to investigate a disease called Severe Acute Respiratory Syndrome or SARS. The disease was first reported in November 2002 in the southern China province of Guangdong, which is the province in which K2's Chinese manufacturing facility is located, the city of Hanoi, Vietnam and Hong Kong. SARS has since spread to other parts of the world. The outbreak of SARS curtailed travel to and from certain countries for a period of time. SARS could have a material adverse impact on K2's manufacturing facilities in China and sourcing infrastructure in Asia, and the significant spread of SARS beyond Asia could have an adverse impact on all of K2's operations.

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.

Table of Contents

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 Brass Eagle Common Stock and Holders of K2 Common Stock" on page 71. 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.

RISK FACTORS

Table of Contents

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 Brass Eagle Stockholders" on page 31 and Brass Eagle's Recommendation Statement for further information relating to the proposed transactions.

Background of the Offer and Subsequent Merger

On October 25, 2002, representatives of Wachovia Securities, Brass Eagle's financial advisor, contacted K2 to discuss K2's interest in the potential acquisition of Brass Eagle. K2 expressed an interest in exploring the opportunity, but ultimately declined to participate in the process at that time.

In early January of 2003, representatives of The Mercanti Group, K2's financial advisor, contacted representatives of Wachovia Securities to express K2's interest in learning more about Brass Eagle. K2 executed a confidentiality agreement on January 31, 2003, and Wachovia Securities sent a copy of a Brass Eagle confidential information memorandum to K2 through The Mercanti Group. On March 7, 2003, The Mercanti Group indicated that K2 was not interested in pursuing an acquisition of Brass Eagle at that time due to constraints resulting from K2's then pending transaction with Rawlings.

In early July of 2003, representatives of The Mercanti Group contacted representatives of Wachovia Securities to ascertain the status of Brass Eagle's efforts to solicit potential buyers for Brass Eagle. In August of 2003, representatives of The Mercanti Group contacted representatives of Wachovia Securities to express K2's interest in Brass Eagle. Wachovia Securities then sent The Mercanti Group selected sections of the previously prepared confidential information memorandum with respect to Brass Eagle. On August 7, 2003, at a regularly scheduled meeting of the K2 board, management presented Brass Eagle, among other companies, as a potential acquisition target. On August 28, 2003, management of Brass Eagle and K2 discussed K2's interest in Brass Eagle and the strategic plans of K2 and Brass Eagle and, in a later call with representatives of Wachovia Securities and The Mercanti Group, participated in an introductory due diligence conference call. On September 3, 2003, Wachovia Securities provided additional financial information prepared by Brass Eagle to K2.

On September 6, 2003, K2 submitted a non-binding indication of interest to acquire all of the shares of Brass Eagle for approximately \$10.00 in cash and shares of common stock of K2, with the cash component capped at one-third of the total consideration. In subsequent discussions over the next several days, The Mercanti Group indicated that K2 would consider increasing the proposed price by \$0.75 to \$1.00 in an all-stock transaction.

On September 10, 2003, the Brass Eagle board of directors met to discuss K2's indication of interest to acquire all of Brass Eagle's common stock for \$10.00 per share in cash and K2 stock, and approved the execution of a letter agreement, pursuant to which Brass Eagle granted exclusivity to K2 through October 5, 2003.

On September 17, 2003, senior management of K2 and representatives of The Mercanti Group visited Brass Eagle's headquarters for a presentation from Brass Eagle's senior management with respect to Brass Eagle's business, financial condition, results of operations, prospects and strategy and to present K2's own business and strategy to Brass Eagle and Wachovia Securities.

Edgar Filing: K2 INC - Form S-4

On September 23 and 24, 2003, management of K2 conducted due diligence at Brass Eagle's headquarters. The due diligence review included extensive business, operations and financial due diligence and a facilities tour. On September 26, 2003, Wachovia Securities provided additional financial information prepared by Brass Eagle to K2.

On September 29, 2003, Anthony J. Dowd, a director of Brass Eagle and the Director of Private Investments of Charter Oak Partners, the largest stockholder of Brass Eagle, Robert P. Sarrazin, a director of Brass Eagle and Principal of Charter Oak Partners, and Richard J. Heckmann, Chairman and Chief Executive Officer of K2, met to discuss the interest of Charter Oak Partners in becoming a stockholder of K2.

On September 30, 2003, K2 submitted a revised indication of interest of \$10.00 per share in K2 common stock to the Brass Eagle board of directors, citing as its reason for not increasing the amount of the offer, despite

BACKGROUND AND REASONS FOR THE OFFER AND SUBSEQUENT MERGER

Table of Contents

that the offer included only stock as consideration, a reduction in Brass Eagle's expected results of operations for 2003 based on preliminary indications of results of operations for the third quarter of 2003.

On October 1, 2003, the Brass Eagle board met to discuss the revised offer from K2. After extensive discussions, the Brass Eagle board designated a negotiating subcommittee, consisting of E. Lynn Scott, President and Chief Executive Officer, Mr. Dowd and Richard Hanselman, to continue negotiations with K2. The Brass Eagle board also voted to give the negotiating subcommittee the authority to extend K2's exclusivity from October 5, 2003 until October 12, 2003.

In a series of conference calls on October 3, 2003, the negotiating subcommittee of Brass Eagle's board discussed with representatives of K2 the proposed terms of a transaction. K2 proposed that the acquisition be structured as a two-step transaction that would include an initial exchange offer by K2 and a follow-up merger of Brass Eagle with a subsidiary of K2. The parties discussed how the exchange ratio for the number of shares of K2 common stock to be received by Brass Eagle stockholders would be calculated, and what protection Brass Eagle would have in the event of a decline in the price of K2 common stock between the date of execution of the transaction agreement and the completion of the proposed exchange offer. There was a preliminary agreement that there would not be a collar on the exchange ratio. There was a discussion concerning compensation of Brass Eagle employees after the consummation of the merger, during which time K2 management informed Brass Eagle that Brass Eagle employees would be treated in a manner consistent with other K2 employees. The parties also discussed the rights that Brass Eagle's board would have to pursue competing offers to acquire Brass Eagle, and whether and to what extent a termination fee would be payable in such circumstances. Representatives of K2 agreed that the Brass Eagle board should have a fiduciary out and proposed that four percent of the transaction value was reasonable for a termination fee.

In the same series of conference calls, the parties discussed whether K2 would require Charter Oak Partners to execute an agreement pursuant to which Charter Oak Partners would agree to tender its shares in the proposed exchange offer, the circumstances under which Charter Oak Partners would be released from any such agreement and to what extent, if any, Charter Oak Partners would have the right to appoint a director to the K2 board. K2 indicated that a transaction would not be possible for K2 if Charter Oak Partners had the right, after a definitive agreement was signed, to vote against a merger or refuse to tender its Brass Eagle shares and that there would have to be either a termination fee payable by Brass Eagle in that circumstance or, in the alternative, a binding agreement on the part of Charter Oak Partners to tender shares in the proposed exchange offer. Brass Eagle indicated that it would not accept a transaction structure in which K2 would lock-up Charter Oak Partners under an exchange agreement that, in effect, foreclosed any possibility of a competing offer for Brass Eagle, and insisted that the transaction be structured to provide Brass Eagle's board of directors with a fiduciary out mechanism that would allow it to consider a competing offer.

On October 5, 2003, Brass Eagle and K2 reached a preliminary understanding that K2 would acquire Brass Eagle through an exchange offer followed by a merger, pursuant to which the holders of Brass Eagle shares would receive for each share \$10.25 in common stock of K2, subject to the completion of due diligence by both K2 and Brass Eagle and the negotiation of definitive documentation. It was also agreed in concept that Brass Eagle would have the right to terminate the transaction agreement if the average closing price of the common stock of K2 on the New York Stock Exchange for a then-unspecified period of consecutive trading days was less than 25% below the share price of K2 common stock used to calculate the exchange ratio.

On October 6, 2003, the Brass Eagle board met to review the recent negotiations between Brass Eagle's negotiating subcommittee and K2. After extensive discussions, the Brass Eagle board voted to extend K2's exclusivity until the earlier of the signing of a definitive transaction agreement and October 31, 2003.

On October 6-9, 2003, officers of K2 conducted further due diligence at Brass Eagle's headquarters and the offices of Brass Eagle's auditors, and representatives of Brass Eagle conducted further due diligence at the offices of K2's auditors. In a series of conference calls during this time, there was further discussion concerning K2's requirement that Charter Oak Partners agree to an exchange agreement in which Charter Oak

Partners would agree to tender its shares of Brass Eagle common stock in the offer and the circumstances under which Charter Oak Partners would be released from any such agreement. During these calls, Charter Oak Partners

**BACKGROUND AND REASONS FOR THE
OFFER AND SUBSEQUENT MERGER**

Table of Contents

agreed to enter into an exchange agreement that included the right of Charter Oak Partners to terminate the exchange agreement based on the exercise of a fiduciary out by the Brass Eagle board of directors or a decline in the K2 stock price that would form a basis for Brass Eagle to terminate the transaction agreement. Charter Oak Partners' request to appoint a member of the K2 board was discussed further. Representatives of K2 also proposed that Charter Oak Partners enter into a non-competition agreement because of its controlling interest in Daisy Manufacturing Company, which was spun off from Brass Eagle in November 1997 and which continues to engage in certain businesses that could potentially compete with Brass Eagle.

On October 8, 2003, Brass Eagle and K2 entered into a confidentiality agreement with respect to the information K2 would provide to Brass Eagle and its advisors in connection with their due diligence review. On October 8, 2003, Mr. Heckmann communicated to the K2 board of directors the principal terms of the proposed transaction with Brass Eagle. In addition, during the next week, Mr. Heckmann called members of the K2 board to discuss the proposed transaction.

On October 9, 2003, legal counsel for K2 distributed an initial draft of a merger agreement to Brass Eagle and its legal counsel, and, on October 14, 2003, legal counsel for both K2 and Brass Eagle had a conference call to discuss the transaction structure and preliminary issues for negotiation.

On October 15-16, 2003, Mr. Scott contacted K2 management to discuss the ongoing due diligence review and timing issues, and Mr. Dowd had discussions with Mr. Heckmann regarding management compensation issues and the potential effect of Brass Eagle's success bonus program, in place for the senior management team at Brass Eagle, on the per share consideration offered by K2. On October 17, 2003, a group of Brass Eagle's directors and representatives of Wachovia Securities visited with K2's management team and representatives of The Mercanti Group at K2's headquarters to conduct further business and financial due diligence. During that visit, K2 confirmed that Brass Eagle would be required to pay bonuses in connection with the proposed merger totaling approximately \$975,000, pursuant to Brass Eagle's success bonus program. As a result, K2 reduced the per share consideration included in its offer from \$10.25 to \$10.17 in shares of common stock of K2.

On October 17, 2003, management of K2 distributed an executive summary of the proposed transaction to K2's board of directors.

On October 18 and 19, 2003, representatives of Brass Eagle and K2, including their respective legal counsel, held discussions regarding a number of open issues in the draft merger agreement. In these discussions, the parties reached preliminary agreement on the following issues:

for purposes of calculating the exchange ratio, K2 common stock would be valued based on the average closing price of K2 common stock on the New York Stock Exchange over the 30 consecutive trading days ending on the second trading day prior to the execution of the merger agreement;

Brass Eagle would have the right to terminate the merger agreement if the average closing price of K2 common stock on the New York Stock Exchange for any ten consecutive trading days ending not later than two trading days prior to the expiration of the offer was less than 25% below the share price of K2 common stock used to calculate the exchange ratio;

K2 would agree to continue to extend the exchange offer until January 15, 2004, at the request of Brass Eagle, if certain conditions to the completion of the offer, other than the condition that at least a majority of the shares of Brass Eagle common stock on a fully diluted basis as described herein be tendered in the exchange offer, have not been satisfied or waived but remain capable of being satisfied;

Edgar Filing: K2 INC - Form S-4

Brass Eagle would be permitted to pursue unsolicited competing proposals, if any, from third parties to acquire Brass Eagle if its board determines in its good faith judgment, after consultation with independent legal counsel, that the failure to pursue the competing proposal would be reasonably likely to constitute or result in a breach by the Brass Eagle board of its fiduciary duties to Brass Eagle stockholders under applicable law;

K2 would not, from the date of execution of the merger agreement until the completion of the exchange offer and the merger, issue shares of common stock in an aggregate amount greater than ten percent of K2's outstanding common stock;

29

BACKGROUND AND REASONS FOR THE OFFER AND SUBSEQUENT MERGER

Table of Contents

K2's receipt of the consent of its lenders required for it to complete the transaction would not be included in the merger agreement as a condition to K2's obligation to complete the exchange offer or the merger; and

a termination fee would not be payable by Brass Eagle to K2 in the event that the exchange offer was not successful due to the breach by Charter Oak Partners of its agreement to tender its shares in the exchange offer.

Also, K2 indicated that it would agree to limited rights for Charter Oak Partners to appoint a member to the K2 board of directors. It was preliminarily agreed that if, during the twelve months after the closing of the proposed transaction, so long as Charter Oak Partners held more than five percent of the outstanding shares of K2, there were a vacancy on the K2 board, such vacancy would be filled by a nominee mutually acceptable to Charter Oak Partners and K2.

As of October 20, 2003, negotiations of the merger agreement were substantially complete, and the execution of the agreement remained subject to the completion of due diligence review by both K2 and Brass Eagle, the finalization of disclosure schedules and board approval by K2 and Brass Eagle.

On October 20, 2003, management of K2 distributed to the K2 board of directors a draft of the merger agreement that had been negotiated by the parties and a full board presentation (including valuation presentation) concerning the proposed transaction. On October 20, 2003, Brass Eagle's board met, with representatives of Wachovia Securities, Crowe Chizek and Company LLC and Thompson Hine LLP participating, to consider the proposed transaction and the matters preliminarily resolved through negotiations with K2. At this meeting, Brass Eagle's board voted to adjourn the meeting and to meet again on October 22, 2003 to further consider the proposed transaction.

On October 21, 2003, representatives of Brass Eagle and K2 discussed K2's request for each employee of Brass Eagle that is party to a change-of-control agreement with Brass Eagle to enter into a non-competition agreement pursuant to which the employee would agree not to compete with Brass Eagle in the paintball industry at any time during which the employee is receiving any payments under the change-of-control agreement. Brass Eagle and each of these employees subsequently agreed to enter into such non-competition agreements.

On October 22, 2003, the K2 board of directors met by telephone to consider further the transaction. The Board discussed, among other things, the proposed terms of the merger agreement and the factors discussed in K2's Reasons for Making the Offer on page 31. 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 further extensive discussions, the K2 board then unanimously (i) determined that the Merger Agreement and the proposed related transactions are advisable, fair to and in the best interests of K2 and its stockholders and (ii) approved the Merger Agreement and the related transactions.

On October 22, 2003, the Brass Eagle board met by telephone, with representatives of Wachovia Securities and Thompson Hine LLP participating, to further consider the proposed transaction. The Brass Eagle board reviewed the terms of the proposed acquisition. Wachovia Securities delivered an opinion to the Brass Eagle board stating that, as of that date and subject to the assumptions, qualifications and limitations set forth in the opinion, the per share consideration to be received by the holders of Brass Eagle shares in the offer and the proposed merger is fair, from a financial point of view, to such holders. The Brass Eagle board then unanimously (i) determined that the Merger Agreement, the exchange offer and the proposed merger are advisable, fair to and in the best interests of Brass Eagle and its stockholders, (ii) approved the Merger Agreement, the exchange offer and the proposed merger and (iii) recommended that Brass Eagle's stockholders accept the exchange offer and tender their shares of Brass Eagle in the exchange offer.

**BACKGROUND AND REASONS FOR THE
OFFER AND SUBSEQUENT MERGER**

Table of Contents

In the afternoon on October 22, 2003, after the close of trading on the markets, Brass Eagle and K2 executed the Merger Agreement, and K2 and Charter Oak Partners executed the Exchange Agreement. Brass Eagle and K2 then issued separate press releases announcing the execution of the Merger Agreement and the transactions contemplated thereby, including the exchange offer and the proposed merger. On November 4, 2003, K2 commenced the exchange offer to acquire all of Brass Eagle's outstanding shares.

Additional Factors for Consideration by Brass Eagle Stockholders

K2's Reasons for Making the Offer

K2's board of directors believes that the acquisition of Brass Eagle 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 and a broader selection of products and brands. The merger with Brass Eagle furthers K2's strategy of expanding its operations, diversifying its product offerings and adding strong brands through combinations with well-established companies. Brass Eagle is an established leader in the paintball industry with strong relationships with sporting goods retailers and mass merchants and a wide range of products.

Key Platform For Growth. The merger with Brass Eagle allows K2 to establish a solid platform for expansion into the extreme sports segment. Because of Brass Eagle's strong product lines, expertise in the category, brand name recognition and place as an industry leader in all paintball product categories, Brass Eagle represents a premier platform for K2's entry into the paintball segment of the extreme sports industry.

Increased Market Presence and Opportunities. As sporting goods retailers undergo consolidation and other mass merchant retailers become more dominant, the trend is for these retailers to prefer to rely on fewer and larger sporting goods suppliers to help them manage the supply of products and the allocation of shelf space. The combination of K2's and Brass Eagle's leading brands and product offerings will provide K2 with additional products and increased market presence that will help K2 continue to grow as a full service supplier, better able to address the needs of the large retailers, and will also allow K2 to deepen its already strong relationships with key customers.

Operating Synergies. The combination of K2 and Brass Eagle will create synergies by providing opportunities to leverage K2's strengths in manufacturing and product sourcing, particularly in Asia. The combined company will also be positioned to capitalize on product development opportunities by leveraging existing K2 products and those of Brass Eagle into each other's markets.

Enhanced Management Team. K2 and Brass Eagle each enjoy top quality management teams that understand and provide leadership to their respective market segments. The addition of Brass Eagle's management team, a pioneer in the paintball industry, to K2 creates an opportunity to grow the Brass Eagle business by benefiting from K2's management's core competencies and greater resources in overseas sourcing, manufacturing, product development and distribution.

Reduced Seasonality and Exposure to Weather. K2's business lines are seasonal in nature. For example, K2's ski and snowboard business is heavily weighted toward the third quarter and is typically impacted by the amount of snowfall during the winter months. The sale of baseball and softball products is also highly seasonal, with sales heavily weighted toward the first quarter. K2's

Edgar Filing: K2 INC - Form S-4

Shakespeare fishing and Stearns products are shipped mainly in the first and second quarters. The addition of Brass Eagle's businesses, which traditionally have significant fourth quarter sales, will help counterbalance the seasonality of K2's existing product lines and help balance K2's weather exposure.

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

31

BACKGROUND AND REASONS FOR THE OFFER AND SUBSEQUENT MERGER

Table of Contents

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 Brass Eagle 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 Brass Eagle stockholder, you should also consider the following matters:

As a stockholder of K2, your interest in the performance and prospects of Brass Eagle 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 Brass Eagle, if any, that you may realize if the offer and the subsequent merger were not completed and you were to remain a Brass Eagle stockholder.

An investment in a company like Brass Eagle, 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 Brass Eagle. You therefore would experience the impact of developments, both positive and negative, in the extreme sports industry to a lesser extent, but would also experience the impact of developments, both positive and negative, in a variety of sports related industries.

**BACKGROUND AND REASONS FOR THE
OFFER AND SUBSEQUENT MERGER**

Table of Contents

RECOMMENDATION OF BRASS EAGLE S BOARD OF DIRECTORS

On October 22, 2003, Brass Eagle s board of directors approved the Merger Agreement, this offer and the proposed merger. Brass Eagle s board of directors also has recommended that Brass Eagle stockholders tender their shares of Brass Eagle common stock in this offer. For more information about the Brass Eagle board of directors recommendation and the reasons for its recommendation, please see the Brass Eagle Recommendation Statement which is being mailed to you together with this prospectus.

Brass Eagle s board of directors has received a written opinion, dated October 22, 2003, from Wachovia Securities 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 Brass Eagle common stock in the offer and merger is fair, from a financial point of view, to such holders. A summary of Wachovia Securities opinion and of the analyses performed, the bases and methods of arriving at the opinion, and a description of Wachovia Securities investigation and assumptions, is included in the Brass Eagle Recommendation Statement. The full text of Wachovia Securities written opinion, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Wachovia Securities in rendering its opinion, is attached to the Brass Eagle Recommendation Statement.

Table of Contents

THE OFFER

Exchange of Shares of Brass Eagle Common Stock

We are offering to exchange 0.6036 of a share, including the associated preferred share purchase rights, of K2 common stock for each outstanding share of Brass Eagle 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 Brass Eagle Common Stock and Holders of K2 Common Stock Rights Plan](#) on page 71.

We will not acquire any shares of Brass Eagle common stock in the offer unless Brass Eagle stockholders have validly tendered and not properly withdrawn prior to the expiration of the offer a majority of the shares of Brass Eagle common stock, calculated as described below in [Conditions of the Offer - Minimum Condition](#) on page 39. As of the date of this prospectus, 7,490,439 shares of Brass Eagle 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 Brass Eagle to complete a merger with Acquisition Sub, in which each outstanding share of Brass Eagle common stock (except for shares held by Brass Eagle, 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 Brass Eagle common stock, we may effect this merger without the approval of Brass Eagle stockholders, as permitted under Delaware law. See [Approval of the Merger](#) on page 44.

When we refer to the expiration of the offer, we mean 12:00 midnight, New York City time, on Monday, December 8, 2003, 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 Tuesday, November 4, 2003. The offer is scheduled to expire at 12:00 midnight, New York City time, on Monday, December 8, 2003, 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.

THE OFFER

Table of Contents

Extension, Termination and Amendment

Subject to the right of K2 or Brass Eagle to cause the offer to be extended under certain circumstances, K2 or Brass Eagle can terminate the Merger Agreement at the expiration of the offer period if no shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock in the offer if, on the expiration date of the offer, all of the conditions to the offer have been satisfied or waived, but the total number of shares of Brass Eagle 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 Brass Eagle common stock then outstanding and the requirements of Rule 14d-11 under the Exchange Act have been met. 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. Brass Eagle has the right to compel us to extend the offer for an initial period of ten business days and for longer periods through January 15, 2004 if all of conditions to the offer, other than those with respect to the effectiveness of the S-4, the expiration of the waiting period under the HSR Act 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 Brass Eagle 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 Brass Eagle common stock as described under Withdrawal Rights on page 37. Notwithstanding any rights on the part of K2 or Brass Eagle to cause an extension of the offer, K2 or Brass Eagle can terminate the Merger Agreement if the offer is not consummated by April 22, 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 Brass Eagle, we cannot:

decrease the exchange ratio;

make any changes to the form of consideration to be paid for shares of Brass Eagle 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 Brass Eagle 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.

Edgar Filing: K2 INC - Form S-4

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.

35

THE OFFER

Table of Contents

Procedure for Tendering Shares

For you to validly tender shares of Brass Eagle 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 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock by causing DTC to transfer shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock are tendered either by a registered holder of shares of Brass Eagle 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 Brass Eagle 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 OFFER

Table of Contents

The method of delivery of certificates representing shares of Brass Eagle 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 Brass Eagle 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, January 5, 2004, you may withdraw tendered shares at any time thereafter.

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 Brass Eagle 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 Brass Eagle common stock. If shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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.

Table of Contents

Subsequent Offering Period

If we have satisfied the conditions to the offer, but less than 90% of the Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock to be validly tendered, we must be able to exercise full voting, consent and other rights with respect to those shares of Brass Eagle common stock immediately upon our acceptance of those shares of Brass Eagle 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 Brass Eagle common stock, in our sole discretion, and our determination will be final and binding. We reserve the absolute right to reject any and all tenders of shares of Brass Eagle 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 Brass Eagle common stock will be deemed to have been validly made until all defects and irregularities in tenders of those shares have been cured or waived. None of K2, the exchange agent and depository, the information agent, nor any other person will be under any duty to give notification of any defects or irregularities in the tender of any shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock promptly afterwards. In all cases, exchange of shares of Brass Eagle common stock tendered and accepted for exchange pursuant to the offer will be made only if the exchange agent and depository timely receives:

Edgar Filing: K2 INC - Form S-4

certificates for those shares of Brass Eagle common stock, or a timely confirmation of a book-entry transfer of those shares of Brass Eagle 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 Brass Eagle 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.

38

THE OFFER

Table of Contents

For purposes of the offer, we will be deemed to have accepted for exchange shares of Brass Eagle 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 Brass Eagle common stock pursuant to the offer. The exchange agent and depository will deliver shares of K2 common stock in exchange for shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock for exchange pursuant to the offer, or if certificates are submitted for more shares of Brass Eagle common stock than are tendered in the offer, we will return certificates for these unexchanged shares of Brass Eagle common stock without expense to the tendering stockholder. If we do not accept shares of Brass Eagle common stock for exchange pursuant to the offer, shares of Brass Eagle 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 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock determined on a fully-diluted basis that includes shares of Brass Eagle common stock subject to options with an exercise price of less than \$10.17 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 7,490,439 shares of Brass Eagle common stock outstanding and 456,170 shares of Brass Eagle common stock subject to the options described above. We will not waive this condition without the consent of Brass Eagle.

Antitrust Condition

Edgar Filing: K2 INC - Form S-4

Any applicable waiting periods under the HSR Act must have expired or been terminated, which occurred on October 30, 2003.

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 Brass Eagle.

Table of Contents

NYSE Listing Condition

The shares of K2 common stock issuable in exchange for shares of Brass Eagle 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 Brass Eagle.

Tax Opinion Condition

Brass Eagle shall have received a written opinion from Thompson Hine LLP (or, if not Thompson Hine LLP, another nationally recognized tax counsel) 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 Brass Eagle 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) 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).

Conditions Relating to Largest Stockholder

K2 shall have received from Charter Oak Partners, the largest stockholder of Brass Eagle, holding approximately 49.06% of the issued and outstanding shares of Brass Eagle as of the date of this prospectus, an executed non-competition agreement. In addition Charter Oak Partners shall not have breached any of its obligations under the agreement pursuant to which it has agreed to tender its shares in the offer. See *Interests of Certain Persons in the Offer and Subsequent Merger* on page 50.

Brass Eagle Actions

Brass Eagle shall have received consents to the transactions contemplated by the Merger Agreement pursuant to certain contracts and shall have taken certain actions under its deferred compensation plan.

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 Brass Eagle 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 Brass Eagle 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:

Edgar Filing: K2 INC - Form S-4

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 Brass Eagle 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 Brass Eagle), (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 Brass Eagle common stock, including, without limitation, the right to vote the shares of Brass Eagle common stock purchased by them on all matters properly presented to Brass Eagle'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 Brass Eagle and its

THE OFFER

Table of Contents

subsidiaries, 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 Brass Eagle 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 Brass Eagle and its subsidiaries, or of K2 and its subsidiaries or (v) imposes damages on K2, Brass Eagle 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, Brass Eagle or any of their respective affiliates or (ii) the transactions contemplated by the Merger Agreement (other than the routine application of the waiting period provisions of the HSR Act) 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 Brass Eagle 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 Brass Eagle or (ii) (A) the representations and warranties of Brass Eagle 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 Brass Eagle 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) or (B) Brass Eagle 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 and shall not have cured such breach if capable of being cured;

the Board of Directors of Brass Eagle shall have withdrawn or modified in any manner (other than non-substantive modifications) its approval or recommendation of the offer and the merger;

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

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

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

Table of Contents

has occurred or has been satisfied will be in our 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 sets forth the material U.S. federal income tax consequences of the offer and merger to Brass Eagle 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 Brass Eagle stockholders that hold their shares of Brass Eagle common stock, and will hold the shares of K2 common stock received in exchange for their shares of Brass Eagle common stock, as capital assets within the meaning of Section 1221 of the Code. This discussion does not address all federal income tax consequences of the offer and the merger that may be relevant to particular holders, including holders that are subject to special tax rules. Some examples of holders that are subject to special tax rules are:

dealers in securities;

financial institutions;

insurance companies;

tax-exempt organizations;

holders of shares of Brass Eagle 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

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

Edgar Filing: K2 INC - Form S-4

In addition, this discussion does not address any consequences arising under the laws of any state, local or foreign jurisdiction. BRASS EAGLE 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 Brass Eagle to complete the offer are conditioned upon the delivery of an opinion to K2 and to Brass Eagle by Gibson Dunn & Crutcher LLP and Thompson Hine LLP, respectively (or other nationally recognized tax counsel reasonably acceptable to K2 and Brass Eagle, 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 Brass Eagle 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

THE OFFER

Table of Contents

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 Brass Eagle 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 Brass Eagle 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 Brass Eagle stockholder who exchanges his or her shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock will include the holding period of Brass Eagle common stock that he or she surrendered in the offer and/or the merger. If a Brass Eagle stockholder has differing tax bases and/or holding periods in respect of the stockholder's shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock allocable to the fractional share interest. The gain or loss will be long-term capital gain or loss if the Brass Eagle 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 Brass Eagle stockholder would be required to recognize gain or loss with respect to each share of Brass Eagle common stock that he or she surrenders in the offer and/or the merger in an amount equal to the difference between the sum of the fair market value of any K2 common stock and cash received in lieu of a fractional share of K2 common stock, and the tax basis of the shares of Brass Eagle common stock surrendered in exchange therefor. The amount and character of gain or loss will be computed separately for each block of Brass Eagle common stock that was purchased by the holder in the same transaction. A Brass Eagle 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 will 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

Edgar Filing: K2 INC - Form S-4

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

THE OFFER

Table of Contents

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. Brass Eagle'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 Brass Eagle common stock, we will approve the merger through a written consent by Brass Eagle stockholders with respect to the merger pursuant to Section 228 of the DGCL. Since we will own a majority of the shares of Brass Eagle common stock on the record date, we will have a sufficient number of shares of Brass Eagle common stock to approve the merger without the written consent of any other Brass Eagle stockholder and, therefore, approval of the merger by Brass Eagle 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 Brass Eagle 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 Brass Eagle, we were to own at least 90% of the outstanding shares of Brass Eagle 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 Brass Eagle directly, we own at least 90% of the outstanding shares of Brass Eagle common stock, we may complete the acquisition of the remaining outstanding shares of Brass Eagle common stock by completing a short-form merger.

Appraisal Rights

Under Delaware law, Brass Eagle 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 Brass Eagle and Acquisition Sub. If after successful completion of the offer K2 owns at least 90% of the outstanding shares of Brass Eagle common stock, and K2 elects to consummate a short-form merger, Brass Eagle stockholders who demand and 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 Brass Eagle 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 Brass Eagle. 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 in connection with the merger will be waived or terminated.

If one of Brass Eagle'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 Brass Eagle a written demand for appraisal of shares of Brass Eagle common stock held, which demand must reasonably inform Brass Eagle of the identity of the stockholder and that the demanding stockholder is demanding appraisal, within twenty days of the mailing by Brass Eagle 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.

44

THE OFFER

Table of Contents

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. Since, if K2 elects to consummate a short-form merger, there will be no stockholder vote, this requirement will 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 Brass Eagle Inc., 1201 S.E. 30th Street, Bentonville, Arkansas 72712, Attn: General Counsel, and received within twenty days of the mailing by Brass Eagle of a notice to its stockholders regarding the effectiveness of the merger. The demand must reasonably inform Brass Eagle of the identity of the stockholder and that the stockholder is demanding appraisal of his, her or its shares of Brass Eagle common stock.

The written demand for appraisal must be executed by or for the record holder of shares of Brass Eagle common stock, fully and correctly, as the holder's name appears on the certificate(s) for their shares. If the shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 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.

A record holder, such as a bank, broker, fiduciary, depository or other nominee, who holds shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock outstanding in the name of the record owner.

Within ten days after the merger, Brass Eagle will give written notice of the date of the completion of the merger to each of Brass Eagle's stockholders. Within 120 days after the completion of the merger, Brass Eagle 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 Brass Eagle common stock that are held by all dissenting stockholders. Brass Eagle is under no obligation, and has no present intention, to file such a petition. Accordingly, it is the obligation of Brass Eagle'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 Brass Eagle common stock held by dissenting stockholders, exclusive of any element of value arising from the

accomplishment or expectation of the merger,

THE OFFER

Table of Contents

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 Brass Eagle 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 Brass Eagle common stock, if any, payable to Brass Eagle stockholders of record as of a time prior to the completion of the merger. If a dissenting stockholder delivers to the surviving company 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 company, 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 Brass Eagle 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.

THE OFFER

Table of Contents

CERTAIN LEGAL MATTERS AND REGULATORY APPROVALS

Regulatory Approvals

Antitrust. The offer and the merger are subject to the HSR Act, which provides that certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the Federal Trade Commission (the "FTC") and certain waiting period requirements have been satisfied. K2 filed its Notification and Report Forms with respect to the offer under the HSR Act on October 23, 2003 and Brass Eagle filed its Notification and Report Forms with respect to the offer under the HSR Act on October 28, 2003. Early termination of the waiting period was granted on October 30, 2003.

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as K2's acquisition of shares of Brass Eagle common stock pursuant to the offer and the merger. At any time before or after K2's acquisition of shares of Brass Eagle common stock, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the acquisition of shares pursuant to the offer or otherwise seeking divestiture of shares of Brass Eagle common stock acquired by K2 or divestiture of substantial assets of K2 or its subsidiaries. Private parties, as well as state governments, may also bring legal action under the antitrust laws under certain circumstances. There can be no assurance that a challenge to the offer or other acquisition of shares of Brass Eagle common stock by K2 on antitrust grounds will not be made or, if such a challenge is made, of the result.

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 Brass Eagle common stock tendered into the offer or may delay the offer. See "The Offer - Conditions of the Offer" on page 39.

Table of Contents

CERTAIN EFFECTS OF THE OFFER

Effects on the Market; Exchange Act Registration

The tender and the acceptance of shares of Brass Eagle common stock in the offer will reduce the number of shares of Brass Eagle common stock that might otherwise trade publicly and also the number of holders of shares of Brass Eagle common stock. This could adversely affect the liquidity and market value of the remaining shares of Brass Eagle common stock held by the public. Depending upon the number of shares of Brass Eagle common stock tendered to and accepted by us in the offer, the shares of Brass Eagle 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 Brass Eagle common stock, it is possible that the shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock.

Shares of Brass Eagle common stock are currently registered under the Exchange Act. Brass Eagle can terminate that registration upon application to the SEC if the outstanding shares of Brass Eagle common stock are not listed on a national securities exchange and if there are fewer than 300 holders of record of shares of Brass Eagle common stock. Termination of registration of the shares of Brass Eagle common stock under the Exchange Act would reduce the information that Brass Eagle 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 Brass Eagle common stock. In addition, if the shares of Brass Eagle 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 Brass Eagle. Furthermore, the ability of affiliates of Brass Eagle and persons holding restricted securities of Brass Eagle to dispose of such securities pursuant to Rule 144 under the Securities Act may be impaired or eliminated. If registration of the shares of Brass Eagle 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 Brass Eagle to apply for termination of registration of the shares of Brass Eagle 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 Brass Eagle common stock are not terminated prior to the merger, then the shares of Brass Eagle common stock will be delisted from the Nasdaq National Market System and the registration of the shares of Brass Eagle common stock under the Exchange Act will be terminated following the consummation of the merger. The shares of Brass Eagle 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 Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock would be ineligible as collateral for margin loans made by brokers.

CERTAIN EFFECTS OF THE OFFER

Table of Contents

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. Each of Brass Eagle and K2 has requested that its senior bank lenders grant a waiver with respect to the transactions contemplated by the Merger Agreement.

Conduct of Brass Eagle 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 Brass Eagle will continue to operate its business as presently operated, subject to market and industry conditions.

Plans and Proposals for Brass Eagle 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 Brass Eagle. Such benefits include management and investment discretion with regard to the future conduct of Brass Eagle's business, the benefits of the profits generated by operations and increases, if any, in Brass Eagle's value and the ability to utilize, subject to applicable limitations, Brass Eagle's current and future tax attributes. Conversely, we will bear the risk of any decrease in Brass Eagle'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 Brass Eagle;

any purchase, sale or transfer of a material amount of assets of Brass Eagle;

any change in the management of Brass Eagle or any change in any material term of the employment contract of any executive officer; or

any other material change in Brass Eagle's corporate structure or business.

Accounting Treatment

Our acquisition of Brass Eagle 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 Brass Eagle 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 Brass Eagle common stock. We will pay the information agent customary fees 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 reasonable and customary fees for its services in connection with the offer and the merger, will 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 Brass Eagle stockholder.

Table of Contents

INTERESTS OF CERTAIN PERSONS IN THE OFFER AND SUBSEQUENT MERGER

Interests of Management and the Brass Eagle Board

In considering the recommendations of the Brass Eagle board of directors regarding the offer, Brass Eagle stockholders should be aware that the directors and officers of Brass Eagle have interests in the offer and the merger that differ from those of other stockholders of Brass Eagle, as described below. The Brass Eagle 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 Brass Eagle 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 Brass Eagle stockholders. Brass Eagle 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 Brass Eagle are eligible to receive, and have received, stock options under Brass Eagle's 1997 Stock Option Plan, as amended on December 18, 2000. The Merger Agreement provides that, at the effective time of the merger, each outstanding option to purchase shares of Brass Eagle common stock issued by Brass Eagle to its employees pursuant to Brass Eagle's 1997 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 Brass Eagle option will be deemed to constitute an option to acquire, on the same terms and conditions as were applicable to the Brass Eagle stock option (subject to the acceleration of vesting or exercisability of such option, pursuant to the terms of the option or the 1997 Stock Option Plan, by reason of the Merger Agreement, the offer or the merger), a number of shares of common stock of K2 equal to the number of shares of Brass Eagle subject to the option multiplied by 0.6036, 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 0.6036, rounded up to the nearest cent.

The stock option award agreements pursuant to which options are issued under Brass Eagle's 1997 Stock Option Plan provide that all options subject to the agreement shall become immediately exercisable upon a change-of-control of Brass Eagle, unless the option has previously terminated, expired, lapsed or been forfeited pursuant to the terms of the agreement or the 1997 Stock Option Plan. Under the terms of the stock option award agreements, a change-of-control includes:

any person becoming the beneficial owner of 25% or more of Brass Eagle's voting power;

a merger, consolidation, share exchange, division or other reorganization or transaction of Brass Eagle with any other corporation, other than a transaction in which the voting securities of Brass Eagle continue to represent at least 60% of the voting power of the entity surviving the transaction, either by remaining outstanding or by being converted into voting securities of the surviving entity; and

a change in a majority of Brass Eagle's board of directors during any 24-month period that is not approved by two-thirds of Brass Eagle's board and a majority of the Brass Eagle stockholders.

**INTERESTS OF CERTAIN PERSONS IN THE
OFFER AND SUBSEQUENT MERGER**

Table of Contents

The purchase by K2 of more than 50% of the Brass Eagle shares in the offer and the completion of the merger would each constitute a change-of-control under the stock option award agreements.

Under the terms of Brass Eagle's 1997 Stock Option Plan, in the event of a change-of-control of Brass Eagle, the Compensation Committee of Brass Eagle's board of directors, which is charged with administering the 1997 Stock Option Plan, may in its discretion accelerate the exercisability of any unexercisable option issued under the 1997 Stock Option Plan. Since each of Brass Eagle's outstanding stock options are either currently exercisable or will become exercisable pursuant to the terms of stock option award agreements upon the completion of the offer, the Compensation Committee will not take any action under these provisions of the 1997 Stock Option Plan in connection with the transactions contemplated by the Merger Agreement.

Brass Eagle has agreed in the Merger Agreement to enter into any amendments to the plans or agreements pursuant to which Brass Eagle 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 Brass Eagle options.

Change of Control Agreements.

Brass Eagle has entered into Change-of-Control Agreements with each of J.R. Brian Hanna, Steven R. DeMent, Steve Cherry, Charles Prudhomme, John D. Flynn, Mark Skrocki and David Armstrong. Each of these agreements provides that, in the event of a change-of-control of Brass Eagle, the employee shall have the following rights:

if Brass Eagle does not continue the employment of the employee after the change-of-control, with salary equal to or greater than the employee's annual compensation prior to the change-of-control, then the employee shall be entitled to receive severance pay equal to the employee's annual base compensation, plus a bonus payment on the same basis as prior to the change-of-control and all benefits in effect prior to the change-of-control, for a period of one year;

if Brass Eagle continues the employment of the employee after the change-of-control, then the employee may elect to continue as an employee of Brass Eagle or receive the severance package described above; and

in no event will the employee receive less than one year's compensation after the date of the change-of-control.

Under each of these agreements, a change-of-control includes a merger, consolidation, share exchange, division or other reorganization or transaction of Brass Eagle with any other corporation, other than a transaction in which the voting securities of Brass Eagle continue to represent at least 51% of the voting power of the entity surviving the transaction, either by remaining outstanding or by being converted into voting securities of the surviving entity. Each of these agreements extends until November 15, 2004 and renews automatically thereafter on a year-to-year basis. The completion of the merger will constitute a change-of-control under these agreements. At the request of K2 in connection with the execution of the Merger Agreement, each of Brass Eagle's employees that is a party to a Change-of-Control Agreement has executed a non-competition agreement pursuant to which the employee has agreed not to compete with Brass Eagle in the paintball industry at any time during which the employee is receiving any payments under the Change-of-Control Agreement.

**INTERESTS OF CERTAIN PERSONS IN THE
OFFER AND SUBSEQUENT MERGER**

Table of Contents

There are also change-of-control provisions in the Employment Agreement, dated September 15, 1997, between Brass Eagle and E. Lynn Scott. Pursuant to the terms of the Employment Agreement, if Mr. Scott terminates his employment with Brass Eagle upon the occurrence of a change-of-control, he is entitled to continue to receive his base salary, and participate in Brass Eagle's medical insurance coverage and other employee benefits, for a period of one year. A change-of-control, under the terms of the Employment Agreement, includes a change in the ownership of Brass Eagle or the merger, consolidation or other analogous reorganization or transaction of Brass Eagle with any other entity or the sale, transfer, lease or other conveyance by Brass Eagle of all or any substantial part of its assets. The purchase by K2 of more than 50% of the Brass Eagle shares in the offer and the completion of the merger would each constitute a change-of-control under the terms of the Employment Agreement. Mr. Scott's Employment Agreement also contains non-compete provisions applicable after the termination of his employment with Brass Eagle.

If the severance obligations in all of these agreements were triggered, the total payments required thereunder would be approximately \$1,300,000. The amount, if any, to be paid under these agreements will depend on K2's and the employees' actions subsequent to the merger, and cannot be specifically determined at this time.

Deferred Compensation Plan.

Selected executives and highly compensated employees of Brass Eagle are entitled to deferred compensation benefits as participants under the Brass Eagle Inc. Deferred Compensation Plan, effective as of November 15, 2001. However, pursuant to the terms of the Deferred Compensation Plan, if a change in control occurs before a participant becomes entitled to receive benefits or has received complete payment of his or her benefits under the plan, such participant shall receive a lump sum payment of the amount credited to his or her account as of the valuation date immediately preceding the date on which the change in control occurs. A change in control occurs when there is a change in 51% of the stock ownership of Brass Eagle in any twelve month period.

Pursuant to the terms of the Merger Agreement, it is a condition to the offer that Brass Eagle adopt resolutions and take other actions as may be necessary under the Deferred Compensation Plan to cause the offer and the merger not to be deemed a change in control pursuant to the Deferred Compensation Plan and to cause the Deferred Compensation Plan to continue unchanged following the effective time of the merger. On October 22, 2003, Brass Eagle's board of directors adopted such resolutions.

Company Success Bonus Program.

On November 19, 2002, the Compensation Committee of the Board of Directors of Brass Eagle approved a Success Bonus Program, pursuant to which eight current members of Brass Eagle's management team are to be paid an aggregate of \$975,000 upon a successful sale of Brass Eagle led by the management team. Under the Success Bonus Program, the following members of Brass Eagle's management team are to be paid the following amounts as of the completion of the Merger: E. Lynn Scott, \$300,000; J.R. Brian Hanna, \$125,000; Steven R. DeMent, \$100,000; Steve Cherry, \$100,000; Charles Prudhomme, \$100,000; John D. Flynn, \$100,000; Mark Skrocki, \$100,000; and David Armstrong, \$50,000.

INTERESTS OF CERTAIN PERSONS IN THE

OFFER AND SUBSEQUENT MERGER

Table of Contents

Possible Future Employment Arrangements.

Although no employment or similar agreements have been entered into between K2 and any members of Brass Eagle management, there have been discussions between K2 management and certain officers of Brass Eagle regarding potential future employment, including discussions with Brass Eagle's President and Chief Executive Officer, E. Lynn Scott.

Indemnification.

The Merger Agreement provides that, after the effective time of the merger, K2 will cause Brass Eagle to indemnify, advance expenses to and hold harmless, to the fullest extent required or permitted under applicable law and to the extent not covered by insurance, the present and former directors and officers of Brass Eagle and its subsidiaries in respect of acts or omissions occurring prior to or after the effective time of the merger, including in connection with the Merger Agreement and the transactions contemplated thereby. In the Merger Agreement, K2 has agreed to cause the certificate of incorporation and by-laws of the surviving corporation to maintain in effect, for a period of six years after the effective time of the merger, the current provisions contained in the restated certificate of incorporation and by-laws of Brass Eagle regarding the elimination of liability of directors, indemnification of directors, officers and employees and advancement of expenses. K2 has also agreed that, from and after the effective time of the merger, it will cause Brass Eagle to honor in all respects the obligations of Brass Eagle pursuant to any indemnification agreements between Brass Eagle and its directors or officers, and any indemnification provisions under Brass Eagle's restated certificate of incorporation or by-laws, existing at the date of the merger.

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

Certain Agreements Between Charter Oak Partners and K2

Exchange Agreement

In connection with the Merger Agreement, Charter Oak Partners, the largest stockholder of Brass Eagle, holding approximately 49.06% of the outstanding Brass Eagle common stock, entered into an Exchange Agreement with K2 on October 22, 2003. Pursuant to the Exchange Agreement:

Charter Oak Partners has agreed to tender all of its shares of Brass Eagle common stock in the offer, and not withdraw such shares, no later than two business days prior to the initial expiration of the offer, or December 4, 2003;

Charter Oak Partners has agreed not to:

53

**INTERESTS OF CERTAIN PERSONS IN THE
OFFER AND SUBSEQUENT MERGER**

Table of Contents

encourage, solicit, initiate or knowingly facilitate the submission of any proposal for a third party acquisition, as described in The Merger Agreement Offers for Alternative Transactions on page 62; or

enter into any agreement regarding any such third party acquisition; and

K2 has agreed that if, solely upon the first vacancy on K2's board of directors, if any, to occur within twelve months of the effective time of the merger, Charter Oak Partners owns an aggregate of no less than five percent of the outstanding shares of K2 common stock, such vacancy will be filled by a nominee mutually acceptable to Charter Oak Partners and K2.

The Exchange Agreement will terminate, and Charter Oak Partners will have no obligation to tender its shares of Brass Eagle, and may withdraw any shares previously tendered, if:

the Merger Agreement is terminated by Brass Eagle because, prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, events or changes have occurred that, individually or in the aggregate, would reasonably have a material adverse effect on K2;

the Merger Agreement is terminated by Brass Eagle because, prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, Brass Eagle receives a superior proposal, as described in The Merger Agreement Offers for Alternative Transactions on page 62, and has accepted such superior proposal, but only if:

Brass Eagle has complied with the terms as discussed in Offers for Alternative Transactions on page 62; and

Brass Eagle has paid all amounts due as discussed in Termination and Termination Fee on page 66; or

prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, the average of the closing prices for K2 common stock on the New York Stock Exchange (as reported in the New York City edition of the Wall Street Journal or, if not reported thereby, another nationally recognized source) for any ten consecutive trading days ending not later than two trading days prior to the expiration of the offer, is less than \$12.64, and as a result of such event Charter Oak Partners does not intend to tender its shares in the offer and provides notice of such intent to K2 two trading days following the expiration of such ten consecutive trading days.

Non-Competition Agreement

It is a condition to K2's obligation to complete the offer that Charter Oak Partners execute a non-competition agreement with K2 and Brass Eagle that was prepared in connection with the Merger Agreement. Pursuant to the non-competition agreement, Charter Oak Partners will agree not to compete with all of the existing businesses of Brass Eagle, other than with respect to the manufacture, marketing and distribution of CO2 gas cartridges for non-paintball products, and not to solicit current employees or customers of Brass Eagle, for a period of five years from the effective time of the merger. Charter Oak Partners will also agree to keep confidential certain information of Brass Eagle.

**INTERESTS OF CERTAIN PERSONS IN THE
OFFER AND SUBSEQUENT MERGER**

Table of Contents

THE MERGER AGREEMENT

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

The Offer

The Merger Agreement provides for the making of the offer. The obligation of K2 to accept for purchase and to exchange shares of K2 common stock for shares of Brass Eagle common stock tendered pursuant to the offer is subject to the satisfaction of the minimum condition and certain other conditions described under "The Offer - Conditions of the Offer" on page 39.

We may:

extend the offer beyond the initial scheduled expiration date set forth on the cover of this prospectus, or any subsequent scheduled expiration date, if, at the scheduled expiration of the offer, any of the conditions to our obligation to accept for exchange, and to exchange, shares of K2 common stock for shares of Brass Eagle common stock tendered shall not be satisfied or, to the extent permitted by the Merger Agreement, waived, subject, however, to the right of K2 or Brass Eagle to terminate the Merger Agreement as described below under "Termination and Termination Fee" on page 66; and

extend the offer for any period required by any rule, regulation or interpretation of the SEC applicable to the offer. Each extension may last for no more than ten business days, unless Brass Eagle and K2 agree in writing to allow for a longer period.

Brass Eagle has the right to compel us to extend the offer for an initial period of ten business days and for longer periods through January 15, 2004 if all of conditions to the offer, other than those with respect to the effectiveness of the S-4, the expiration of the waiting period under the HSR Act and the listing of the K2 shares on the New York Stock Exchange, have been satisfied and such outstanding conditions are capable of being satisfied. We may elect to provide a subsequent offering period of up to 20 business days after the acceptance of shares of Brass Eagle common stock in the offer if, on the expiration date of the offer, all of the conditions to the offer have been satisfied or waived, but the total number of shares of Brass Eagle 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 Brass Eagle common stock then outstanding and the requirements of Rule 14d-11 under the Exchange Act have been met.

Top-Up Option

We may purchase additional shares of Brass Eagle common stock directly from Brass Eagle, for the same consideration as the purchase of shares of Brass Eagle common stock pursuant to the offer, if the number of shares of Brass Eagle 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 Brass Eagle common stock then outstanding. Brass Eagle has granted us an irrevocable option to purchase up to that number of shares of Brass Eagle common stock equal to the lowest number of shares of Brass Eagle common stock that, when added to the number of shares of Brass Eagle common stock purchased by K2 pursuant to the

Edgar Filing: K2 INC - Form S-4

offer or otherwise owned by K2, Acquisition Sub and their affiliates, equals 90% of the outstanding shares of Brass Eagle common stock plus certain shares of Brass Eagle common stock issuable by Brass Eagle pursuant to stock options. K2 may exercise this option at any time after K2's acceptance of shares for payment pursuant to the offer but before the earliest to occur of the effective time of the merger or the termination of the Merger Agreement.

55

THE MERGER AGREEMENT

Table of Contents

Prompt Payment for Shares of Brass Eagle Common Stock in the Offer

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

The Merger

Generally

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

The Completion of the Merger

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

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

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

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

Manner and Basis of Converting Shares of Brass Eagle Common Stock in the Merger

Edgar Filing: K2 INC - Form S-4

Under the terms of the Merger Agreement, upon the effective time of the merger, each share of Brass Eagle common stock issued and outstanding immediately before the merger other than Dissenting Shares (as defined in the Merger Agreement) or shares of Brass Eagle common stock held by Brass Eagle, K2 or Acquisition Sub, will, without any action on the part of Acquisition Sub, Brass Eagle or the stockholder, be converted into the right to receive 0.6036 of a share, including the associated preferred share purchase rights, of K2 common stock. Shares of Brass Eagle common stock held by Brass Eagle, K2 or any subsidiary of K2 immediately before the completion of the merger will be canceled at the effective time of the merger without payment of any consideration and without any action on the part of K2, Brass Eagle or Acquisition Sub.

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

THE MERGER AGREEMENT

Table of Contents

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

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

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

Treatment of Brass Eagle Stock Options

Each outstanding and vested option to purchase shares of Brass Eagle common stock issued pursuant to the Brass Eagle 1997 Stock Option Plan or otherwise will be converted upon the effective time of the merger into an option to purchase a number of shares of K2 common stock determined by multiplying the number of shares of Brass Eagle common stock issuable upon exercise of the option immediately prior to the merger by the exchange ratio of 0.6036, rounded down to the nearest whole share. The exercise price per K2 common share for each of these options will be:

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

0.6036, rounded up to the nearest cent.

The replacement K2 options will generally have the same terms and conditions as those under the applicable Brass Eagle option plans.

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

Representations and Warranties

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

Edgar Filing: K2 INC - Form S-4

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

capital structure;

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

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

governmental consents and filings required for the merger;

57

THE MERGER AGREEMENT

Table of Contents

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

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

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

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

absence of undisclosed material litigation;

compliance in all material respects with applicable laws;

off balance sheet liabilities;

provision of material contracts not yet filed as an exhibit to a report filed with the SEC;

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

brokers' fees.

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

employee benefit plans;

labor matters;

environmental matters;

tax matters;

intellectual property;

material contracts;

title to property;

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

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

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

receipt of a fairness opinion from Brass Eagle's financial advisor;

interested party transactions; and

the effect of state takeover laws on the merger.

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

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

Conduct of Business Pending the Merger

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

THE MERGER AGREEMENT

Table of Contents

any changes in their charters or by-laws;

any issuance, sale or delivery of capital stock, including through the issuance or granting of options, warrants or otherwise, except pursuant to the exercise of Brass Eagle stock options outstanding on October 22, 2003;

any split, combination or reclassification of capital stock, the declaration or payment of any dividend or distribution or the redemption, repurchase or acquisition of any securities of Brass Eagle or any of its subsidiaries;

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

any changes in corporate structure or ownership of any subsidiary;

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

any assumption of obligations of any other person, except for guarantees of subsidiary obligations in the ordinary course of business, consistent with past practice;

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

any pledge or encumbrance of shares of capital stock of Brass Eagle, any of its subsidiaries or equity investments of Brass Eagle and its subsidiaries;

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

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

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

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

any acquisition, sale, lease, license or disposition of any assets or properties in any single transaction or series of transactions having a fair market value in excess of \$750,000 in the aggregate, except the sale or license of products in the ordinary course of business, consistent with past practice;

any entry into an exclusive license, distribution, marketing or sales agreements;

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

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

Table of Contents

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

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

any revaluation of assets or properties, including writing down the value of inventory or writing-off notes or accounts receivables, except in the ordinary course of business, consistent with past practice;

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

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

any modification of standard warranty terms for products or services or any amendment or modification of any product or service warranties in a material manner that is adverse to Brass Eagle or its subsidiaries;

any entry into any contract that contains non-competition restrictions or would otherwise restrict Brass Eagle or its subsidiaries from conducting their businesses as presently conducted;

any authorization of new capital expenditures, other than those set forth in the Brass Eagle disclosure letter, not to exceed in the aggregate \$750,000;

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

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

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

requiring payment by Brass Eagle or its subsidiaries of damages in excess of \$250,000, unless such settlement is fully covered by insurance policies in favor of Brass Eagle (other than with respect to any deductible); or

involving any equitable relief;

suffer to exist any suit, claim, action, proceeding or investigation against Brass Eagle that, if decided adversely would, individually or in the aggregate, result in any charge, assessment, levy, fine or other liability being imposed upon or incurred by Brass Eagle exceeding \$1,000,000, other than such claims, actions, proceedings or investigations that are fully covered by insurance policies in favor of Brass Eagle (other than with respect to any deductible) or determined to be without merit by counsel mutually acceptable to K2 and Brass Eagle;

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

taking an action that results in the acceleration or vesting of Brass Eagle stock options, except as required by any agreement in effect as of October 22, 2003;

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

THE MERGER AGREEMENT

Table of Contents

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

taking or agreeing to take any of the above actions.

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

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

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

any issuance, sale or delivery of capital stock, including through the issuance or granting of options, warrants or otherwise, except for issuances of K2 common stock or securities convertible into shares of K2 common stock that do not exceed ten percent of the total outstanding shares of K2 common stock as of October 22, 2003;

any split, combination or reclassification of capital stock, the declaration or payment of any dividend or distribution or the redemption or acquisition of any securities of K2 or any of its subsidiaries;

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

any adoption of any amendment to its charter documents that would impair or adversely effect the ability of K2 to consummate the transactions set forth in the Merger Agreement;

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

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

any incurrence or assumption of indebtedness or issuance of any debt securities in excess of \$100,000,000, except for:

borrowings under existing lines of credit in the ordinary course of business, consistent with past practice;

borrowings or refinancings as set forth in K2's disclosure letter; or

trade payables arising in the ordinary course of business, consistent with past practice;

any mortgage or pledge of K2's material properties or assets, or grant of a material lien thereon, except to secure debt provided for above;

any sale, lease, license or disposition of any assets or properties in any single transaction or series of transactions having a fair market value in excess of \$50,000,000 in the aggregate, except the sale or license of products in the ordinary course of business consistent with past practice and any sale of assets or properties as set forth in K2's disclosure letter;

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

taking or agreeing to take any of the above actions.

Table of Contents

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

Preparation of Registration Statement

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

the S-4 declared effective by the SEC; and

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

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

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

Offers for Alternative Transactions

Brass Eagle has agreed not to:

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

Edgar Filing: K2 INC - Form S-4

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

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

provide any non-public information about Brass Eagle or its subsidiaries or their businesses, assets and properties in connection with a third party acquisition;

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

enter into any agreement regarding any third party acquisition.

Brass Eagle has also agreed not to authorize or permit any of its affiliates or subsidiaries or its or their respective officers, directors, employees, investment bankers, attorneys, accountants or other representatives or agents to, either directly or indirectly, take any of the above-listed actions. However, if Brass Eagle receives an

THE MERGER AGREEMENT

Table of Contents

unsolicited bona fide written proposal for a third party acquisition, Brass Eagle may furnish information to or enter into discussions or negotiations with such third party if Brass Eagle:

provides one business day prior written notice to K2 that it proposes to take such action; and

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

but only if Brass Eagle's board of directors determined in good faith by majority vote that:

after consultation with independent legal counsel, failure to take such would be reasonably likely to constitute or result in a breach by the Brass Eagle board of directors of its fiduciary duties to the Brass Eagle stockholders under applicable law; and

taking into account all legal, financial, regulatory and other aspects of the proposed third party acquisition, such proposal constitutes or is reasonably likely to result in a superior proposal, as defined below, which if accepted, is reasonably capable of being consummated.

A third party acquisition includes:

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

the acquisition by a third party of 15% of the outstanding shares of Brass Eagle common stock;

the adoption by Brass Eagle of a plan of liquidation;

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

the repurchase by Brass Eagle or any of its subsidiaries of more than ten percent of the outstanding shares of Brass Eagle common stock; or

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

Edgar Filing: K2 INC - Form S-4

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

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

Table of Contents

Brass Eagle's Board of Directors Recommendations and Entering into Acquisition Agreement with Third Party

Pursuant to the terms of the Merger Agreement, the Brass Eagle board of directors has agreed to recommend that its stockholders accept the offer and approve the merger and the Merger Agreement. The Brass Eagle board of directors also agreed to neither withdraw, adversely modify or propose to withdraw or adversely modify its recommendation of the offer and the merger in a manner adverse to K2, nor approve or recommend any third party acquisition. However, the Brass Eagle board of directors may take any of the above prohibited actions, recommend a superior proposal or enter into an agreement with respect to a superior proposal if all of the following conditions are satisfied:

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

the Brass Eagle board of directors determines in its good faith judgment by majority vote, after consultation with independent legal counsel, that failure to take such otherwise prohibited action would be reasonably likely to constitute or result in a breach by the Brass Eagle board of directors of its fiduciary duties to the Brass Eagle stockholders under applicable law;

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

K2 does not, within three business days after receipt of the notice of a superior proposal, make an offer that the Brass Eagle board of directors, by majority vote, determines in its good faith judgment, after receiving the advice of its financial advisor or another financial advisor of nationally-recognized reputation, to be at least as favorable to the Brass Eagle stockholders as the superior proposal; and

before entering into an agreement with respect to a superior proposal, the Merger Agreement must be terminated and Brass Eagle must pay K2 a termination fee of \$3,700,000 as described below.

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

Indemnification and Insurance

The Merger Agreement provides that, after the effective time of the merger, to the extent not covered by insurance and as permitted by law, K2 will cause the surviving company in the merger to indemnify persons who were directors or officers of Brass Eagle or its subsidiaries prior to the effective time of the merger who incur liabilities or losses from any threatened or actual claim or proceeding based on the Merger Agreement or a claim arising by reason of the fact that the person was a director or officer of Brass Eagle or its subsidiaries. In addition, K2 has agreed to cause the surviving company in the merger to fulfill and honor any indemnification agreements and the provisions of Brass Eagle's restated certificate of incorporation and by-laws which provide for the indemnification of officers and directors as in effect on October 22, 2003. Finally, K2 has agreed to maintain in effect the current provisions regarding elimination of liability of directors, indemnification of officers, directors and employees, and advancement of expenses currently in Brass Eagle's restated certificate of incorporation and by-laws for six years after the effective time of the merger.

Edgar Filing: K2 INC - Form S-4

K2 has agreed to maintain or cause the surviving company in the merger to maintain in effect, if available, the current Brass Eagle directors and officers liability insurance for six years after the effective time of the merger. However, K2 is not required to expend an amount in excess of 200% of the current premium paid by Brass Eagle in any one year. If the aggregate expenditure on coverage exceeds that amount, K2 will purchase as much insurance as can be obtained for that amount. Instead of maintaining Brass Eagle's existing insurance, K2 may provide coverage under any policy maintained for the benefit of K2 or its subsidiaries on terms not materially less advantageous to the intended beneficiaries as the existing insurance.

64

THE MERGER AGREEMENT

Table of Contents

Employee Benefits

After the effective time of the merger, K2 will assume and honor all Brass Eagle employee benefit plans, agreements and programs according to the terms in effect immediately prior to the effective time of the merger, subject to any amendment or termination thereof that may be permitted by such terms or as otherwise permitted by applicable law. K2 may provide all employees of Brass Eagle immediately prior to the effective time of the merger who become employees of K2 after the effective time of the merger with employee benefits under K2's employee benefit plans and programs in lieu of any Brass Eagle benefit plans and programs. Nothing in the Merger Agreement prevents the termination of a Brass Eagle employee or the amendment or termination of any employee benefit plan or program, to the extent permitted by the terms as in effect immediately prior to the effective time of the merger, or by applicable law.

Other Covenants

K2 and Brass Eagle have also agreed to:

provide information reasonably requested by the other party;

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

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

provide notice to each other regarding:

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

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

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

Brass Eagle has agreed to:

adopt a resolution providing that the transactions contemplated by the Merger Agreement are not deemed a change in control pursuant to Brass Eagle's Deferred Compensation Plan and to cause the plan to continue unchanged following the effective time of the merger;

Edgar Filing: K2 INC - Form S-4

adopt a resolution providing that the receipt of K2 common stock in the merger by officers or directors of Brass Eagle who are subject to Section 16 of the Exchange Act will be an exempt transaction for purposes of Section 16 of the Exchange Act;

use all commercially reasonable efforts to obtain a letter agreement from all Brass Eagle stockholders who may be affiliates of K2 or Brass Eagle regarding compliance with Rule 145 of the Securities Act; and

cause Challenge Park Xtreme, LLC to exercise its option, on or before December 1, 2003, to purchase certain real property.

K2 has agreed to:

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

Table of Contents

permit employees of Brass Eagle who become employees of K2 or any of its subsidiaries to participate in K2's 1999 Long-Term Incentive Plan, subject to the terms and conditions of the plan.

Conditions to the Offer

For a list of the conditions to the offer, see "The Offer - Conditions of the Offer" on page 39.

Conditions to the Merger

Neither K2 nor Brass Eagle will be required to complete the merger unless:

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

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

any applicable waiting period under the HSR Act has expired or terminated, which occurred on October 30, 2003;

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

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

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

K2 shall have purchased shares of Brass Eagle common stock pursuant to the offer; and

neither the opinion received by Brass Eagle, nor the opinion received by K2, each stating that the offer and the merger together will constitute a reorganization under Section 368(a) of the Code, shall have been withdrawn.

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

Termination and Termination Fee

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

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

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

the offer has expired pursuant to its terms and no shares of Brass Eagle common stock were purchased by K2 or the offer has not been consummated by April 22, 2004 and the failure of the offer to be completed or consummated is not due to the breach of the Merger Agreement by the terminating party.

The Merger Agreement may be terminated by Brass Eagle alone if:

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

THE MERGER AGREEMENT

Table of Contents

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

K2 fails to commence the offer on or prior to November 5, 2003 and such failure was not due to Brass Eagle's material breach of the Merger Agreement;

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

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

Brass Eagle has complied with the terms as discussed in "Offers for Alternative Transactions" on page 62; and

Brass Eagle has paid all amounts due as discussed in "Termination Fees" on page 68;

prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, the average of the closing prices for K2 common stock on the New York Stock Exchange (as reported in the New York City edition of the Wall Street Journal or, if not reported thereby, another nationally recognized source) for any ten consecutive trading days ending not later than two trading days prior to the expiration of the offer, is less than \$12.64, and Brass Eagle exercises its right to terminate within two trading days following the expiration of such ten consecutive trading days; or

K2 has consummated a merger or consolidation in which K2 is not the surviving entity or has consummated a sale of all or substantially all of its assets.

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

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

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

prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, the Brass Eagle board of directors submits or recommends a superior proposal to a vote of the Brass Eagle stockholders;

prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, the Brass Eagle board of directors withdraws or modifies its approval or recommendation of the Merger Agreement, the offer or the merger, fails to include such

Edgar Filing: K2 INC - Form S-4

recommendation in the Brass Eagle Recommendation Statement or fails to reconfirm its recommendation within three business days after a reasonable request from K2 to reconfirm such recommendation;

67

THE MERGER AGREEMENT

Table of Contents

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

prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, the Brass Eagle board of directors breaches its obligations with respect to a third party acquisition or superior proposal under the terms of the Merger Agreement as described in Offers for Alternative Transactions on page 62;

prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, Charter Oak Partners breaches its obligations pursuant to its Exchange Agreement;

K2 fails to commence the offer on or prior to November 5, 2003 due to a circumstance or occurrence that if occurring after the commencement of the offer would make it impossible to satisfy certain conditions of the offer and such failure was not due to K2's failure to fulfill any of its obligations under the Merger Agreement; or

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

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

Termination Fees. Brass Eagle has agreed to pay K2 a fee of \$3,700,000 in liquidated damages if the Merger Agreement is terminated pursuant to any one of the circumstances described below:

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

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

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

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

prior to K2's acceptance of Brass Eagle common stock for exchange pursuant to the offer, the Brass Eagle board of directors breaches its obligations with respect to a third party acquisition or superior proposal under the terms of the Merger Agreement as described in Offers for Alternative Transactions on page 62; or

Edgar Filing: K2 INC - Form S-4

K2 terminates because of a willful breach by Brass Eagle of either its representations and warranties or covenants under the Merger Agreement, and within twelve months after such breach, an acquisition of Brass Eagle occurs.

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

THE MERGER AGREEMENT

Table of Contents

Amendment and Waiver

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

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

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

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

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

Costs and Expenses

In general, all costs and expenses incurred in connection with the offer, the merger and the Merger Agreement will be paid by the party incurring such expenses, except that expenses incurred in connection with filing, printing and mailing of the Schedule TO, the Form S-4 registration statement, this prospectus, the Brass Eagle Recommendation Statement and other ancillary offering documents and with making required filings under the HSR Act or other similar foreign merger notification laws will be shared equally by K2 and Brass Eagle.

Table of Contents

INFORMATION ABOUT BRASS EAGLE

Brass Eagle is one of the world's leading designers, manufacturers, marketers and distributors of paintball markers, paintballs, paintball protective gear, paintball kits and accessories associated with the growing sport of paintball. Based in Bentonville, Arkansas, Brass Eagle has manufacturing and distribution facilities in Neosho, Missouri, Batesville, Mississippi and Chula Vista, California.

Brass Eagle offers a full range of innovative paintball markers and accessory products for the beginner through competition-level participants and is a primary manufacturer that offers paintball products to consumers through easily accessible channels such as mass merchandisers and major sporting goods retailers. These products generally sell at various price levels to offer the consumer the opportunity to move up through the product line. Brass Eagle has gained a competitive advantage through improved efficiency in its product development and manufacturing activities. These efficiencies are realized through its manufacturing processes that are designed to produce high-volume, low-cost-per-unit products. As the market for paintball products has grown, Brass Eagle has planned and implemented strategic changes to expand Brass Eagle's operations, facilities and internal controls consistent with the increased demand for its products.

For your reference, this prospectus is accompanied by copies of Brass Eagle's most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and Brass Eagle's most recent Quarterly Report on Form 10-Q for the quarter ended June 30, 2003. The Annual Report is attached to this prospectus as Annex D and the Quarterly Report is attached as Annex E. Please refer to these reports for a more detailed discussion of Brass Eagle's business, results of operations and financial condition.

INFORMATION ABOUT BRASS EAGLE

Table of Contents

COMPARISON OF RIGHTS OF HOLDERS OF BRASS EAGLE COMMON STOCK AND HOLDERS OF K2 COMMON STOCK

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

The following description summarizes the material differences that may affect the rights of the stockholders of Brass Eagle, but does not purport to be a complete statement of all those differences, or a complete description of the specific provisions referred to in this summary. Stockholders should carefully read the relevant provisions of the DGCL and K2's and Brass Eagle's respective certificates of incorporation and by-laws. For more information on how to obtain these documents, see [Additional Information Where You Can Find Additional Information](#) on page 78.

Capitalization

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

K2 Common Stock. As of the date of this prospectus there were approximately 28,521,798 shares of K2 common stock outstanding and held of record by approximately 2,800 persons. K2 common stock is listed on the New York Stock Exchange under the symbol KTO. Holders of K2 common stock are entitled to one vote per share on all matters to be voted upon by K2 stockholders. K2 stockholders may not cumulate votes in connection with the election of directors. The holders of K2 common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the K2 board out of funds legally available for the payment of dividends. In the event of a liquidation, dissolution or winding up of K2, the holders of K2 common stock are entitled to share ratably in all assets remaining after payment of liabilities of K2 and of the preferential amounts, if any, to which the holders of K2 preferred stock are entitled. The K2 common stock has no preemptive, conversion or other subscription rights. There are no redemption or sinking fund provisions applicable to the K2 common stock. All outstanding shares of K2 common stock are fully paid and non-assessable, and the shares of K2 common stock to be outstanding upon completion of the merger will be fully paid and non-assessable. Computershare Trust Company, Inc. is the Transfer Agent and Registrar for the shares of K2 common stock.

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

fix its rights, preferences, privileges and restrictions;

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

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

K2's certificate of designation, dated August 10, 1989, as amended on August 9, 1999, designates 200,000 shares of preferred stock as Series A Preferred Stock in connection with K2's rights plan, as described below in [Rights Plan K2](#) on page 76. The powers, preferences or special rights

Edgar Filing: K2 INC - Form S-4

of this series may not be materially and adversely changed without the approval of at least two-thirds of the outstanding shares of K2's Series A Preferred Stock voting separately as a class.

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

71

COMPARISON OF RIGHTS OF HOLDERS OF BRASS EAGLE COMMON STOCK AND HOLDERS OF K2 COMMON STOCK

Table of Contents

Brass Eagle. The authorized capital stock of Brass Eagle consists of 10,000,000 shares of common stock, \$0.01 par value.

Brass Eagle Common Stock. As of the date of this prospectus there were approximately 7,490,439 shares of Brass Eagle common stock outstanding that were held of record by approximately 95 persons and held beneficially by approximately 1,100 persons. Brass Eagle common stock is listed on the Nasdaq National Market System under the symbol XTRM. Holders of Brass Eagle common stock are entitled to one vote per share on all matters to be voted upon by Brass Eagle stockholders. The holders of Brass Eagle common stock are entitled to receive dividends, if any, as may be declared from time to time by the Brass Eagle board. The Brass Eagle common stock has no preemptive, conversion or other subscription rights. There are no redemption or sinking fund provisions applicable to the Brass Eagle common stock. All outstanding shares of Brass Eagle common stock are fully paid and non-assessable. SunTrust Bank is the Transfer Agent and Registrar for shares of Brass Eagle common stock.

Brass Eagle Preferred Stock. The authorized capital stock of Brass Eagle does not include any preferred shares.

Number, Election, Vacancy and Removal of Directors

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

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

Brass Eagle. The Brass Eagle board of directors has six members. The Brass Eagle restated certificate of incorporation and the Brass Eagle by-laws provide that the Brass Eagle board of directors shall consist of between three and nine members, as set by the board of directors or by stockholders at the annual meeting. Vacancies and newly created board positions are filled by the vote of a majority of the directors then in office. Directors may be removed at any time for cause by the affirmative vote of a majority of shares present and entitled to vote in the election of directors at a meeting duly called and held.

Amendments to Certificate of Incorporation

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

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

72

COMPARISON OF RIGHTS OF HOLDERS OF BRASS EAGLE

COMMON STOCK AND HOLDERS OF K2 COMMON STOCK

Table of Contents

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

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

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

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

Amendments to By-laws

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

Brass Eagle. The Brass Eagle by-laws may be amended by the stockholders, without other action by the board of directors, at a regular stockholder meeting or at a special stockholder meeting if notice of such amendment was given in the notice for the special meeting.

Stockholder Action

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

Brass Eagle. The vote of the holders of a majority of stock having voting power present in person or represented by proxy and entitled to vote at a meeting duly called and held is the act of the Brass Eagle stockholders. The Brass Eagle by-laws provide that any action required or permitted to be taken by stockholders at any annual or special meeting of such stockholders may be taken without a meeting, without prior notice and without a vote, if effected by written consent signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Brass Eagle must provide prompt notice of any less than unanimous written consents to those stockholders who have not consented in writing.

Notice of Certain Stockholder Actions

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

73

COMPARISON OF RIGHTS OF HOLDERS OF BRASS EAGLE

COMMON STOCK AND HOLDERS OF K2 COMMON STOCK

Table of Contents

Brass Eagle. The Brass Eagle by-laws are silent as to the amount of advance notice required to be given to Brass Eagle in order for a Brass Eagle stockholder to properly bring business before a stockholder meeting.

Special Stockholder Meetings

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

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

Brass Eagle. The Brass Eagle by-laws provide that the President may, and the President or Secretary shall, at the request of a majority of the directors in office or a majority of Brass Eagle stockholders, call a special meeting of the stockholders. No business may be transacted at a special meeting of the stockholders other than that stated in the notice of the meeting.

Limitation of Personal Liability of Directors and Indemnification

Delaware General Corporation Law. Under the DGCL, a corporation may include a provision in its certificate of incorporation eliminating or limiting the personal liability of a director to the corporation or its stockholders for certain monetary damages resulting from breaches of fiduciary duties. Specifically, the corporation may indemnify any director, officer, employee or agent of the corporation for expenses, monetary damages, fines and settlement amounts to the extent the person:

acted in good faith;

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

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

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

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

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

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

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

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

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

K2. The K2 restated certificate of incorporation provides a right to indemnification of current and former directors and officers to the fullest extent authorized or permitted by the DGCL, as described above. However, if the DGCL is amended to further eliminate or limit director liability, then the indemnification provided shall be expanded to the fullest extent permitted by the DGCL, as amended. In addition, the K2 restated certificate of incorporation requires K2 to indemnify any present or former director or officer who has been successful on the merits or otherwise in the defense of any claim or proceeding for expenses, including attorneys' fees. The K2

COMPARISON OF RIGHTS OF HOLDERS OF BRASS EAGLE

COMMON STOCK AND HOLDERS OF K2 COMMON STOCK

Table of Contents

restated certificate of incorporation also permits K2's board of directors to provide indemnification of employees and agents of K2 with the same scope and effect as the indemnification provided for directors and officers. This right to indemnification is not exclusive of any other right the director or officer may have.

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

Brass Eagle. The Brass Eagle restated certificate of incorporation provides that directors shall not be personally liable for monetary damages for breach of fiduciary duty, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. However, if the DGCL is amended to further eliminate or limit director liability, then the liability of a director shall be eliminated or limited to the fullest extent permitted by the DGCL, as amended. In addition, the Brass Eagle by-laws provide a right to indemnification of current and former directors and officers. The Brass Eagle by-laws further provide a right to indemnification of current and former directors and officers who may serve at Brass Eagle's request as a director, officer, employee or agent of another corporation, partnership, enterprise or nonprofit entity but such indemnification shall be reduced by indemnification available from such other corporation, partnership, enterprise or nonprofit entity. This right to indemnification is not exclusive of any other right the director or officer may have. In addition, any amendment or modification of Article Eighth of the Brass Eagle by-laws, which provides for indemnification of directors and officers, will not adversely affect any right or protection of a director or officer for any act or omission occurring prior to the time of such amendment or modification.

Mergers, Acquisitions and Other Transactions

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

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

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

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

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

Edgar Filing: K2 INC - Form S-4

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

75

COMPARISON OF RIGHTS OF HOLDERS OF BRASS EAGLE

COMMON STOCK AND HOLDERS OF K2 COMMON STOCK

Table of Contents

Dissenters' Appraisal Rights

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

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

held of record by more than 2,000 stockholders.

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

shares of the surviving corporation;

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

cash in place of fractional shares.

In addition, appraisal rights will be available in connection with a short-form merger pursuant to Section 253 of the DGCL. See *The Offer Appraisal Rights* on page 44.

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

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

Rights Plan

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

Edgar Filing: K2 INC - Form S-4

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

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

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

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

76

COMPARISON OF RIGHTS OF HOLDERS OF BRASS EAGLE

COMMON STOCK AND HOLDERS OF K2 COMMON STOCK

Table of Contents

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

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

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

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

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

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

Brass Eagle. Brass Eagle does not have a stockholder rights plan.

Table of Contents

ADDITIONAL INFORMATION

Legal Matters

Gibson, Dunn & Crutcher LLP, counsel to K2, will pass upon the validity of the K2 common stock to be issued in connection with the merger. Gibson, Dunn & Crutcher LLP and Thompson Hine LLP, counsel to Brass Eagle, are expected to render opinions concerning the federal income tax consequences of the merger.

Experts

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

The consolidated financial statements of Brass Eagle and its subsidiaries as of December 31, 2002 and 2001, and for each of the three years in the period ended December 31, 2002 have been included herein in reliance upon the report of Crowe Chizek and Company LLC, independent accountants, as set forth in their report thereon appearing elsewhere in this document and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Rawlings and its subsidiaries as of August 31, 2002, and for the year ended August 31, 2002, have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent accountants, as set forth in their report, which is incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

Although Rawlings dismissed Arthur Andersen LLP as its independent public accountants effective June 13, 2002 and engaged KPMG LLP, the consolidated financial statements of Rawlings at August 31, 2001 and for each of the two years in the period ended August 31, 2001 incorporated by reference herein have been audited by Arthur Andersen LLP. We have not sought the written consent of Arthur Andersen LLP to our naming it as an expert and incorporating by reference herein its audit report for the financial statements of Rawlings at August 31, 2001 and for each of the two years in the period ended August 31, 2001. The requirement to obtain such consent has been dispensed with in reliance on Rule 437a under the Securities Act. Because Arthur Andersen LLP has not consented to the incorporation by reference herein of its report, you will not be able to recover against Arthur Andersen LLP under Section 11 of the Securities Act for any untrue statement of a material fact contained in the financial statements audited by Arthur Andersen LLP or any omissions to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

Where You Can Find Additional Information

Edgar Filing: K2 INC - Form S-4

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

K2 filed the registration statement on Form S-4 to register with the SEC the shares of K2 common stock to be issued to Brass Eagle stockholders in the offer and the merger. This prospectus is a part of that registration statement and constitutes a prospectus of K2. K2 also filed with the SEC, on the same day as it filed the Form S-4, a tender offer statement on Schedule TO pursuant to the Exchange Act in connection with the offer. You may obtain copies of the Form S-4 and the Schedule TO (and any amendments to those documents) in the manner

ADDITIONAL INFORMATION

Table of Contents

described above. Brass Eagle is required to file with the SEC a solicitation/recommendation statement on Schedule 14D-9 regarding the offer within ten business days from the date of the distribution of this prospectus and to disseminate this statement to Brass Eagle stockholders. Brass Eagle has agreed to file its recommendation statement on the same day that we file the registration statement on Form S-4 with the SEC. A copy of Brass Eagle's recommendation statement on Schedule 14D-9 is enclosed. You may also obtain a copy of the Schedule 14D-9 (and any amendments to that document) in the manner described above.

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

<u>K2 SEC Filings (File No. 001-04290)</u>	<u>Period</u>
Annual Report on Form 10-K	Year ended December 31, 2002
Quarterly Report on Form 10-Q	Quarters ended March 31, 2003 and June 30, 2003
Current Reports on Form 8-K	
(other than any disclosure furnished, but not filed, pursuant to Item 9 or Item 12 of Form 8-K)	Filed on February 24, March 13, April 1, May 28, June 5, July 22, October 1, October 23, October 24 and October 29
Definitive Proxy Statement on Schedule 14A	Filed on April 21, 2003
Registration Statement on Form 8-A	Filed on August 21, 1989
Registration Statement on Form 8-A/A	Filed on January 23, 1998
Registration Statement on Form S-4	Filed on January 17, 2003; Amendment No 1. filed on February 25, 2003

<u>Brass Eagle SEC Filings (File No. 000-23385)</u>	<u>Period</u>
Annual Report on Form 10-K, including the information set forth under the captions Item 1: Business, Item 5: Market for the Registrant's Common Equity and Related Stockholder Matters, Item 6: Selected Financial Data, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operation and Item 7A: Quantitative and Qualitative Disclosures About Market Risk	Year ended December 31, 2002
Quarterly Report on Form 10-Q, including the information set forth under the caption Part I: Financial Information	Quarters ended March 31, 2003 and June 30, 2003
Current Reports on Form 8-K (other than any disclosure furnished, but not filed, pursuant to Item 9 or Item 12 of Form 8-K)	Filed on April 22, May 7, August 6, and October 23, 2003
Definitive Proxy Statement on Schedule 14A	Filed on April 1, 2003

Table of Contents

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

K2 has supplied all information contained or incorporated by reference in this prospectus relating to K2, and Brass Eagle has supplied all such information relating to Brass Eagle.

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

K2 Inc.

Attention: Investor Relations

2051 Palomar Airport Road

Carlsbad, California 92009

(760) 494-1000

Brass Eagle Inc.

Attention: Investor Relations

1201 SE 30th Street

Bentonville, Arkansas 72712

(479) 464-8700

If you would like to request documents from us, please do so by December 1, 2003 to receive them before the initial expiration of the exchange offer. If you request any incorporated documents from K2 and Brass Eagle, K2 or Brass Eagle will mail them to you by first-class mail, or other equally prompt means, within one business day of receipt of your request.

You should rely only on the information contained or incorporated by reference in this prospectus to make your decision regarding the tender of shares. K2 and Brass Eagle have not authorized anyone to provide you with information that is different from what is contained in this prospectus. This prospectus is dated November 4, 2003, and was first mailed to stockholders on November 4, 2003. You should not assume that the information contained in the prospectus is accurate as of any date other than that date, and neither the mailing of this prospectus to the stockholders nor the issuance of K2 shares in the offer or the merger shall create any implication to the contrary.

Miscellaneous

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

ADDITIONAL INFORMATION

Table of Contents

**UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL INFORMATION**

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

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

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

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

This unaudited pro forma financial information presented is based on the assumptions and adjustments described in the accompanying notes. The unaudited pro forma condensed combined statement of income does not purport to represent what our results of operations actually would have been if the events described above had occurred as of the dates indicated or what such results would be for any future periods. The unaudited pro forma condensed combined financial statements are based upon assumptions and adjustments that we believe are reasonable. Assumptions regarding the value of K2 common stock are based on the last reported sale price of the stock on the New York Stock Exchange on October 22, 2003. The unaudited pro forma financial statements, and the accompanying notes, should be read in conjunction with the historical financial statements and related notes of K2, Rawlings and Brass Eagle included in the applicable company's annual report on Form 10-K and quarterly reports on Form 10-Q incorporated by reference or included elsewhere in this prospectus. See "Where You Can Find Additional Information" on page 78.

Table of Contents**K2 AND BRASS EAGLE CONSOLIDATED FINANCIAL STATEMENTS****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****June 30, 2003****(in thousands)**

	Historical		Adjustments	Pro forma Combined
	K2	Brass Eagle		
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 40,876	\$ 230		\$ 41,106
Accounts receivable, net	161,634	25,035		186,669
Inventories, net	177,226	19,508	1,529 (2)	198,263
Deferred Income Tax	29,506	1,987		31,493
Prepaid expenses and other current assets	9,372	907		10,279
Total current assets	418,614	47,667	1,529	467,810
Property, plant and equipment, net	65,757	15,912		81,669
Intangibles, including goodwill, net	101,978	32,284	(32,284)(1)	150,710
Other assets	13,270	754	48,732 (1) (165)(2)	13,859
Total Assets	\$ 599,619	\$ 96,617	17,812	\$ 714,048
LIABILITIES AND SHAREHOLDERS EQUITY				
Current Liabilities				
Bank loans	\$ 6,124	\$ 3,800		\$ 9,924
Accounts payable	62,639	8,312	4,471 (1)	75,422
Accrued Liabilities	70,998	4,285		75,283
Current portion of long-term debt	6,667	5,801		12,468
Total current liabilities	146,428	22,198	4,471	173,097
Long-term Debt	11,666	5,600		17,266
Long-term Pension Liabilities and Other Liabilities	12,553	814		13,367
Deferred Taxes	11,063	2,634		13,697
Convertible subordinated debentures	97,834			97,834
Shareholders' Equity				
Common Stock	27,756	77	(77)(1)	32,275
Additional paid-in capital	214,874	27,262	4,519 (1) (27,262)(1) 71,174 (1)	289,067
Retained earnings	102,104	39,391	3,019 (1) (39,391)(1)	102,104
Employee Stock Ownership Plan and stock option loans	(1,209)			(1,209)
Treasury shares	(9,117)	(1,276)	1,276 (1)	(9,117)

Edgar Filing: K2 INC - Form S-4

Accumulated other comprehensive loss	(14,333)	(83)	83(1)	(14,333)
Total Shareholders' Equity	320,075	65,371	13,341	398,787
Total Liabilities and Shareholders' Equity	\$ 599,619	\$ 96,617	\$ 17,812	\$ 714,048

See accompanying notes to unaudited pro forma condensed combined financial statements

For explanations of pro forma adjustments, see below

82

**UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL INFORMATION**

Table of Contents**K2 AND BRASS EAGLE****UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**

(in thousands, except per share data)

For the twelve months ended

	K2 December 31, 2002	Rawlings November 30, 2002 (a)	Adjustments (b)	Pro forma Combined	Brass Eagle December 31, 2002	Adjustments (b)	Pro forma Combined
Net sales	\$ 582,159	\$ 170,278		\$ 752,437	\$ 104,923		\$ 857,360
Cost of products sold	411,620	121,999		533,619	63,918		597,537
Gross profit	170,539	48,279		218,818	41,005		259,823
Selling expenses	86,394	29,392		115,786	16,346		132,132
General and administrative expenses	56,862	11,196	1,200 (3)	69,258	8,516		77,774
Operating income	27,283	7,691	(1,200)	33,774	16,143		49,917
Interest expense	8,966	2,351		11,317	1,456		12,773
Other income, net	(253)			(253)			(253)
Income before provision for income taxes	18,570	5,340	(1,200)	22,710	14,687		37,397
Provision for income taxes	6,500	1,853	(420)(4)	7,933	5,016		12,949
Net income	\$ 12,070	\$ 3,487	\$ (780)	\$ 14,777	\$ 9,671	\$	\$ 24,448
Basic earnings per share:							
Net income	\$ 0.67	\$ 0.43		\$ 0.55	\$ 1.35		\$ 0.78
Diluted earnings per share:							
Net income	\$ 0.67	\$ 0.43		\$ 0.55	\$ 1.30		\$ 0.77
Basic shares outstanding	17,941	8,117	687(5)	26,745	7,189	(2,670)(5)	31,264
Diluted shares outstanding	17,994	8,146	898 (5)	27,038	7,461	(2,926)(5)	31,573

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

	Three months ended November 30, 2002	+	Twelve months ended August 31, 2002	=	Three months ended November 30, 2001	=	Twelve months ended November 30, 2002
Net sales	\$ 29,974		\$ 173,712		\$ 33,408		\$ 170,278

Edgar Filing: K2 INC - Form S-4

Operating income (loss)	(511)	7,618	(584)	7,691
Net income (loss)	\$ (658)	\$ 3,347	\$ (798)	\$ 3,487

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

See accompanying notes to unaudited pro forma condensed combined financial statements

For explanations of pro forma adjustments, see below

83

**UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL INFORMATION**

Table of Contents**K2 AND BRASS EAGLE****UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME**

For the six months ended June 30, 2003

(in thousands, except per share data)

	Historical						Pro forma Combined
	K2		Rawlings Adjustments (a)	Pro forma Combined	Brass Eagle		
	Six months ended June 30, 2003	Three months ended February 28, 2003			Six months ended June 30, 2003	Adjustments (a)	
Net sales	\$ 356,791	\$ 61,013		\$ 417,804	\$ 38,039		\$ 455,843
Cost of products sold	249,430	42,741		292,171	24,965		317,136
Gross profit	107,361	18,272		125,633	13,074		138,707
Selling, general and administrative expenses	88,513	10,724	300(3)	99,537	11,855		111,392
Operating income	18,848	7,548	(300)	26,096	1,219		27,315
Interest expense	4,608	686		5,294	567		5,861
Debt extinguishment costs	6,745			6,745			6,745
Other income, net	(1,600)			(1,600)			(1,600)
Income before provision for income taxes	9,095	6,862	(300)	15,657	652		16,309
Provision for income taxes	3,184	2,502	(105)(4)	5,581	246		5,827
Net Income	\$ 5,911	\$ 4,360	\$ (195)	\$ 10,076	\$ 406	\$	10,482
Basic earnings per share:							
Net income	\$ 0.27	\$ 0.54		\$ 0.38	\$ 0.06		\$ 0.34
Diluted earnings per share:							
Net income	\$ 0.26	\$ 0.52		\$ 0.37	\$ 0.05		\$ 0.33
Basic shares outstanding	21,954	8,148	(3,746)(5)	26,356	7,326	(2,807)(5)	30,875
Diluted shares outstanding	23,034	8,317	(3,757)(5)	27,594	7,581	(3,034)(5)	32,141

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

Edgar Filing: K2 INC - Form S-4

See accompanying notes to unaudited pro forma condensed combined financial statements

For explanations of pro forma adjustments, see below

84

**UNAUDITED PRO FORMA CONDENSED
COMBINED FINANCIAL INFORMATION**

Table of Contents

K2 AND BRASS EAGLE

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Basis of Presentation

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

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

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

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

The preparation of unaudited pro forma condensed combined financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited pro forma condensed combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pro Forma Income Per Share

The pro forma combined net income per share is based on the weighted average number of common shares and the dilutive impact of stock options outstanding of K2 with additional shares of K2 common stock issued at the beginning of the period presented based upon the number of shares of K2 stock issued in exchange for shares of Rawlings upon completion of the merger on March 26, 2003, and additional shares of K2

Edgar Filing: K2 INC - Form S-4

common stock issued at the beginning of the period presented based upon the assumed exchange ratio of 0.6036 of a share of K2 common stock for each share of Brass Eagle stock outstanding.

85

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Table of Contents**K2 AND BRASS EAGLE****NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED****FINANCIAL INFORMATION (Continued)****Merger Related Expenses of K2 and Brass Eagle**

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

Adjustments to Pro Forma Statements

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

	June 30, 2003
	(in thousands)
Purchase price	\$ 78,712
Merger related expenses	4,471
Aggregate merger cost	83,183
Less: Estimated fair value of net tangible assets acquired.	(34,451)
Excess of cost over preliminary estimate of fair value of net tangible assets acquired	\$ 48,732

The purchase price assumes a \$16.75 share price for K2 common stock at the time of the merger. This assumption is based on the last reported sale price of K2 common stock on the New York Stock Exchange on October 22, 2003.

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

exercisable at the time of the merger.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL INFORMATION

Table of Contents**K2 AND BRASS EAGLE****NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED****FINANCIAL INFORMATION (Continued)**

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

	(in thousands)
Brass Eagle common shares outstanding	7,487
Exchange ratio	0.6036
<hr/>	
Shares of K2 common stock	4,519
Multiplied by: Assumed stock price	\$ 16.75
<hr/>	
Assumed value of K2 stock to be issued for Brass Eagle common shares outstanding (a)	\$ 75,693
Outstanding Brass Eagle stock options	604
Exchange ratio	0.6036
<hr/>	
Options to purchase shares of K2 common stock	365
Multiplied by: Fair value of stock options based on Black-Scholes estimate*	\$ 8.27
<hr/>	
Assumed value of K2 stock options to be issued for stock options outstanding (b)	\$ 3,019
Assumed value of K2 stock and stock options to be issued for Brass Eagle common shares and stock options outstanding (a + b)	\$ 78,712
Less: Historical Brass Eagle shareholders' equity at June 30, 2003	(65,371)
<hr/>	
Total adjustment to shareholders' equity	\$ 13,341
<hr/>	

* Black-Scholes estimate based on the following assumptions: (1) risk free interest rate of 2.70%, (2) volatility of K2 common stock of 0.478, (3) expected life of four years, (4) weighted average exercise price of \$12.64 and (5) stock price at grant date of \$16.75.

(2) Preliminary pro forma adjustments were made to adjust Brass Eagle's assets and liabilities to fair market value at June 30, 2003. The adjustments consisted of (a) increasing inventories by \$1.5 million to reflect the inventory at its fair market value, net of costs of disposal and a reasonable profit for the remaining selling effort and (b) an adjustment of \$0.2 million consisting of the write-off of capitalized debt costs, to reflect the debt to be assumed at its fair value which is expected to be paid off in connection with the merger.

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

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

Table of Contents**K2 AND BRASS EAGLE****NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED****FINANCIAL INFORMATION (Continued)**

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

- (3) Pro forma adjustment reflects K2's additional amortization expense based on the identified intangible assets acquired with finite lives resulting from the merger with Rawlings on March 26, 2003.
- (4) Pro forma adjustment reflects the decrease in income tax expense as the result of the pro forma adjustment above.
- (5) Pro forma adjustments were made to the number of basic and diluted shares outstanding based on the number of shares of K2 common stock and stock options (under the treasury stock method) that were issued in connection with the merger with Rawlings on March 26, 2003 and based on the preliminary number of shares of K2 common stock and stock options (under the treasury stock method) that are expected to be issued in connection with the merger with Brass Eagle, based on the number of Brass Eagle shares of common stock and stock options outstanding at an exchange ratio of 0.6036 of a share of K2 common stock for each Brass Eagle share.

	Year ended December 31, 2002	Six Months ended June 30, 2003
Basic:		
Weighted average shares of K2 common stock issued for Rawlings shares	8,804	4,402(a)
Less: elimination of Rawlings shares	(8,117)	(8,148)
	<u>687</u>	<u>(3,746)</u>
Pro forma adjustment	687	(3,746)
	<u>4,519</u>	<u>4,519</u>
Shares of K2 common stock to be issued for Brass Eagle shares	4,519	4,519
Less: elimination of Brass Eagle shares	(7,189)	(7,326)
	<u>(2,670)</u>	<u>(2,807)</u>
Pro forma adjustment	(2,670)	(2,807)
Diluted:		
Weighted average shares of K2 common stock issued for Rawlings shares	8,804	4,402
Options to purchase K2 common stock under the treasury stock method	240	158
Less: elimination of Rawlings shares	(8,146)	(8,317)
	<u>898</u>	<u>(3,757)</u>
Pro forma adjustment	898	(3,757)
	<u>4,519</u>	<u>4,519</u>
Shares of K2 common stock to be issued for Brass Eagle shares	4,519	4,519
Options to purchase K2 common stock under the treasury stock method	16	28

Edgar Filing: K2 INC - Form S-4

Less: elimination of Brass Eagle shares	(7,461)	(7,581)
Pro forma adjustment	(2,926)	(3,034)

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

NOTES TO THE UNAUDITED PRO FORMA CONDENSED

COMBINED FINANCIAL INFORMATION

Table of Contents

ANNEX A

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

DATED AS OF OCTOBER 22, 2003

AMONG

K2 INC.,

BRASS EAGLE INC.

AND

CABE ACQUISITION SUB, INC.

Table of Contents**TABLE OF CONTENTS**

	<u>Page</u>
ARTICLE 1 <u>THE OFFER</u>	A-1
Section 1.1.	<u>The Offer</u>
Section 1.2.	A-1
Section 1.3.	<u>Company Actions</u>
Section 1.4.	<u>Stockholder Approval</u>
	<u>Top-Up Option</u>
ARTICLE 2 <u>THE MERGER</u>	A-7
Section 2.1.	<u>The Merger</u>
Section 2.2.	<u>Effective Time</u>
Section 2.3.	<u>Closing of the Merger</u>
Section 2.4.	<u>Effects of the Merger</u>
Section 2.5.	<u>Certificate of Incorporation and Bylaws</u>
Section 2.6.	<u>Directors</u>
Section 2.7.	<u>Officers</u>
Section 2.8.	<u>Conversion of Shares</u>
Section 2.9.	<u>Dissenters and Appraisal Rights</u>
Section 2.10.	<u>Exchange of Certificates</u>
Section 2.11.	<u>Stock Options</u>
Section 2.12.	<u>Plan of Reorganization</u>
ARTICLE 3 <u>REPRESENTATIONS AND WARRANTIES OF THE COMPANY</u>	A-11
Section 3.1.	<u>Organization and Qualification; Subsidiaries; Investments</u>
Section 3.2.	<u>Capitalization of the Company and Subsidiaries</u>
Section 3.3.	<u>Authority Relative to this Agreement; Recommendation</u>
Section 3.4.	<u>SEC Reports; Financial Statements</u>
Section 3.5.	<u>Information Supplied</u>
Section 3.6.	<u>Consents and Approvals; No Violations</u>
Section 3.7.	<u>No Default</u>
Section 3.8.	<u>No Undisclosed Liabilities; Absence of Changes</u>
Section 3.9.	<u>Litigation</u>
Section 3.10.	<u>Compliance with Applicable Law</u>
Section 3.11.	<u>Employee Benefit Plans; Labor Matters</u>
Section 3.12.	<u>Environmental Laws and Regulations</u>
Section 3.13.	<u>Taxes</u>
Section 3.14.	<u>Intellectual Property</u>
Section 3.15.	<u>Material Contracts</u>
Section 3.16.	<u>Title to Properties; Absence of Liens and Encumbrances</u>
Section 3.17.	<u>Off Balance Sheet Liabilities</u>
Section 3.18.	<u>Promotions and Selling Arrangements</u>
Section 3.19.	<u>Tax Treatment</u>
Section 3.20.	<u>Affiliates</u>
Section 3.21.	<u>Suppliers and Customers</u>
Section 3.22.	<u>Opinion of Financial Adviser</u>
Section 3.23.	<u>Brokers</u>
Section 3.24.	<u>Interested Party Transactions</u>
Section 3.25.	<u>Takeover Statutes</u>
ARTICLE 4 <u>REPRESENTATIONS AND WARRANTIES OF PARENT AND ACQUISITION</u>	A-25
Section 4.1.	<u>Organization</u>
Section 4.2.	<u>Capitalization of Parent and its Subsidiaries</u>

Table of Contents**Table of Contents****(Continued)**

		Page
Section 4.3.	<u>Authority Relative to this Agreement</u>	A-27
Section 4.4.	<u>SEC Reports; Financial Statements</u>	A-27
Section 4.5.	<u>Information Supplied</u>	A-27
Section 4.6.	<u>Consents and Approvals; No Violations</u>	A-28
Section 4.7.	<u>No Default</u>	A-28
Section 4.8.	<u>No Undisclosed Liabilities; Absence of Changes</u>	A-28
Section 4.9.	<u>Litigation</u>	A-29
Section 4.10.	<u>Compliance with Applicable Law</u>	A-29
Section 4.11.	<u>Brokers</u>	A-29
Section 4.12.	<u>No Prior Activities of Acquisition</u>	A-29
Section 4.13.	<u>Tax Treatment</u>	A-29
Section 4.14.	<u>Disclosure</u>	A-29
Section 4.15.	<u>Off Balance Sheet Liabilities</u>	A-30
ARTICLE 5	<u>COVENANTS</u>	A-30
Section 5.1.	<u>Conduct of Business of the Company</u>	A-30
Section 5.2.	<u>Conduct of Business of Parent</u>	A-32
Section 5.3.	<u>Preparation of S-4</u>	A-34
Section 5.4.	<u>Other Potential Acquirers</u>	A-34
Section 5.5.	<u>Stock Exchange Listing</u>	A-36
Section 5.6.	<u>Access to Information</u>	A-36
Section 5.7.	<u>Certain Filings; Reasonable Efforts</u>	A-37
Section 5.8.	<u>Public Announcements</u>	A-38
Section 5.9.	<u>Indemnification and Directors and Officers Insurance</u>	A-38
Section 5.10.	<u>Notification of Certain Matters</u>	A-39
Section 5.11.	<u>Affiliates</u>	A-39
Section 5.12.	<u>Employee Benefits</u>	A-39
Section 5.13.	<u>Employee Stock Purchase Plan</u>	A-39
Section 5.14.	<u>Deferred Compensation Plan</u>	A-40
Section 5.15.	<u>Tax-Free Reorganization</u>	A-40
Section 5.16.	<u>Section 16 Matters</u>	A-40
Section 5.17.	<u>Takeover Statutes</u>	A-40