UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2013

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File No. 001-33202

UNDER ARMOUR, INC.
(Exact name of registrant as specified in its charter)

Maryland	**52-1990078**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1020 Hull Street Baltimore, Maryland 21230	**(410) 454-6428**
(Address of principal executive offices) (Zip Code)	**(Registrant's Telephone Number, Including Area Code)**

Securities registered pursuant to Section 12(b) of the Act:

Class A Common Stock	**New York Stock Exchange**
(Title of each class)	**(Name of each exchange on which registered)**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes ☑ No ☐

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 or Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of June 30, 2013, the last business day of our most recently completed second fiscal quarter, the aggregate market value of the registrant's Class A Common Stock held by non-affiliates was $5,022,472,095.

As of January 31, 2014, there were 85,828,707 shares of Class A Common Stock and 20,000,000 shares of Class B Convertible Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Under Armour, Inc.'s Proxy Statement for the Annual Meeting of Stockholders to be held on May 13, 2014 are incorporated by reference in Part III of this Form 10-K.

UNDER ARMOUR, INC.

ANNUAL REPORT ON FORM 10-K
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PART I

ITEM 1. BUSINESS

General

Our principal business activities are the development, marketing and distribution of branded performance apparel, footwear and accessories for men, women and youth. The brand's moisture-wicking fabrications are engineered in many designs and styles for wear in nearly every climate to provide a performance alternative to traditional products. Our products are sold worldwide and are worn by athletes at all levels, from youth to professional, on playing fields around the globe, as well as by consumers with active lifestyles.

Our net revenues are generated primarily from the wholesale sales of our products to national, regional, independent and specialty retailers. We also generate net revenue from the sale of our products through our direct to consumer sales channel, which includes our brand and factory house stores and websites, and from product licensing. A large majority of our products are sold in North America; however we believe that our products appeal to athletes and consumers with active lifestyles around the globe. Internationally, our net revenues are generated from a mix of wholesale sales to retailers, sales to distributors and sales through our direct to consumer sales channels in over fifteen countries in Europe, Latin America, and Asia. In addition, a third party licensee sells our products in Japan and Korea. We plan to continue to grow our business over the long term through increased sales of our apparel, footwear and accessories, expansion of our wholesale distribution, growth in our direct to consumer sales channel and expansion in international markets. Virtually all of our products are manufactured by unaffiliated manufacturers operating primarily in 19 countries outside of the United States.

In December 2013, we acquired MapMyFitness, Inc. ("MapMyFitness"), a digital connected fitness platform with a community of over 20 million registered users. We plan to engage and grow this community through the development of innovative digital products that enable users to lead healthier lifestyles. We also believe this platform and community will increase awareness and sales of our existing product offerings through our North American wholesale and direct to consumer channels.

We were incorporated as a Maryland corporation in 1996. As used in this report, the terms "we," "our," "us," "Under Armour" and the "Company" refer to Under Armour, Inc. and its subsidiaries unless the context indicates otherwise. We have registered trademarks around the globe, including UNDER ARMOUR®, HEATGEAR®, COLDGEAR®, ALLSEASONGEAR® and the Under Armour UA Logo, and we have applied to register many other trademarks. This Annual Report on Form 10-K also contains additional trademarks and tradenames of our Company and our subsidiaries. All trademarks and tradenames appearing in this Annual Report on Form 10-K are the property of their respective holders.

Products

Our product offerings consist of apparel, footwear and accessories for men, women and youth. We market our products at multiple price levels and provide consumers with products that we believe are a superior alternative to traditional athletic products. In 2013, sales of apparel, footwear and accessories represented 76%, 13% and 9% of net revenues, respectively. Licensing arrangements, primarily for the sale of our products, represented the remaining 2% of net revenues. Refer to Note 16 to the Consolidated Financial Statements for net revenues by product.

Apparel

Our apparel is offered in a variety of styles and fits intended to enhance comfort and mobility, regulate body temperature and improve performance regardless of weather conditions. Our apparel is engineered to replace traditional non-performance fabrics in the world of athletics and fitness with performance alternatives designed and merchandised along gearlines. Our three gearlines are marketed to tell a very simple story about our highly technical products and extend across the sporting goods, outdoor and active lifestyle markets. We market our apparel for consumers to choose HEATGEAR® when it is hot, COLDGEAR® when it is cold and ALLSEASONGEAR® between the extremes. Within each gearline our apparel comes in three primary fit types: compression (tight fit), fitted (athletic fit) and loose (relaxed).

HEATGEAR® is designed to be worn in warm to hot temperatures under equipment or as a single layer. While a sweat-soaked traditional non-performance T-shirt can weigh two to three pounds, HEATGEAR® is engineered with a microfiber blend designed to wick moisture from the body which helps the body stay cool, dry and light. We offer HEATGEAR® in a variety of tops and bottoms in a broad array of colors and styles for wear in the gym or outside in warm weather.

COLDGEAR® is designed to wick moisture from the body while circulating body heat from hot spots to help maintain core body temperature. Our COLDGEAR® apparel provides both dryness and warmth in a single light layer that can be worn beneath a jersey, uniform, protective gear or ski-vest, and our COLDGEAR® outerwear products protect the athlete, as well as the coach and the fan from the outside in. Our COLDGEAR® products generally sell at higher prices than our other gearlines.

ALLSEASONGEAR® is designed to be worn in between extreme temperatures and uses technical fabrics to keep the wearer cool and dry in warmer temperatures while preventing a chill in cooler temperatures.

Footwear

We began offering footwear for men, women and youth in 2006, and each year we have expanded our footwear offerings. Our footwear offerings include football, baseball, lacrosse, softball and soccer cleats, slides, performance training footwear, running footwear, basketball footwear and hunting boots. Our footwear is light, breathable and built with performance attributes for athletes. Our footwear is designed with innovative technologies which provide stabilization, directional cushioning and moisture management engineered to maximize the athlete's comfort and control.

Accessories

Accessories primarily includes the sale of headwear, bags and gloves. Our accessories include HEATGEAR® and COLDGEAR® technologies and are designed with advanced fabrications to provide the same level of performance as our other products.

License and Other

We also have agreements with our licensees to develop Under Armour apparel and accessories. Our product, marketing and sales teams are actively involved in all steps of the design process in order to maintain brand standards and consistency. During 2013, our licensees offered socks, team uniforms, baby and kids' apparel, eyewear and inflatable footballs and basketballs that feature performance advantages and functionality similar to our other product offerings.

In December 2013, we acquired MapMyFitness, which offers digital fitness platform licenses and subscriptions, along with digital advertising. License revenues generated from the sale of apparel and accessories and the use of the MapMyFitness platform are included in our net revenues.

Marketing and Promotion

We currently focus on marketing and selling our products to consumers primarily for use in athletics, fitness, training and outdoor activities. We seek to drive consumer demand by building brand equity and awareness that our products deliver advantages that help athletes perform better.

Sports Marketing

Our marketing and promotion strategy begins with providing and selling our products to high-performing athletes and teams on the high school, collegiate and professional levels. We execute this strategy through outfitting agreements, professional and collegiate sponsorships, individual athlete agreements and by providing and selling our products directly to team equipment managers and to individual athletes. As a result, our products are seen on the field, giving them exposure to various consumer audiences through the internet, television, magazines and live at sporting events. This exposure to consumers helps us establish on-field authenticity as consumers can see our products being worn by high-performing athletes.

We are the official outfitter of athletic teams in several high-profile collegiate conferences. We are an official supplier of footwear and gloves to the National Football League ("NFL") and we are the official combine scouting partner to the NFL with the right to sell combine training apparel beginning in 2012. In addition, in 2011 we became the Official Performance Footwear Supplier of Major League Baseball and became a partner with the National Basketball Association ("NBA") which allows us to market our NBA athletes in game uniforms in connection with our basketball footwear.

Internationally, we are providing and selling our products to European soccer and rugby teams. Beginning with the 2012 season, we provide the Tottenham Hotspur Football Club with performance apparel, including training wear and playing kit for the Club's First and Academy teams, together with replica product for the Club's supporters around the world. We are the official technical kit supplier to the Welsh Rugby Union and have exclusive retail rights on the replica products. Beginning in 2014, we became the official kit supplier of the Chilean football club, Corporación Club Social y Deportivo Colo-Colo.

We also seek to sponsor events to drive awareness and brand authenticity from a grassroots level. We host combines, camps and clinics for many sports at regional sites across the country for male and female athletes. These events, along with the products we make, are designed to help young athletes improve their training methods and their overall performance. We are also the title sponsor of a collection of high school All-America Games that create significant on-field product and brand exposure that contributes to our on-field authenticity.

Media

We feature our products in a variety of national digital, broadcast, and print media outlets. We also utilize social marketing to engage consumers and promote conversation around our brand and our products.

Retail Presentation

The primary component of our retail marketing strategy is to increase and brand floor space dedicated to our products within our major retail accounts. The design and funding of Under Armour concept shops within our major retail accounts has been a key initiative for securing prime floor space, educating the consumer and creating an exciting environment for the consumer to experience our brand. Under Armour concept shops enhance our brand's presentation within our major retail accounts with a shop-in-shop approach, using dedicated floor space exclusively for our products, including flooring, lighting, walls, displays and images.

Sales and Distribution

The majority of our sales are generated through wholesale channels, which include national and regional sporting goods chains, independent and specialty retailers, department store chains, institutional athletic departments and leagues and teams. In addition, we sell our products to independent distributors in various countries where we generally do not have direct sales operations and through licensees.

We also sell our products directly to consumers through our own network of brand and factory house stores in our North America and Asia operating segments, and through our website operations in North America and certain countries in Europe. These factory house stores serve an important role in our overall inventory management by allowing us to sell a significant portion of excess, discontinued and out-of-season products while maintaining the pricing integrity of our brand in our other distribution channels. Through our brand house stores, consumers experience our brand first-hand and have broader access to our performance products. In 2013, sales through our wholesale, direct to consumer and licensing channels represented 68%, 30% and 2% of net revenues, respectively.

We believe the trend toward performance products is global and plan to continue to introduce our products and simple merchandising story to athletes throughout the world. We are introducing our performance apparel, footwear and accessories outside of North America in a manner consistent with our past brand-building strategy, including selling our products directly to teams and individual athletes in these markets, thereby providing us with product exposure to broad audiences of potential consumers.

Our primary business operates in four geographic segments: (1) North America, comprising the United States and Canada, (2) Europe, the Middle East and Africa ("EMEA"), (3) Asia, and (4) Latin America. Each of these geographic segments operate predominantly in one industry: the design, development, marketing and distribution of performance apparel, footwear and accessories. Beginning in December 2013, we also operate our acquired MapMyFitness business as a separate segment. As our international and MapMyFitness operating segments are currently not material, we combine them into other foreign countries and businesses for reporting purposes. The following table presents net revenues by segment for each of the years ending December 31, 2013, 2012 and 2011:

	Year ended December 31,					
	2013		2012		2011	
(In thousands)	**Net Revenues**	**% of Net Revenues**	**Net Revenues**	**% of Net Revenues**	**Net Revenues**	**% of Net Revenues**
North America	$ 2,193,739	94.1%	$ 1,726,733	94.1%	$ 1,383,346	93.9%
Other foreign countries and businesses	138,312	5.9	108,188	5.9	89,338	6.1
Total net revenues	$ 2,332,051	100.0%	$ 1,834,921	100.0%	$ 1,472,684	100.0%

North America

North America accounted for 94% of our net revenues for 2013. We sell our branded apparel, footwear and accessories in North America through our wholesale and direct to consumer channels. Net revenues generated from the sales of our products in United States were $2,082.5 million, $1,650.4 million and $1,325.8 million for the years ended December 31, 2013, 2012 and 2011, respectively, and substantially all of our long-lived assets were located in the United States. In 2013, our two largest customers were, in alphabetical order, Dick’s Sporting Goods and The Sports Authority. These two customers accounted for a total of 22% of our total net revenues in 2013, and one of these customers individually accounted for at least 10% of our net revenues in 2013.

Our direct to consumer sales are generated primarily through our brand and factory house stores and websites. As of December 31, 2013, we had 117 factory house stores in North America, of which the majority is located in outlet centers throughout the United States. As of December 31, 2013, we had 6 brand house stores in North America. Consumers can purchase our products directly from our e-commerce website, www.underarmour.com.

In addition, we earn licensing income in North America based on our licensees’ sale of socks, team uniforms, baby and kids’ apparel, eyewear and inflatable footballs and basketballs, as well as the distribution of our products to college bookstores and golf pro shops. In order to maintain consistent quality and performance, we pre-approve all products manufactured and sold by our licensees, and our quality assurance team strives to ensure that the products meet the same quality and compliance standards as the products that we sell directly.

We distribute the majority of our products sold to our North American wholesale customers and our brand and factory house stores from distribution facilities we lease and operate in California and Maryland. In addition, we distribute our products in North America through third-party logistics providers with primary locations in Canada, New Jersey and Florida. In some instances, we arrange to have products shipped from the independent factories that manufacture our products directly to customer-designated facilities.

Other Foreign Countries and Businesses

Approximately 6% of our net revenues were generated outside of North America and though our acquired MapMyFitness business. We plan to continue to grow our business over the long term in part through expansion in international markets.

EMEA

We sell our apparel, footwear and accessories through retailers and our websites in certain European countries. We also sell our apparel, footwear and accessories to independent distributors in various European countries where we do not have direct sales operations. In addition, we sell our branded products to various sports clubs and teams in Europe. In 2012, we began selling the United Kingdom's Tottenham Hotspur Football Club replica product for the Club’s supporters around the world.

We generally distribute our products to our retail customers and e-commerce consumers in EMEA through a third-party logistics provider based out of Venlo, The Netherlands. This agreement continues until 2015.

Asia

Since 2002 we have had a license agreement with Dome Corporation, which produces, markets and sells our branded apparel, footwear and accessories in Japan and Korea. We are actively involved with this licensee to develop variations of our products for the different sizes, sports interests and preferences of Japanese and Korean consumers. Our branded products are sold in Japan and Korea to independent specialty stores and large sporting goods retailers and to professional sports teams. We made a cost-based minority investment in Dome Corporation in January 2011.

We also sell our apparel, footwear and accessories to independent distributors in Australia, New Zealand and Taiwan where we do not have direct sales operations.

We sell our products in China through a limited number of brand and factory house stores we directly operate and stores operated by our franchise partners, primarily located in Shanghai and Beijing, China. We also distribute our products to our retail customers in Asia through a third-party logistics provider based out of Hong Kong.

Latin America

We sell to Latin American consumers through independent distributors in Latin American countries where we do not have direct sales operations. We generally distribute our products in this region through our distribution facilities in the United States.

In June 2013, we signed an agreement to acquire certain assets of our distributor in Mexico. Following the close of the acquisition in January 2014, we began selling our products in Mexico directly rather than through a distributor. In 2014, we will begin selling our products directly in Brazil and Chile.

MapMyFitness

In December 2013, we acquired MapMyFitness, which offers digital fitness platform licenses and subscriptions, along with digital advertising.

Seasonality

Historically, we have recognized a majority of our net revenues and a significant portion of our income from operations in the last two quarters of the year, driven primarily by increased sales volume of our products during the fall selling season, including our higher priced cold weather products, along with a larger proportion of higher margin direct to consumer sales. The level of our working capital generally reflects the seasonality and growth in our business. We generally expect inventory, accounts payable and certain accrued expenses to be higher in the second and third quarters in preparation for the fall selling season.

Product Design and Development

Our products are manufactured with technical fabrications produced by third parties and developed in collaboration with our product development team. This approach enables us to select and create superior, technically advanced fabrics, produced to our specifications, while focusing our product development efforts on design, fit, climate and product end use.

We seek to regularly upgrade and improve our products with the latest in innovative technology while broadening our product offerings. Our goal, to deliver superior performance in all our products, provides our developers and licensees with a clear, overarching direction for the brand and helps them identify new opportunities to create performance products that meet the changing needs of athletes. We design products with “visible technology,” utilizing color, texture and fabrication to enhance our customers’ perception and understanding of product use and benefits.

Our product development team works closely with our sports marketing and sales teams as well as professional and collegiate athletes to identify product trends and determine market needs. For example, these teams worked closely to identify the opportunity and market for our CHARGED COTTON® products, which are made from natural cotton but perform like our synthetic products, drying faster and wicking away moisture from the body, and our Storm Fleece products with a unique, water-resistant finish that repels water, without stifling airflow. In 2013, we introduced ColdGear® Infrared, a ceramic print technology on the inside of our garments that provides athletes with lightweight warmth.

Sourcing, Manufacturing and Quality Assurance

Many of the specialty fabrics and other raw materials used in our products are technically advanced products developed by third parties and may be available, in the short term, from a limited number of sources. The fabric and other raw materials used to manufacture our products are sourced by our manufacturers from a limited number of suppliers pre-approved by us. In 2013, approximately 50% to 55% of the fabric used in our products came from six suppliers. These fabric suppliers have primary locations in China, Malaysia, Mexico, Taiwan and Vietnam. We strengthened our relations with key strategic suppliers in 2013, while also continuing to seek new suppliers to diversify our source base. The fabrics used by our suppliers and manufacturers are primarily synthetic fabrics and involve raw materials, including petroleum based products that may be subject to price fluctuations and shortages. CHARGED COTTON® products that we introduced in 2011 continue to perform strongly in the market. This product primarily uses cotton fabrics that may also be subject to commodity price fluctuations and shortages.

Substantially all of our products are manufactured by unaffiliated manufacturers and, in 2013, fourteen manufacturers produced approximately 65% of our products, with primary locations in Jordan, Philippines, China, Nicaragua. Malaysia, Cambodia, Indonesia, Vietnam, Mexico, El Salvador and Honduras. In 2013, our products were manufactured by 26 primary manufacturers, operating in 19 countries, with approximately 66% of our products manufactured in Asia, 14% in Central and South America, 15% in the Middle East and 5% in Mexico. All manufacturers are evaluated for quality systems, social compliance and financial strength by our quality assurance team prior to being selected and on an ongoing basis. Where appropriate, we strive to qualify multiple manufacturers for particular product types and fabrications. We also seek out vendors that can perform multiple manufacturing stages, such as procuring raw materials and providing finished products, which helps us to control our cost of goods sold. We enter into a variety of agreements with our manufacturers, including non-disclosure and confidentiality agreements, and we require that all of our manufacturers adhere to a code of conduct regarding quality of manufacturing and working conditions and other social concerns. We do not, however, have any long term agreements requiring us to utilize any manufacturer, and no manufacturer is required to produce our products in the long term. We have a subsidiary in Hong Kong to support our manufacturing, quality assurance and sourcing efforts for apparel and a subsidiary in

Guangzhou, China to support our manufacturing, quality assurance and sourcing efforts for footwear and accessories. We also manufacture a limited number of apparel products, primarily for high-profile athletes and teams, on-premises in our quick turn, Special Make-Up Shop located at one of our distribution facilities in Maryland.

Inventory Management

Inventory management is important to the financial condition and operating results of our business. We manage our inventory levels based on existing orders, anticipated sales and the rapid-delivery requirements of our customers. Our inventory strategy is focused on continuing to meet consumer demand while improving our inventory efficiency over the long term by putting systems and processes in place to improve our inventory management. These systems and processes are designed to improve our forecasting and supply planning capabilities. In addition to systems and processes, key areas of focus that we believe will enhance inventory performance are added discipline around the purchasing of product, production lead time reduction, and better planning and execution in selling of excess inventory through our factory house stores and other liquidation channels.

Our practice, and the general practice in the apparel, footwear and accessory industries, is to offer retail customers the right to return defective or improperly shipped merchandise. As it relates to new product introductions, which can often require large initial launch shipments, we commence production before receiving orders for those products from time to time. This can affect our inventory levels as we build pre-launch quantities.

Intellectual Property

We believe we own the material trademarks used in connection with the marketing, distribution and sale of our products, both domestically and internationally, where our products are currently sold or manufactured. Our major trademarks include the UA Logo and UNDER ARMOUR®, both of which are registered in the United States, Canada, Mexico, the European Union, Japan, China and numerous other countries. We also own trademark registrations for other trademarks including, among others, UA®, ARMOUR®, HEATGEAR®, COLDGEAR®, ALLSEASONGEAR®, PROTECT THIS HOUSE®, I WILL®, and many trademarks that incorporate the term ARMOUR such as ARMOUR39®, ARMOURBITE®, ARMOURLOFT®, ARMOURSTORM®, ARMOUR FLEECE®, and ARMOUR BRA®. We also own domain names for our primary trademarks (most notably underarmour.com and ua.com) and hold copyright registrations for several commercials, as well as for certain artwork. We intend to continue to strategically register, both domestically and internationally, trademarks and copyrights we utilize today and those we develop in the future. We will continue to aggressively police our trademarks and pursue those who infringe, both domestically and internationally.

We believe the distinctive trademarks we use in connection with our products are important in building our brand image and distinguishing our products from those of others. These trademarks are among our most valuable assets. In addition to our distinctive trademarks, we also place significant value on our trade dress, which is the overall image and appearance of our products, and we believe our trade dress helps to distinguish our products in the marketplace.

We traditionally have had limited patent protection on much of the technology, materials and processes used in the manufacture of our products. However, as we continue to drive innovation in our products, we expect to seek patent protection on products, features and concepts we believe to be strategic and important to our business. We will continue to file patent applications where we deem appropriate to protect our innovations and designs, and we expect the number of applications to increase as our business grows and as we continue to innovate.

Competition

The market for performance apparel, footwear and accessories is highly competitive and includes many new competitors as well as increased competition from established companies expanding their production and marketing of performance products. Many of the fabrics and technology used in manufacturing our products are not unique to us, and we own a limited number of fabric or process patents. Many of our competitors are large apparel and footwear companies with strong worldwide brand recognition and significantly greater resources than us, such as Nike and adidas. We also compete with other manufacturers, including those specializing in outdoor apparel, and private label offerings of certain retailers, including some of our retail customers.

In addition, we must compete with others for purchasing decisions, as well as limited floor space at retailers. We believe we have been successful in this area because of the relationships we have developed and as a result of the strong sales of our products. However, if retailers earn higher margins from our competitors’ products, they may favor the display and sale of those products.

We believe we have been able to compete successfully because of our brand image and recognition, the performance and quality of our products and our selective distribution policies. We also believe our focused gearline merchandising story differentiates us from our competition. In the future we expect to compete for consumer preferences and expect that we may face greater competition on pricing. This may favor larger competitors with lower production costs per unit that can spread the effect of price discounts across a larger array of products and across a larger customer base than ours. The purchasing decisions of consumers for our products often reflect highly subjective preferences that can be influenced by many factors, including advertising, media, product sponsorships, product improvements and changing styles.

Employees

As of December 31, 2013, we had approximately seventy-eight hundred employees, including approximately five thousand in our brand and factory house stores and nine hundred seventy at our distribution facilities. Approximately thirty three hundred of our employees were full-time. Most of our employees are located in the United States. None of our employees in the United States are currently covered by a collective bargaining agreement and there are no material collective bargaining agreements in effect in any of our international locations. We have had no labor-related work stoppages, and we believe our relations with our employees are good.

Available Information

We will make available free of charge on or through our website at www.underarmour.com our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we file these materials with the Securities and Exchange Commission. We also post on this website our key corporate governance documents, including our board committee charters, our corporate governance guidelines and our code of conduct and ethics.

ITEM 1A. RISK FACTORS

Forward-Looking Statements

Some of the statements contained in this Form 10-K and the documents incorporated herein by reference constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the development and introduction of new products, and the implementation of our marketing and branding strategies. In many cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “outlook,” “potential” or the negative of these terms or other comparable terminology.

The forward-looking statements contained in this Form 10-K and the documents incorporated herein by reference reflect our current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by these forward-looking statements, including, but not limited to, those factors described in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These factors include without limitation:

- changes in general economic or market conditions that could affect consumer spending and the financial health of our retail customers;
- our ability to effectively manage our growth and a more complex global business;
- our ability to effectively develop and launch new, innovative and updated products;
- our ability to accurately forecast consumer demand for our products and manage our inventory in response to changing demands;
- increased competition causing us to lose market share or reduce the prices of our products or to increase significantly our marketing efforts;
- fluctuations in the costs of our products;
- loss of key suppliers or manufacturers or failure of our suppliers or manufacturers to produce or deliver our products in a timely or cost-effective manner;
- our ability to further expand our business globally and to drive brand awareness and consumer acceptance of our products in other countries;
- our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results;
- our ability to effectively market and maintain a positive brand image;
- our ability to comply with trade and other regulations;
- the availability, integration and effective operation of management information systems and other technology;
- our ability to effectively integrate new businesses and investments into our company;
- our potential exposure to litigation and other proceedings; and
- our ability to attract and retain the services of our senior management and key employees.

The forward-looking statements contained in this Form 10-K reflect our views and assumptions only as of the date of this Form 10-K. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Our results of operations and financial condition could be adversely affected by numerous risks. You should carefully consider the risk factors detailed below in conjunction with the other information contained in this Form 10-K. Should any of these risks actually materialize, our business, financial condition and future prospects could be negatively impacted.

During a downturn in the economy, consumer purchases of discretionary items are affected, which could materially harm our sales, profitability and financial condition.

Many of our products may be considered discretionary items for consumers. Factors affecting the level of consumer spending for such discretionary items include general economic conditions, the availability of consumer credit and consumer confidence in future economic conditions. Uncertainty in global economic conditions continues, and trends in consumer discretionary spending remain unpredictable. However, consumer purchases of discretionary items tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty. A downturn in the economy in markets in which we sell our products may materially harm our sales, profitability and financial condition.

If the financial condition of our retail customers declines, our financial condition and results of operations could be adversely impacted.

We extend credit to our customers based on an assessment of a customer's financial condition, generally without requiring collateral. We face increased risk of order reduction or cancellation when dealing with financially ailing customers or customers struggling with economic uncertainty. During weak economic conditions, retail customers may be more cautious with orders. In addition, a slowing economy in our key markets or a continued decline in consumer purchases of sporting goods generally could have an adverse effect on the financial health of our retail customers, which could in turn have an adverse effect on our sales, our ability to collect on receivables and our financial condition.

A decline in sales to, or the loss of, one or more of our key customers could result in a material loss of net revenues and negatively impact our prospects for growth.

In 2013, approximately 22% of our net revenues were generated from sales to our two largest customers. We currently do not enter into long term sales contracts with these or our other key customers, relying instead on our relationships with these customers and on our position in the marketplace. As a result, we face the risk that one or more of these key customers may not increase their business with us as we expect, or may significantly decrease their business with us or terminate their relationship with us. The failure to increase our sales to these customers as much as we anticipate would have a negative impact on our growth prospects and any decrease or loss of these key customers' business could result in a material decrease in our net revenues and net income.

If we continue to grow at a rapid pace, we may not be able to effectively manage our growth and the increased complexity of a global business and as a result our brand image, net revenues and profitability may decline.

We have expanded our operations rapidly since our inception and our net revenues have increased to $2,332.1 million in 2013 from $856.4 million in 2009. If our operations continue to grow at a rapid pace, we may experience difficulties in obtaining sufficient raw materials and manufacturing capacity to produce our products, as well as delays in production and shipments, as our products are subject to risks associated with overseas sourcing and manufacturing. We could be required to continue to expand our sales and marketing, product development and distribution functions, to upgrade our management information systems and other processes and technology, and to obtain more space to support our expanding workforce. This expansion could increase the strain on these and other resources, and we could experience serious operating difficulties, including difficulties in hiring, training and managing an increasing number of employees. In addition, as our business becomes more complex through the introduction of more new products and the expansion of our distribution channels, including additional brand and factory house stores and expanded distribution in malls and department stores, and expanded international distribution, these operational strains and other difficulties could increase. These difficulties could result in the erosion of our brand image and a decrease in net revenues and net income.

If we are unable to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products, we may not be able to maintain or increase our net revenues and profitability.

Our success depends on our ability to identify and originate product trends as well as to anticipate and react to changing consumer demands in a timely manner. All of our products are subject to changing consumer preferences that cannot be predicted with certainty. In addition, long lead times for certain of our products may make it hard for us to quickly respond to changes in consumer demands. Our new products may not receive consumer acceptance as consumer preferences could shift rapidly to different types of performance or other sports products or away from these types of products altogether, and our future success depends in part on our ability to anticipate and respond to these changes. Failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower sales and excess inventory levels, which could have a material adverse effect on our financial condition.

Even if we are successful in anticipating consumer preferences, our ability to adequately react to and address those preferences will in part depend upon our continued ability to develop and introduce innovative, high-quality products. In addition, if we fail to introduce technical innovation in our products, consumer demand for our products could decline, and if we experience problems with the quality of our products, we may incur substantial expense to remedy the problems. The failure to effectively introduce new products and enter into new product categories that are accepted by consumers could result in a decrease in net revenues and excess inventory levels, which could have a material adverse effect on our financial condition.

Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products.

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our manufacturers before firm orders are placed by our customers. In addition, a significant portion of our net revenues are generated by at-once orders for immediate delivery to customers, particularly during our historical peak season, during the last two quarters of the year. If we fail to accurately forecast customer demand we may experience excess inventory levels or a shortage of product to deliver to our customers.

Factors that could affect our ability to accurately forecast demand for our products include:

- an increase or decrease in consumer demand for our products;
- our failure to accurately forecast consumer acceptance for our new products;
- product introductions by competitors;
- unanticipated changes in general market conditions or other factors, which may result in cancellations of advance orders or a reduction or increase in the rate of reorders placed by retailers;
- the impact on consumer demand due to unseasonable weather conditions;
- weakening of economic conditions or consumer confidence in future economic conditions, which could reduce demand for discretionary items, such as our products; and
- terrorism or acts of war, or the threat thereof, or political or labor instability or unrest which could adversely affect consumer confidence and spending or interrupt production and distribution of product and raw materials.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which could impair our brand image and have an adverse effect on gross margin. In addition, if we underestimate the demand for our products, our manufacturers may not be able to produce products to meet our customer requirements, and this could result in delays in the shipment of our products and our ability to recognize revenue, as well as damage to our reputation and retailer and distributor relationships.

The difficulty in forecasting demand also makes it difficult to estimate our future results of operations and financial condition from period to period. A failure to accurately predict the level of demand for our products could adversely impact our profitability.

Sales of performance products may not continue to grow and this could adversely impact our ability to grow our business.

We believe continued growth in industry-wide sales of performance apparel, footwear and accessories will be largely dependent on consumers continuing to transition from traditional alternatives to performance products. If consumers are not convinced these products are a better choice than traditional alternatives, growth in the industry and our business could be adversely affected. In addition, because performance products are often more expensive than traditional alternatives, consumers who are convinced these products provide a better alternative may still not be convinced they are worth the extra cost. If industry-wide sales of performance products do not grow, our ability to continue to grow our business and our financial condition and results of operations could be materially adversely impacted.

We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our net revenues and gross profit.

The market for performance apparel, footwear and accessories is highly competitive and includes many new competitors as well as increased competition from established companies expanding their production and marketing of performance products. Because we own a limited number of fabric or process patents, our current and future competitors are able to manufacture and sell products with performance characteristics and fabrications similar to certain of our products. Many of our competitors are large apparel and footwear companies with strong worldwide brand recognition. Due to the fragmented nature of the industry, we also compete with other manufacturers, including those specializing in outdoor apparel and private label offerings of certain retailers, including some of our retail customers. Many of our competitors have significant competitive advantages, including greater financial, distribution, marketing and other resources, longer operating histories, better brand recognition among consumers, more experience in global markets and greater economies of scale. In addition, our competitors have long term relationships with our key retail customers that are potentially more important to those customers because of the significantly larger volume and product mix that our competitors sell to them. As a result, these competitors may be better equipped than we are to influence consumer preferences or otherwise increase their market share by:

- quickly adapting to changes in customer requirements;
- readily taking advantage of acquisition and other opportunities;
- discounting excess inventory that has been written down or written off;
- devoting resources to the marketing and sale of their products, including significant advertising, media placement, partnerships and product endorsement;
- adopting aggressive pricing policies; and
- engaging in lengthy and costly intellectual property and other disputes.

In addition, while one of our growth strategies is to increase floor space for our products in retail stores and generally expand our distribution to other retailers, retailers have limited resources and floor space, and we must compete with others to develop relationships with them. Increased competition by existing and future competitors could result in reductions in floor space in retail locations, reductions in sales or reductions in the prices of our products, and if retailers earn greater margins from our competitors' products, they may favor the display and sale of those products. Our inability to compete successfully against our competitors and maintain our gross margin could have a material adverse effect on our business, financial condition and results of operations.

Our profitability may decline as a result of increasing pressure on margins.

Our industry is subject to significant pricing pressure caused by many factors, including intense competition, consolidation in the retail industry, pressure from retailers to reduce the costs of products and changes in consumer demand. These factors may cause us to reduce our prices to retailers and consumers, which could cause our profitability to decline if we are unable to offset price reductions with comparable reductions in our operating costs. This could have a material adverse effect on our results of operations and financial condition.

Fluctuations in the cost of products could negatively affect our operating results.

The fabrics used by our suppliers and manufacturers are made of raw materials including petroleum-based products and cotton. Significant price fluctuations or shortages in petroleum or other raw materials can materially adversely affect our cost of goods sold. In addition, certain of our manufacturers are subject to government regulations related to wage rates, and therefore the labor costs to produce our products may fluctuate. The cost of transporting our products for distribution and sale is also subject to fluctuation due in large part to the price of oil. Because most of our products are manufactured abroad, our products must be transported by third parties over large geographical distances and an increase in the price of oil can significantly increase costs. Manufacturing delays or unexpected transportation delays can also cause us to rely more heavily on airfreight to achieve timely delivery to our customers, which significantly increases freight costs. Any of these fluctuations may increase our cost of products and have an adverse effect on our profit margins, results of operations and financial condition.

We rely on third-party suppliers and manufacturers to provide fabrics for and to produce our products, and we have limited control over these suppliers and manufacturers and may not be able to obtain quality products on a timely basis or in sufficient quantity.

Many of the specialty fabrics used in our products are technically advanced textile products developed by third parties and may be available, in the short-term, from a very limited number of sources. Substantially all of our products are manufactured by unaffiliated manufacturers, and, in 2013, fourteen manufacturers produced approximately 65% of our products. We have no long term contracts with our suppliers or manufacturing sources, and we compete with other companies for fabrics, raw materials, production and import quota capacity.

We may experience a significant disruption in the supply of fabrics or raw materials from current sources or, in the event of a disruption, we may be unable to locate alternative materials suppliers of comparable quality at an acceptable price, or at all. In addition, our unaffiliated manufacturers may not be able to fill our orders in a timely manner. If we experience significant increased demand, or we lose or need to replace an existing manufacturer or supplier as a result of adverse economic conditions or other reasons, additional supplies of fabrics or raw materials or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, or suppliers or manufacturers may not be able to allocate sufficient capacity to us in order to meet our requirements. In addition, even if we are able to expand existing or find new manufacturing or fabric sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers on our methods, products and quality control standards. Any delays, interruption or increased costs in the supply of fabric or manufacture of our products could have an adverse effect on our ability to meet retail customer and consumer demand for our products and result in lower net revenues and net income both in the short and long term.

We have occasionally received, and may in the future continue to receive, shipments of product that fail to conform to our quality control standards. In that event, unless we are able to obtain replacement products in a timely manner, we risk the loss of net revenues resulting from the inability to sell those products and related increased administrative and shipping costs. In addition, because we do not control our manufacturers, products that fail to meet our standards or other unauthorized products could end up in the marketplace without our knowledge, which could harm our brand and our reputation in the marketplace.

Labor disruptions at ports or our suppliers or manufacturers may adversely affect our business.

Our business depends on our ability to source and distribute products in a timely manner. As a result, we rely on the free flow of goods through open and operational ports worldwide and on a consistent basis from our suppliers and manufacturers. Labor disputes at various ports or at our suppliers or manufacturers create significant risks for our business, particularly if these disputes result in work slowdowns, lockouts, strikes or other disruptions during our peak importing or manufacturing seasons, and could have an adverse effect on our business, potentially resulting in canceled orders by customers, unanticipated inventory accumulation or shortages and reduced net revenues and net income.

Our limited operating experience and limited brand recognition in new markets may limit our expansion strategy and cause our business and growth to suffer.

Our future growth depends in part on our expansion efforts outside of the North America. During the year ended December 31, 2013, 94% of our net revenues were earned in North America. We have limited experience with regulatory environments and market practices outside of North America, and may face difficulties in expanding to and successfully operating in markets outside of North America. International expansion may place increased demands on our operational, managerial and administrative resources. In addition, in connection with expansion efforts outside of North America, we may face cultural and linguistic differences, differences in regulatory environments, labor practices and market practices and difficulties in keeping abreast of market, business and technical developments and customers' tastes and preferences. We may also encounter difficulty expanding into new markets because of limited brand recognition leading to delayed acceptance of our products. Failure to develop new markets outside of North America will limit our opportunities for growth.

The operations of many of our manufacturers are subject to additional risks that are beyond our control and that could harm our business.

In 2013, our products were manufactured by 26 primary manufacturers, operating in 19 countries. Of these, fourteen manufactured approximately 65% of our products, with primary locations in Jordan, Philippines, China, Nicaragua. Malaysia, Cambodia, Indonesia, Vietnam, Mexico, El Salvador and Honduras. During 2013, approximately 66% of our products were manufactured in Asia, 14% in Central and South America, 15% in the Middle East and 5% in Mexico. As a result of our international manufacturing, we are subject to risks associated with doing business abroad, including:

- political or labor unrest, terrorism and economic instability resulting in the disruption of trade from foreign countries in which our products are manufactured;
- currency exchange fluctuations;
- the imposition of new laws and regulations, including those relating to labor conditions, quality and safety standards, imports, trade restrictions and restrictions on the transfer of funds, as well as rules and regulations regarding climate change;
- reduced protection for intellectual property rights in some countries;
- disruptions or delays in shipments; and
- changes in local economic conditions in countries where our manufacturers and suppliers are located.

These risks could negatively affect the ability of our manufacturers to produce or deliver our products or procure materials, hamper our ability to sell products in international markets and increase our cost of doing business generally. In the event that one or more of these factors make it undesirable or impractical for us to conduct business in a particular country, our business could be adversely affected.

In addition, many of our imported products are subject to duties, tariffs or other import limitations that affect the cost and quantity of various types of goods imported into the United States and other markets. Any country in which our products are produced or sold may eliminate, adjust or impose new import limitations, duties, anti-dumping penalties or other charges or restrictions, any of which could have an adverse effect on our results of operations, cash flows and financial condition.

Our revolving credit facility provides our lenders with a first-priority lien against substantially all of our assets and contains financial covenants and other restrictions on our actions, and it could therefore limit our operational flexibility or otherwise adversely affect our financial condition.

We have, from time to time, financed our liquidity needs in part from borrowings made under a revolving credit facility. Our revolving credit facility provides for a committed revolving credit line of up to $300.0 million. The agreement for our revolving credit facility contains a number of restrictions that limit our ability, among other things, to:

- use our accounts receivable, inventory, trademarks and most of our other assets as security in other borrowings or transactions;
- incur additional indebtedness;
- sell certain assets;
- make certain investments;
- guarantee certain obligations of third parties;
- undergo a merger or consolidation; and
- materially change our line of business.

Our revolving credit facility also provides the lenders with the ability to reduce the borrowing base, even if we are in compliance with all conditions of the revolving credit facility, upon a material adverse change to our business, properties, assets, financial condition or results of operations. In addition, we must maintain a certain leverage ratio and interest coverage ratio as defined in the credit agreement. Failure to comply with these operating or financial covenants could result from, among other things, changes in our results of operations or general economic conditions. These covenants may restrict our ability to engage in transactions that would otherwise be in our best interests. Failure to comply with any of the covenants under the credit agreement could result in a default. In addition, the credit agreement includes a cross default provision whereby an event of default under certain other debt obligations will be considered an event of default under the credit agreement. A default under the credit agreement could cause the lenders to accelerate the timing of payments and exercise their lien on substantially all of our assets, which would have a material adverse effect on our business, operations, financial condition and liquidity. In addition, because borrowings under the revolving credit facility bear interest at variable interest rates, which we do not anticipate hedging against, increases in interest rates would increase our cost of borrowing, resulting in a decline in our net income and cash flow. As of December 31, 2013, we had $100.0 million drawn under our revolving credit facility and $200.0 million of availability.

We may need to raise additional capital required to grow our business, and we may not be able to raise capital on terms acceptable to us or at all.

Growing and operating our business will require significant cash outlays and capital expenditures and commitments. If cash on hand and cash generated from operations are not sufficient to meet our cash requirements, we will need to seek additional capital, potentially through debt or equity financing, to fund our growth. We may not be able to raise needed cash on terms acceptable to us or at all. Financing may be on terms that are dilutive or potentially dilutive to our stockholders, and the prices at which new investors would be willing to purchase our securities may be lower than the current price per share of our common stock. The holders of new securities may also have rights, preferences or privileges which are senior to those of existing holders of common stock. If new sources of financing are required, but are insufficient or unavailable, we will be required to modify our growth and operating plans based on available funding, if any, which would harm our ability to grow our business.

Our operating results are subject to seasonal and quarterly variations in our net revenues and income from operations, which could adversely affect the price of our Class A Common Stock.

We have experienced, and expect to continue to experience, seasonal and quarterly variations in our net revenues and income from operations. These variations are primarily related to increased sales volume of our products during the fall season, including our higher price cold weather products. The majority of our net revenues were generated during the last two quarters in each of 2013, 2012 and 2011, respectively.

Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including, among other things, the timing of marketing expenses and changes in our product mix. Variations in weather conditions may also have an adverse effect on our quarterly results of operations. For example, warmer than normal weather conditions throughout the fall or winter may reduce sales of our COLDGEAR® line, leaving us with excess inventory and operating results below our expectations.

As a result of these seasonal and quarterly fluctuations, we believe that comparisons of our operating results between different quarters within a single year are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance. Any seasonal or quarterly fluctuations that we report in the future may not match the expectations of market analysts and investors. This could cause the price of our Class A Common Stock to fluctuate significantly.

The value of our brand and sales of our products could be diminished if we are associated with negative publicity.

We require our suppliers, manufacturers and licensees of our products to operate their businesses in compliance with the laws and regulations that apply to them as well as the social and other standards and policies we impose on them. We do not control these suppliers, manufacturers or licensees or their labor practices. A violation of our policies, labor laws or other laws by our suppliers, manufacturers or licensees could interrupt or otherwise disrupt our sourcing or damage our brand image. Negative publicity regarding the production methods of any of our suppliers, manufacturers or licensees could adversely affect our reputation and sales and force us to locate alternative suppliers, manufacturers or licensees.

In addition, we have sponsorship contracts with a variety of athletes and feature those athletes in our advertising and marketing efforts, and many athletes and teams use our products, including those teams or leagues for which we are an official supplier. Actions taken by athletes, teams or leagues associated with our products could harm the reputations of those athletes, teams or leagues. As a result, our brand image, net revenues and profitability could be adversely affected.

Sponsorships and designations as an official supplier may become more expensive and this could impact the value of our brand image.

A key element of our marketing strategy has been to create a link in the consumer market between our products and professional and collegiate athletes. We have developed licensing agreements to be the official supplier of performance apparel and footwear to a variety of sports teams and leagues at the collegiate and professional level and sponsorship agreements with athletes. However, as competition in the performance apparel and footwear industry has increased, the costs associated with athlete sponsorships and official supplier licensing agreements have increased, including the costs associated with obtaining and retaining these sponsorships and agreements. If we are unable to maintain our current association with professional and collegiate athletes, teams and leagues, or to do so at a reasonable cost, we could lose the on-field authenticity associated with our products, and we may be required to modify and substantially increase our marketing investments. As a result, our brand image, net revenues, expenses and profitability could be materially adversely affected.

Our failure to comply with trade and other regulations could lead to investigations or actions by government regulators and negative publicity.

The labeling, distribution, importation, marketing and sale of our products are subject to extensive regulation by various federal agencies, including the Federal Trade Commission, Consumer Product Safety Commission and state attorneys general in the U.S., as well as by various other federal, state, provincial, local and international regulatory authorities in the locations in which our products are distributed or sold. If we fail to comply with those regulations, we could become subject to significant penalties or claims or be required to recall products, which could harm our brand as well as our results of operations or our ability to conduct our business. In addition, the adoption of new regulations or changes in the interpretation of existing regulations may result in significant compliance costs or discontinuation of product sales and may impair the marketing of our products, resulting in significant loss of net revenues.

Our international operations are also subject to compliance with the U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-bribery laws applicable to our operations. Although we have policies and procedures to address compliance with the FCPA and similar laws, there can be no assurance that all of our employees, agents and other partners will not take actions in violations of our policies. Any such violation could subject us to sanctions or other penalties that could negatively affect our reputation, business and operating results.

If we encounter problems with our distribution system, our ability to deliver our products to the market could be adversely affected.

We rely on a limited number of distribution facilities for our product distribution. Our distribution facilities utilize computer controlled and automated equipment, which means the operations are complicated and may be subject to a number of risks related to security or computer viruses, the proper operation of software and hardware, power interruptions or other system failures. In addition, because many of our products are distributed from two nearby locations in Maryland, our operations could also be interrupted by floods, fires or other natural disasters near our distribution facilities, as well as labor or other operational difficulties or interruptions. We maintain business interruption insurance, but it may not adequately protect us from the adverse effects that could be caused by significant disruptions in our distribution facilities, such as the long term loss of customers or an erosion of our brand image. In addition, our distribution capacity is dependent on the timely performance of services by third parties, including the shipping of product to and from our distribution facilities. If we encounter problems with our distribution facilities, our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies could be materially adversely affected.

We rely significantly on information technology and any failure, inadequacy, interruption or security lapse of that technology could harm our ability to effectively operate our business.

Our ability to effectively manage and maintain our inventory and internal reports, and to ship products to customers and invoice them on a timely basis depends significantly on our enterprise resource planning, warehouse management, and other information systems. The failure of these systems to operate effectively or to integrate with other systems, or a breach in security of these systems could cause delays in product fulfillment and reduced efficiency of our operations, and it could require significant capital investments to remediate any such failure, problem or breach.

Hackers and data thieves are increasingly sophisticated and operate large scale and complex automated attacks. We communicate electronically throughout the world with our employees and with third parties, such as customers, suppliers, vendors and consumers. Therefore a service interruption or shutdown could negatively impact our operating activities. Furthermore, we engage in personal data collection and utilize information technology in connection with digital marketing, digital commerce, our in-store payment processing systems and our connected fitness business. We must comply with increasingly complex regulatory standards enacted to protect this business and personal data. An inability to maintain compliance with these regulatory standards could subject us to legal risks. Any breach of our network or payment processing systems may result in the loss of valuable business data, our customers’, consumers' or employees’ information or a disruption of our business, which could give rise to unwanted media attention, damage our customer or consumer relationships and reputation and result in lost sales, fines or lawsuits.

Changes in tax laws and unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our effective income tax rate could be adversely affected in the future by a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws, the outcome of income tax audits in various jurisdictions around the world, and any repatriation of non-US earnings for which we have not previously provided for U.S. taxes. We regularly assess all of these matters to determine the adequacy of our tax provision, which is subject to significant judgment.

Our financial results may be adversely affected if substantial investments in businesses and operations fail to produce expected returns.

From time to time, we may invest in business infrastructure, new businesses, and expansion of existing businesses, such as our recent acquisition of MapMyFitness and certain assets of our distributor in Mexico. These investments require substantial cash investments and management attention. We believe cost effective investments are essential to business growth and profitability. However, significant investments are subject to typical risks and uncertainties inherent in acquiring or expanding a business, including our ability to successfully integrate new businesses into our company and realize expected synergies and benefits. The failure of any significant investment to provide the returns or profitability we expect could have a material adverse effect on our financial results, including the potential impairment of goodwill and intangible assets, and divert management attention from more profitable business operations. In addition, through our purchase of MapMyFitness, we entered into a new line of business related to connected fitness. Prior to this acquisition, we had limited experience in the connected fitness business. If we are unable to successfully operate this business, we may not realize the anticipated benefits of this acquisition.

Our future success is substantially dependent on the continued service of our senior management and other key employees.

Our future success is substantially dependent on the continued service of our senior management and other key employees, particularly Kevin A. Plank, our founder, Chairman and Chief Executive Officer. The loss of the services of our senior management or other key employees could make it more difficult to successfully operate our business and achieve our business goals.

We also may be unable to retain existing management, product creation, sales, marketing, operational and other support personnel that are critical to our success, which could result in harm to key customer relationships, loss of key information, expertise or know-how and unanticipated recruitment and training costs.

If we are unable to attract and retain new team members, including senior management, we may not be able to achieve our business objectives.

Our growth has largely been the result of significant contributions by our current senior management, product design teams and other key employees. However, to be successful in continuing to grow our business, we will need to continue to attract, retain and motivate highly talented management and other employees with a range of skills and experience. Competition for employees in our industry is intense and we have experienced difficulty from time to time in attracting the personnel necessary to support the growth of our business, and we may experience similar difficulties in the future. If we are unable to attract, assimilate and retain management and other employees with the necessary skills, we may not be able to grow or successfully operate our business.

Kevin Plank, our Chairman and Chief Executive Officer controls the majority of the voting power of our common stock.

Our Class A Common Stock, or Class A Stock, has one vote per share and our Class B Convertible Common Stock, or Class B Stock, has 10 votes per share. Our Chairman and Chief Executive Officer, Kevin A. Plank, beneficially owns all outstanding shares of Class B Stock. As a result, Mr. Plank has the majority voting control and is able to direct the election of all of the members of our Board of Directors and other matters we submit to a vote of our stockholders. This concentration of voting control may have various effects including, but not limited to, delaying or preventing a change of control. The Class B Stock automatically converts to Class A Stock when Mr. Plank beneficially owns less than 15.0% of the total number of shares of Class A and Class B Stock outstanding. Otherwise the Class B Stock does not convert to Class A Stock until Mr. Plank's death or disability. As a result, Mr. Plank can retain his voting control even after he is no longer affiliated with the Company.

A number of our fabrics and manufacturing technology are not patented and can be imitated by our competitors.

The intellectual property rights in the technology, fabrics and processes used to manufacture our products are generally owned or controlled by our suppliers and are generally not unique to us. Our ability to obtain patent protection for our products is limited and we currently own a limited number of fabric or process patents. As a result, our current and future competitors are able to manufacture and sell products with performance characteristics and fabrications similar to certain of our products. Because many of our competitors have significantly greater financial, distribution, marketing and other resources than we do, they may be able to manufacture and sell products based on certain of our fabrics and manufacturing technology at lower prices than we can. If our competitors do sell similar products to ours at lower prices, our net revenues and profitability could be materially adversely affected.

Our intellectual property rights could potentially conflict with the rights of others and we may be prevented from selling some of our products.

Our success depends in large part on our brand image. We believe our registered and common law trademarks have significant value and are important to identifying and differentiating our products from those of our competitors and creating and sustaining demand for our products. In addition, patents are increasingly important with respect to our innovative products and new businesses and investments, including MapMyFitness. From time to time, we have received or brought claims relating to intellectual property rights of others, and we expect such claims will continue or increase, particularly as we expand our business and the number of products we offer. Any such claim, regardless of its merit, could be expensive and time consuming to defend or prosecute. Successful infringement claims against us could result in significant monetary liability or prevent us from selling some of our products. In addition, resolution of claims may require us to redesign our products, license rights belonging to third parties or cease using those rights altogether. Any of these events could harm our business and have a material adverse effect on our results of operations and financial condition.

Our failure to protect our intellectual property rights could diminish the value of our brand, weaken our competitive position and reduce our net revenues.

We currently rely on a combination of copyright, trademark and trade dress laws, patent laws, unfair competition laws, confidentiality procedures and licensing arrangements to establish and protect our intellectual property rights. The steps taken by us to protect our proprietary rights may not be adequate to prevent infringement of our trademarks and proprietary rights by others, including imitation of our products and misappropriation of our brand. In addition, intellectual property protection may be unavailable or limited in some foreign countries where laws or law enforcement practices may not protect our proprietary rights as fully as in the United States, and it may be more difficult for us to successfully challenge the use of our proprietary rights by other parties in these countries. If we fail to protect and maintain our intellectual property rights, the value of our brand could be diminished and our competitive position may suffer.

From time to time, we discover unauthorized products in the marketplace that are either counterfeit reproductions of our products or unauthorized irregulars that do not meet our quality control standards. If we are unsuccessful in challenging a third party's products on the basis of trademark infringement, continued sales of their products could adversely impact our brand, result in the shift of consumer preferences away from our products and adversely affect our business.

We have licensed in the past, and expect to license in the future, certain of our proprietary rights, such as trademarks or copyrighted material, to third parties. These licensees may take actions that diminish the value of our proprietary rights or harm our reputation.

We are subject to periodic claims and litigation that could result in unexpected expenses and could ultimately be resolved against us.

From time to time, we are involved in litigation and other proceedings, including matters related to commercial disputes and intellectual property, as well as trade, regulatory and other claims related to our business. Any of these proceedings could result in damages, fines or other penalties, divert financial and management resources and result in significant legal fees. Although we cannot predict the outcome of any particular proceeding, an unfavorable outcome may have an adverse impact on our business, financial condition and results of operations. In addition, any proceeding could negatively impact our reputation among our customers and our brand image.

Our financial results could be adversely impacted by currency exchange rate fluctuations.

Although we currently generate a majority of our consolidated net revenues in the United States, as our international business grows, our results of operations could be adversely impacted by changes in foreign currency exchange rates. Revenues and certain expenses in markets outside of the United States are recognized in local foreign currencies, and we are exposed to potential gains or losses from the translation of those amounts into U.S. dollars for consolidation into our financial statements. Similarly, we are exposed to gains and losses resulting from currency exchange rate fluctuations on transactions generated by our foreign subsidiaries in currencies other than their local currencies. In addition, the business of our independent manufacturers may also be disrupted by currency exchange rate fluctuations by making their purchases of raw materials more expensive and more difficult to finance. As a result, foreign currency exchange rate fluctuations may adversely impact our results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

The following includes a summary of the principal properties that we own or lease as of December 31, 2013.

Our principal executive and administrative offices are located at an office complex in Baltimore, Maryland, which includes 400 thousand square feet of office space that we own and 116 thousand square feet that we are leasing with an option to renew in December 2015. Of the space that we own, a portion of the space is currently leased to third party tenants with remaining lease terms ranging from 1 month to 12.5 years. We intend to occupy this space as it becomes available. For our European headquarters, we lease an office in Amsterdam, the Netherlands, and we maintain an international management office in Panama as well.

We lease our primary distribution facilities, which are located in Glen Burnie, Maryland and Rialto, California. Our Glen Burnie facilities include a total of 830 thousand square feet, with options to renew various portions of the facilities on dates ranging from December 2016 to September 2021. Our Rialto facility is a 1,200 thousand square foot facility with a lease term through May 2023. We believe our distribution facilities and space available through our third-party logistics providers will be adequate to meet our short term needs. We may expand to additional distribution facilities in the future.

In addition, as of December 31, 2013, we leased 127 brand and factory house stores located in the United States, Canada and China with lease end dates in 2014 through 2028. We also lease additional office space for sales, quality assurance and sourcing, marketing, and administrative functions. We anticipate that we will be able to extend these leases that expire in the near future on satisfactory terms or relocate to other locations.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we have been involved in litigation and other proceedings, including matters related to commercial disputes and intellectual property, as well as trade, regulatory and other claims related to our business. We believe all current proceedings are routine in nature and incidental to the conduct of our business, and we believe no such proceedings will have a material adverse effect on our financial condition, results of operations or cash flows.

EXECUTIVE OFFICERS OF THE REGISTRANT

Our executive officers are:

Name	Age	Position
Kevin A. Plank	41	Chairman and Chief Executive Officer
Brad Dickerson	49	Chief Financial Officer
Kip J. Fulks	41	Chief Operating Officer and President of Product
James H. Hardy, Jr.	54	Chief Supply Chain Officer
Karl-Heinz Maurath	52	President, International
Matthew C. Mirchin	54	Executive Vice President, Global Marketing
Adam Peake	45	Senior Vice President of Sales, North America
Henry B. Stafford	39	President, North America

Kevin A. Plank has served as our Chief Executive Officer and Chairman of the Board of Directors since 1996. Mr. Plank also serves on the Board of Directors of the National Football Foundation and College Hall of Fame, Inc. and is a member of the Board of Trustees of the University of Maryland College Park Foundation.

Brad Dickerson has been our Chief Financial Officer since March 2008. Prior to that, he served as Vice President of Accounting and Finance from February 2006 to February 2008 and Corporate Controller from July 2004 to January 2006. Prior to joining our Company, Mr. Dickerson served as Chief Financial Officer of Macquarie Aviation North America from January 2003 to July 2004 and in various capacities for Network Building & Consulting from 1994 to 2003, including Chief Financial Officer from 1998 to 2003.

Kip J. Fulks has been our Chief Operating Officer since September 2011 and President of Product since October 2013. Prior to that, he served as Executive Vice President of Product from January 2011 to August 2011, Senior Vice President of Outdoor and Innovation from March 2008 to December 2010, as Senior Vice President of Outdoor from October 2007 to February 2008, as Senior Vice President of Sourcing, Quality Assurance and Product Development from March 2006 to September 2007, and Vice President of Sourcing and Quality Assurance from 1997 to February 2006.

James H. Hardy, Jr. has been Chief Supply Chain Officer since April 2012. Prior to joining our Company, he served as Senior Vice President of Operations for Hospira, a leading manufacturer of pharmaceutical products, from January 2011 to April 2012 and as Corporate Vice President of Supply Chain from October 2009 to December 2010. Prior thereto, Mr. Hardy served as Senior Vice President of Supply Chain for Dial Corporation from October 2007 to October 2009, as Executive Vice President of Product Supply for ConAgra Foods, Inc. from 2005 to 2007 and held various supply chain management leadership positions at The Clorox Company and The Procter & Gamble Company.

Karl-Heinz Maurath has been President of International since September 2012. Prior to joining our Company, he served for 22 years in various leadership positions with adidas, including Senior Vice President, adidas Group Latin America, from 2003 to 2012 with overall responsibility for Latin America including the Reebok and Taylor Made businesses and Vice President, adidas Nordic, from 2000 to 2003 responsible for its business in the Nordic region and the Baltic states. Prior thereto, Mr. Maurath served in other management positions for adidas, including Managing Director of its business in Sweden and Thailand and Area Manger of sales and marketing for its distributor and licensee businesses in Scandinavia and Latin America. Mr. Maurath, in his capacity as a former director of a subsidiary of adidas, is currently named as a defendant in a criminal tax investigation by regulatory authorities in Argentina related to certain tax matters of the adidas subsidiary in 2006. In November 2013, the court ruled that there were currently no grounds upon which to indict Mr. Maurath. Although the case remains open pending a final determination, the Company believes that the matter will ultimately be dismissed. The Company believes this case in no way impacts Mr. Maurath’s integrity or ability to serve as an executive officer.

Matthew C. Mirchin has been Executive Vice President, Global Marketing since October 2013. Prior to that, he served as Senior Vice President, Global Brand and Sports Marketing from March 2012 to September 2013, Senior Vice President of Sports Marketing from January 2010 to February 2012, Senior Vice President of North American Sales from March 2008 to December 2009, Vice President of North American Sales from March 2006 to February 2008 and Vice President of U.S. Sales from May 2005 to February 2006. Prior to joining our Company, Mr. Mirchin served as President of Retail and Team Sports from 2002 to 2005 and President of Team Sports from 2001 to 2002 for Russell Athletic. Prior to joining Russell Athletic, Mr. Mirchin served in various capacities at the Champion Division of Sara Lee Corporation from 1994 to 2001 and started his career with the NBA.

Adam Peake has been the principal executive in charge of North American Sales since January 2010, currently serving as Senior Vice President of Sales, North America. Prior to that, he served as interim Vice President of Footwear from May 2009 to December 2009 and held various senior management positions in Sales for the Company from 2002 to 2009.

Henry B. Stafford has been President of North America since October 2013. Prior to that, he served as Senior Vice President of Apparel, Outdoor & Accessories from September 2011 to September 2013 and Senior Vice President of Apparel from June 2010 to August 2011. Prior to joining our company, he worked with American Eagle Outfitters as Senior Vice President and Chief Merchandising Officer of The AE Brand from April 2007 to May 2010, General Merchandise Manager and Senior Vice President of Men's and AE Canadian Division from April 2005 to March 2007 and General Merchandise Manager and Vice President of Men's from September 2003 to March 2005. Prior thereto, Mr. Stafford served in a variety of capacities for Old Navy from 1998 to 2003, including Divisional Merchandising Manager for Men's Tops from 2001 to 2003, and served as a buyer for Abercrombie and Fitch from 1996 to 1998.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Under Armour's Class A Common Stock is traded on the New York Stock Exchange ("NYSE") under the symbol "UA". As of January 31, 2014, there were 1,104 record holders of our Class A Common Stock and 5 record holders of Class B Convertible Common Stock which are beneficially owned by our Chief Executive Officer and Chairman of the Board Kevin A. Plank. The following table sets forth by quarter the high and low sale prices of our Class A Common Stock on the NYSE during 2013 and 2012.

	High	Low
2013		
First Quarter (January 1 – March 31)	$ 51.94	$ 44.32
Second Quarter (April 1 – June 30)	$ 65.55	$ 50.29
Third Quarter (July 1 – September 30)	$ 81.64	$ 59.45
Fourth Quarter (October 1 – December 31)	$ 87.92	$ 75.44
2012		
First Quarter (January 1 – March 31)	$ 49.68	$ 35.13
Second Quarter (April 1 – June 30)	$ 53.93	$ 44.30
Third Quarter (July 1 – September 30)	$ 60.96	$ 44.07
Fourth Quarter (October 1 – December 31)	$ 60.20	$ 46.11

Stock Split

On June 11, 2012 the Board of Directors declared a two-for-one stock split of the Company's Class A and Class B common stock, which was effected in the form of a 100% common stock dividend distributed on July 9, 2012. Stockholders' equity and all references to share and per share amounts herein and in the accompanying consolidated financial statements have been retroactively adjusted to reflect the two-for-one stock split for all periods presented.

Dividends

No cash dividends were declared or paid during 2013 or 2012 on any class of our common stock. We currently anticipate we will retain any future earnings for use in our business. As a result, we do not anticipate paying any cash dividends in the foreseeable future. In addition, we may be limited in our ability to pay dividends to our stockholders under our credit facility. Refer to "Financial Position, Capital Resources and Liquidity" within Management's Discussion and Analysis and Note 6 to the Consolidated Financial Statements for further discussion of our credit facility.

Stock Compensation Plans

The following table contains certain information regarding our equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	4,935,598	$ 16.22	11,146,678
Equity compensation plans not approved by security holders	960,000	$ 18.50	—

The number of securities to be issued upon exercise of outstanding options, warrants and rights issued under equity compensation plans approved by security holders includes 2.8 million restricted stock units and deferred stock units issued to employees, non-employees and directors of Under Armour; these restricted stock units and deferred stock units are not included in the weighted average exercise price calculation above. The number of securities remaining available for future issuance includes 9.7 million shares of our Class A Common Stock under our Amended and Restated 2005 Omnibus Long-Term Incentive Plan ("2005 Stock Plan") and 1.5 million shares of our Class A Common Stock under our Employee Stock Purchase Plan. In addition to securities issued upon the exercise of stock options, warrants and rights, the 2005 Stock Plan authorizes the issuance of restricted and unrestricted shares of our Class A Common Stock and other equity awards. Refer to Note 12 to the Consolidated Financial Statements for information required by this Item regarding the material features of each plan.

The number of securities issued under equity compensation plans not approved by security holders includes 960.0 thousand fully vested and non-forfeitable warrants granted in 2006 to NFL Properties LLC as partial consideration for footwear promotional rights. Refer to Note 12 to the Consolidated Financial Statements for a further discussion on the warrants.

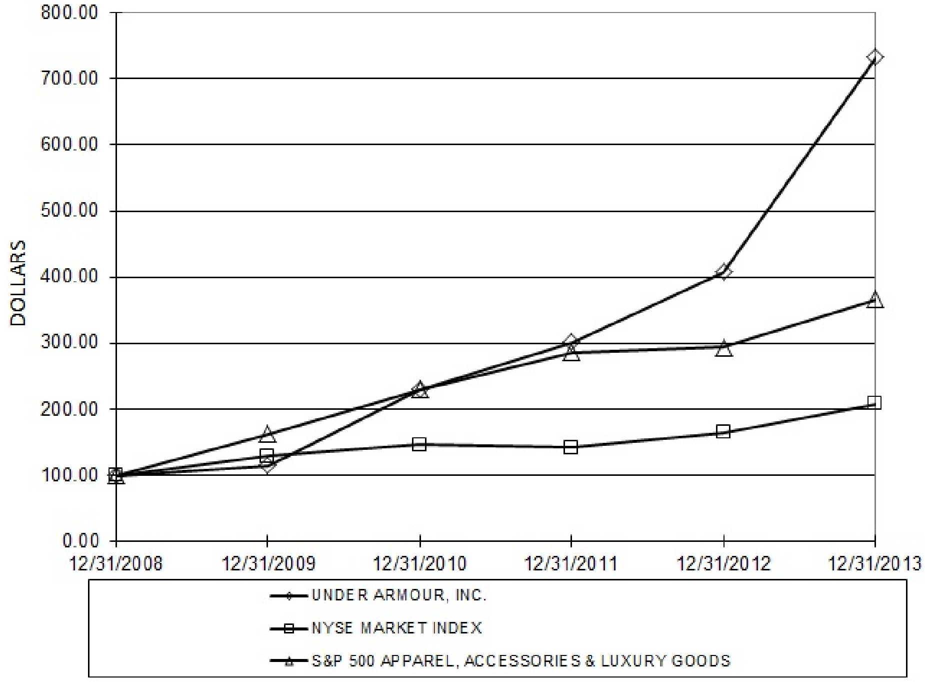
Recent Sales of Unregistered Equity Securities

On December 20, 2013, we issued 50.0 thousand shares of Class A Common Stock upon the exercise of previously granted stock options to an employee at an exercise price of $0.89 per share, for an aggregate amount of consideration of $44.5 thousand.

The issuances of securities described above were made in reliance upon Section 4(2) under the Securities Act in that any issuance did not involve a public offering or under Rule 701 promulgated under the Securities Act, in that they were offered and sold either pursuant to written compensatory plans or pursuant to a written contract relating to compensation, as provided by Rule 701.

Stock Performance Graph

The stock performance graph below compares cumulative total return on Under Armour, Inc. Class A Common Stock to the cumulative total return of the NYSE Market Index and S&P 500 Apparel, Accessories and Luxury Goods Index from December 31, 2008 through December 31, 2013. The graph assumes an initial investment of $100 in Under Armour and each index as of December 31, 2008 and reinvestment of any dividends. The performance shown on the graph below is not intended to forecast or be indicative of possible future performance of our common stock.



	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013
Under Armour, Inc.	$ 100.00	$ 114.43	$ 230.03	$ 301.17	$ 407.13	$ 732.38
NYSE Market Index	$ 100.00	$ 128.95	$ 146.69	$ 141.46	$ 164.45	$ 207.85
S&P 500 Apparel, Accessories & Luxury Goods	$ 100.00	$ 162.72	$ 229.76	$ 285.74	$ 293.11	$ 366.17

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data is qualified by reference to, and should be read in conjunction with, the Consolidated Financial Statements, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K.

	Year Ended December 31,				
(In thousands, except per share amounts)	2013	2012	2011	2010	2009
Net revenues	$ 2,332,051	$ 1,834,921	$ 1,472,684	$ 1,063,927	$ 856,411
Cost of goods sold	1,195,381	955,624	759,848	533,420	446,286
Gross profit	1,136,670	879,297	712,836	530,507	410,125
Selling, general and administrative expenses	871,572	670,602	550,069	418,152	324,852
Income from operations	265,098	208,695	162,767	112,355	85,273
Interest expense, net	(2,933)	(5,183)	(3,841)	(2,258)	(2,344)
Other expense, net	(1,172)	(73)	(2,064)	(1,178)	(511)
Income before income taxes	260,993	203,439	156,862	108,919	82,418
Provision for income taxes	98,663	74,661	59,943	40,442	35,633
Net income	$ 162,330	$ 128,778	$ 96,919	$ 68,477	$ 46,785
Net income available per common share					
Basic	$ 1.54	$ 1.23	$ 0.94	$ 0.67	$ 0.47
Diluted	$ 1.50	$ 1.21	$ 0.92	$ 0.67	$ 0.46
Weighted average common shares outstanding					
Basic	105,348	104,343	103,140	101,595	99,696
Diluted	107,979	106,380	105,052	102,563	101,301
Dividends declared	$ —	$ —	$ —	$ —	$ —

	At December 31,				
(In thousands)	2013	2012	2011	2010	2009
Cash and cash equivalents	$ 347,489	$ 341,841	$ 175,384	$ 203,870	$ 187,297
Working capital (1)	702,181	651,370	506,056	406,703	327,838
Inventories	469,006	319,286	324,409	215,355	148,488
Total assets	1,577,741	1,157,083	919,210	675,378	545,588
Total debt, including current maturities	152,923	61,889	77,724	15,942	20,223
Total stockholders' equity	$ 1,053,354	$ 816,922	$ 636,432	$ 496,966	$ 399,997

(1) Working capital is defined as current assets minus current liabilities.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this section should be read in conjunction with our Consolidated Financial Statements and related notes and the information contained elsewhere in this Form 10-K under the captions "Risk Factors," "Selected Financial Data," and "Business."

Overview

We are a leading developer, marketer and distributor of branded performance apparel, footwear and accessories. The brand's moisture-wicking fabrications are engineered in many different designs and styles for wear in nearly every climate to provide a performance alternative to traditional products. Our products are sold worldwide and worn by athletes at all levels, from youth to professional, on playing fields around the globe, as well as by consumers with active lifestyles.

Our net revenues grew to $2,332.1 million in 2013 from $856.4 million in 2009. We believe that our growth in net revenues has been driven by a growing interest in performance products and the strength of the Under Armour brand in the marketplace. We plan to continue to increase our net revenues over the long term by increased sales of our apparel, footwear and accessories, expansion of our wholesale distribution sales channel, growth in our direct to consumer sales channel and expansion in international markets. Our direct to consumer sales channel includes our brand and factory house stores and websites. New offerings for 2013 include UA COLDGEAR® Infrared and UA HEATGEAR® Sonic apparel, UA SpeedForm™ and UA Spine™ Venom running footwear, and the ARMOUR39™ performance monitoring and tracking system.

A large majority of our products are sold in North America; however, we believe our products appeal to athletes and consumers with active lifestyles around the globe. Internationally, our net revenues are generated from a mix of wholesale sales to retailers, sales to distributors and sales through our direct to consumer sales channels in over fifteen countries in Europe, Latin America, and Asia. In addition, a third party licensee sells our products in Japan and Korea. We hold a minority investment in our licensee in Japan.

Our operating segments include North America; Latin America; Europe, the Middle East and Africa ("EMEA"); Asia; and MapMyFitness. Due to the insignificance of the EMEA, Latin America, Asia and MapMyFitness operating segments, they have been combined into other foreign countries and businesses for disclosure purposes.

We believe there is an increasing recognition of the health benefits of an active lifestyle. We believe this trend provides us with an expanding consumer base for our products. We also believe there is a continuing shift in consumer demand from traditional non-performance products to performance products, which are intended to provide better performance by wicking perspiration away from the skin, helping to regulate body temperature and enhancing comfort. We believe that these shifts in consumer preferences and lifestyles are not unique to the United States, but are occurring in a number of markets globally, thereby increasing our opportunities to introduce our performance products to new consumers. We plan to continue to grow our business over the long term through increased sales of our apparel, footwear and accessories, expansion of our wholesale distribution, growth in our direct to consumer sales channel and expansion in international markets.

Although we believe these trends will facilitate our growth, we also face potential challenges that could limit our ability to take advantage of these opportunities, including, among others, the risk of general economic or market conditions that could affect consumer spending and the financial health of our retail customers. In addition, we may not be able to effectively manage our growth and a more complex global business. We may not consistently be able to anticipate consumer preferences and develop new and innovative products that meet changing preferences in a timely manner. Furthermore, our industry is very competitive, and competition pressures could cause us to reduce the prices of our products or otherwise affect our profitability. We also rely on third-party suppliers and manufacturers outside the U.S. to provide fabrics and to produce our products, and disruptions to our supply chain could harm our business. For a more complete discussion of the risks facing our business, refer to the "Risk Factors" section included in Item 1A.

General

Net revenues comprise both net sales and license and other revenues. Net sales comprise sales from our primary product categories, which are apparel, footwear and accessories. Our license and other revenues primarily consist of fees paid to us by our licensees in exchange for the use of our trademarks on core products of socks, team uniforms, baby and kids' apparel, eyewear, inflatable footballs and basketballs, as well as the distribution of our products in Japan.

Cost of goods sold consists primarily of product costs, inbound freight and duty costs, outbound freight costs, handling costs to make products floor-ready to customer specifications, royalty payments to endorsers based on a predetermined percentage of sales of selected products and write downs for inventory obsolescence. The fabrics in many of our products are made primarily of petroleum-based synthetic materials. Therefore our product costs, as well as our inbound and outbound freight costs, could be affected by long term pricing trends of oil. In general, as a percentage of net revenues, we expect cost of goods sold associated with our apparel and accessories to be lower than that of our footwear. No cost of goods sold is associated with license revenues.

We include outbound freight costs associated with shipping goods to customers as cost of goods sold; however, we include the majority of outbound handling costs as a component of selling, general and administrative expenses. As a result, our gross profit may not be comparable to that of other companies that include outbound handling costs in their cost of goods sold. Outbound handling costs include costs associated with preparing goods to ship to customers and certain costs to operate our distribution facilities. These costs were $46.1 million, $34.8 million and $26.1 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Our selling, general and administrative expenses consist of costs related to marketing, selling, product innovation and supply chain and corporate services. Personnel costs are included in these categories based on the employees' function. Personnel costs include salaries, benefits, incentives and stock-based compensation related to our employees. Our marketing costs are an important driver of our growth. Marketing costs consist primarily of commercials, print ads, league, team, player and event sponsorships and depreciation expense specific to our in-store fixture program for our concept shops. Selling costs consist primarily of costs relating to sales through our wholesale channel, commissions paid to third parties and the majority of our direct to consumer sales channel costs, including the cost of brand and factory house store leases. Product innovation and supply chain costs include our apparel, footwear and accessories product innovation, sourcing and development costs, distribution facility operating costs, and costs relating to our Hong Kong and Guangzhou, China offices which help support product development, manufacturing, quality assurance and sourcing efforts. Corporate services primarily consist of corporate facility operating costs and company-wide administrative expenses.

Other expense, net consists of unrealized and realized gains and losses on our foreign currency derivative financial instruments and unrealized and realized gains and losses on adjustments that arise from fluctuations in foreign currency exchange rates relating to transactions generated by our international subsidiaries.

Results of Operations

The following table sets forth key components of our results of operations for the periods indicated, both in dollars and as a percentage of net revenues:

	Year Ended December 31,		
(In thousands)	**2013**	**2012**	**2011**
Net revenues	$ 2,332,051	$ 1,834,921	$ 1,472,684
Cost of goods sold	1,195,381	955,624	759,848
Gross profit	1,136,670	879,297	712,836
Selling, general and administrative expenses	871,572	670,602	550,069
Income from operations	265,098	208,695	162,767
Interest expense, net	(2,933)	(5,183)	(3,841)
Other expense, net	(1,172)	(73)	(2,064)
Income before income taxes	260,993	203,439	156,862
Provision for income taxes	98,663	74,661	59,943
Net income	$ 162,330	$ 128,778	$ 96,919

(As a percentage of net revenues)	Year Ended December 31, 2013	2012	2011
Net revenues	100.0 %	100.0 %	100.0 %
Cost of goods sold	51.3	52.1	51.6
Gross profit	48.7	47.9	48.4
Selling, general and administrative expenses	37.3	36.5	37.3
Income from operations	11.4	11.4	11.1
Interest expense, net	(0.1)	(0.3)	(0.3)
Other expense, net	(0.1)	—	(0.1)
Income before income taxes	11.2	11.1	10.7
Provision for income taxes	4.2	4.1	4.1
Net income	7.0 %	7.0 %	6.6 %

Consolidated Results of Operations

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Net revenues increased $497.2 million, or 27.1%, to $2,332.1 million in 2013 from $1,834.9 million in 2012. Net revenues by product category are summarized below:

(In thousands)	Year Ended December 31, 2013	2012	$ Change	% Change
Apparel	$ 1,762,150	$ 1,385,350	$ 376,800	27.2%
Footwear	298,825	238,955	59,870	25.1
Accessories	216,098	165,835	50,263	30.3
Total net sales	2,277,073	1,790,140	486,933	27.2
License and other revenues	54,978	44,781	10,197	22.8
Total net revenues	$ 2,332,051	$ 1,834,921	$ 497,130	27.1%

Net sales increased $487.0 million, or 27.2%, to $2,277.1 million in 2013 from $1,790.1 million in 2012 as noted in the table above. The increase in net sales primarily reflects:

- $176.8 million, or 33.2%, increase in direct to consumer sales, which includes 18 additional retail stores, or a 16.5% growth, since December 31, 2012, and continued growth in our ecommerce business;
- unit growth driven by increased distribution and new offerings in multiple product categories, most significantly in our training and hunting apparel product categories, including our new UA HEATGEAR® Sonic and UA COLDGEAR® Infrared product lines along with continued growth in our UA Storm and Charged Cotton® platforms, and running apparel and footwear, including UA Spine; and
- increased average selling prices driven primarily from our higher priced apparel products, including our mountain category and women's UA Studio line.

License and other revenues increased $10.2 million, or 22.8%, to $55.0 million in 2013 from $44.8 million in 2012. This increase in license and other revenues was primarily a result of increased distribution and continued unit volume growth by our licensees.

Gross profit increased $257.4 million to $1,136.7 million in 2013 from $879.3 million in 2012. Gross profit as a percentage of net revenues, or gross margin, increased 80 basis points to 48.7% in 2013 compared to 47.9% in 2012. The increase in gross margin percentage was primarily driven by the following:

- approximate 60 basis point increase driven by sales mix. The sales mix impact was primarily driven by decreased sales mix of excess inventory through our factory house outlet stores at lower prices, along with a lower proportion of North American wholesale footwear sales. We expect the North American wholesale footwear proportion of sales will increase during the first half of 2014 driving a negative sales mix impact; and
- approximate 50 basis point increase driven by lower North American apparel and accessories product input costs. We expect North American wholesale product input costs will continue to positively impact year over year margins during the first half of 2014, but on a more limited basis.

The above increases were partially offset by the below decrease:

- approximate 20 basis point decrease as a result of higher duty costs on certain products previously imported, which were identified and reserved for during the third quarter of 2013. We do not expect this negative impact will continue in 2014.

Selling, general and administrative expenses increased $201.0 million to $871.6 million in 2013 from $670.6 million in 2012. As a percentage of net revenues, selling, general and administrative expenses increased to 37.3% in 2013 from 36.5% in 2012. These changes were primarily attributable to the following:

- Marketing costs increased $41.1 million to $246.5 million in 2013 from $205.4 million in 2012 primarily due to increased sponsorship of collegiate and professional teams and athletes and marketing to support our international expansion. As a percentage of net revenues, marketing costs decreased to 10.5% in 2013 from 11.2% in 2012.

- Selling costs increased $63.9 million to $239.9 million in 2013 from $176.0 million in 2012. This increase was primarily due to higher personnel and other costs incurred primarily for the continued expansion of our direct to consumer distribution channel. As a percentage of net revenues, selling costs increased to 10.3% in 2013 from 9.6% in 2012.

- Product innovation and supply chain costs increased $50.7 million to $209.2 million in 2013 from $158.5 million in 2012 primarily due to higher incentive compensation as well as higher personnel costs to support our growth in net revenues. As a percentage of net revenues, product innovation and supply chain costs increased to 9.0% in 2013 from 8.6% in 2012.

- Corporate services costs increased $45.3 million to $176.0 million in 2013 from $130.7 million in 2012. This increase was primarily attributable to higher incentive compensation as well as higher corporate personnel costs necessary to support our growth. As a percentage of net revenues, corporate services costs increased to 7.5% in 2013 from 7.1% in 2012.

Income from operations increased $56.4 million, or 27.0%, to $265.1 million in 2013 from $208.7 million in 2012. Income from operations as a percentage of net revenues remained unchanged at 11.4% in 2013 and 2012.

Interest expense, net decreased $2.3 million to $2.9 million in 2013 from $5.2 million in 2012. This decrease was primarily due to the refinancing in December 2012 of the debt assumed in connection with the acquisition of our corporate headquarters.

Other expense, net increased $1.1 million to $1.2 million in 2013 from $0.1 million in 2012. This increase was due to higher net losses in 2013 on the combined foreign currency exchange rate changes on transactions denominated in foreign currencies and our foreign currency derivative financial instruments as compared to 2012.

Provision for income taxes increased $24.0 million to $98.7 million in 2013 from $74.7 million in 2012. Our effective tax rate was 37.8% in 2013 compared to 36.7% in 2012. Our effective tax rate for 2013 was higher than the effective tax rate for 2012 primarily due to increased foreign investments driving a lower proportion of foreign taxable income, along with increased non-deductible expenses, including acquisition related expenses, in the current year.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Net revenues increased $362.2 million, or 24.6%, to $1,834.9 million in 2012 from $1,472.7 million in 2011. Net revenues by product category are summarized below:

	Year Ended December 31,			
(In thousands)	**2012**	**2011**	**$ Change**	**% Change**
Apparel	$ 1,385,350	$ 1,122,031	$ 263,319	23.5%
Footwear	238,955	181,684	57,271	31.5
Accessories	165,835	132,400	33,435	25.3
Total net sales	1,790,140	1,436,115	354,025	24.7
License revenues	44,781	36,569	8,212	22.5
Total net revenues	$ 1,834,921	$ 1,472,684	$ 362,237	24.6%

Net sales increased $354.0 million, or 24.7%, to $1,790.1 million in 2012 from $1,436.1 million in 2011 as noted in the table above. The increase in net sales primarily reflects:

- $134.7 million, or 33.8%, increase in direct to consumer sales, which includes 22 additional factory house stores, or a 27.5% increase, since December 31, 2011; and

- unit growth driven by increased distribution and new offerings in multiple product categories, most significantly in our training, hunting, running, baselayer and studio apparel product categories and running footwear category, including the launch of coldblack apparel, Armour Bra and Under Armour scent control products and our UA Spine footwear; and

- increased average selling prices due to a higher mix in the current year period of direct to consumer sales, along with increasing sales of our higher priced products such as Fleece, our women's UA Studio line and UA Spine footwear.

License revenues increased $8.2 million, or 22.5%, to $44.8 million in 2012 from $36.6 million in 2011. This increase in license revenues was a result of increased distribution and continued unit volume growth by our licensees.

Gross profit increased $166.5 million to $879.3 million in 2012 from $712.8 million in 2011. Gross profit as a percentage of net revenues, or gross margin, decreased 50 basis points to 47.9% in 2012 compared to 48.4% in 2011. The decrease in gross margin percentage was primarily driven by the following:

- approximate 35 basis point decrease driven by sales mix. The sales mix impact was partially driven by increased sales of excess inventory through our factory house stores at lower prices, along with a larger proportion of footwear sales, primarily due to new 2012 running styles and growth within our cleated shoe sales; and

- approximate 25 basis point decrease driven by higher inbound freight, partially due to supply chain challenges, required to meet customer demand.

The above decreases were partially offset by the below increase:

- approximate 20 basis point increase driven primarily by lower North American apparel product input costs, partially offset by higher North American accessories and footwear input costs.

Selling, general and administrative expenses increased $120.5 million to $670.6 million in 2012 from $550.1 million in 2011. As a percentage of net revenues, selling, general and administrative expenses decreased to 36.5% in 2012 from 37.3% in 2011. These changes were primarily attributable to the following:

- Marketing costs increased $37.5 million to $205.4 million in 2012 from $167.9 million in 2011 primarily due to increased marketing campaigns for key apparel and footwear launches in 2012 and sponsorship of collegiate and professional teams and athletes, including Tottenham Hotspur Football Club. As a percentage of net revenues, marketing costs decreased slightly to 11.2% in 2012 from 11.4% in 2011.

- Selling costs increased $37.2 million to $176.0 million in 2012 from $138.8 million in 2011. This increase was primarily due to higher personnel and other costs incurred primarily for the continued expansion of our direct to consumer distribution channel. As a percentage of net revenues, selling costs increased slightly to 9.6% in 2012 from 9.4% in 2011.

- Product innovation and supply chain costs increased $29.4 million to $158.5 million in 2012 from $129.1 million in 2011 primarily due to higher distribution facilities operating and personnel costs to support our growth in net revenues and higher personnel costs for the design and sourcing of our expanding apparel, footwear and accessory lines. As a percentage of net revenues, product innovation and supply chain costs decreased slightly to 8.6% in 2012 from 8.8% in 2011.

- Corporate services costs increased $16.4 million to $130.7 million in 2012 from $114.3 million in 2011. This increase was primarily attributable to higher corporate personnel cost and information technology initiatives necessary to support our growth. As a percentage of net revenues, corporate services costs decreased to 7.1% in 2012 from 7.7% in 2011 primarily due to decreased corporate personnel costs as a percentage of net revenues in 2012.

Income from operations increased $45.9 million, or 28.2%, to $208.7 million in 2012 from $162.8 million in 2011. Income from operations as a percentage of net revenues increased to 11.4% in 2012 from 11.1% in 2011. This increase was a result of the items discussed above.

Interest expense, net increased $1.4 million to $5.2 million in 2012 from $3.8 million in 2011. This increase was primarily due to a full year of interest on the debt related to the acquisition of our corporate headquarters in 2012 as compared to 2011.

Other expense, net decreased $2.0 million to $0.1 million in 2012 from $2.1 million in 2011. This decrease was due to lower net losses in 2012 on the combined foreign currency exchange rate changes on transactions denominated in foreign currencies and our foreign currency derivative financial instruments as compared to 2011.

Provision for income taxes increased $14.8 million to $74.7 million in 2012 from $59.9 million in 2011. Our effective tax rate was 36.7% in 2012 compared to 38.2% in 2011, primarily due to state tax credits received in 2012.

Segment Results of Operations

The net revenues and operating income (loss) associated with our segments are summarized in the following tables. The majority of corporate expenses within North America have not been allocated to other foreign countries and businesses. Certain corporate services costs, previously included within North America, have been allocated to other foreign countries and businesses. Prior period segment data has been recast within the tables to conform to current year presentation.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Net revenues by segment are summarized below:

	Year Ended December 31,			
(In thousands)	**2013**	**2012**	**$ Change**	**% Change**
North America	$ 2,193,739	$ 1,726,733	$ 467,006	27.0%
Other foreign countries and businesses	138,312	108,188	30,124	27.8
Total net revenues	$ 2,332,051	$ 1,834,921	$ 497,130	27.1%

Net revenues in our North American operating segment increased $467.0 million to $2,193.7 million in 2013 from $1,726.7 million in 2012 primarily due to the items discussed above in the Consolidated Results of Operations. Net revenues in other foreign countries and businesses increased by $30.1 million to $138.3 million in 2013 from $108.2 million in 2012 primarily due to unit sales growth in our EMEA and Asia operating segments and to distributors in our Latin American operating segment.

Operating income (loss) by segment is summarized below:

	Year Ended December 31,			
(In thousands)	**2013**	**2012**	**$ Change**	**% Change**
North America	$ 271,338	$ 200,084	$ 71,254	35.6 %
Other foreign countries and businesses	(6,240)	8,611	(14,851)	(172.5)
Total operating income	$ 265,098	$ 208,695	$ 56,403	27.0 %

Operating income in our North American operating segment increased $71.2 million to $271.3 million in 2013 from $200.1 million in 2012 primarily due to the items discussed above in the Consolidated Results of Operations. Operating income (loss) in other foreign countries and businesses decreased by $14.8 million to $(6.2) million in 2013 from $8.6 million in 2012 primarily due to our continued investment to support our international expansion in our EMEA, Asia and Latin American operating segments. Investments in 2013 primarily include the opening of brand and factory house stores in China and offices and distribution facilities in Brazil and Chile, along with higher personnel costs and incentive compensation.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Net revenues by segment are summarized below:

	Year Ended December 31,			
(In thousands)	**2012**	**2011**	**$ Change**	**% Change**
North America	$ 1,726,733	$ 1,383,346	$ 343,387	24.8%
Other foreign countries	108,188	89,338	18,850	21.1
Total net revenues	$ 1,834,921	$ 1,472,684	$ 362,237	24.6%

Net revenues in our North American operating segment increased $343.4 million to $1,726.7 million in 2012 from $1,383.3 million in 2011 primarily due to the items discussed above in the Consolidated Results of Operations. Net revenues in other foreign countries increased by $18.9 million to $108.2 million in 2012 from $89.3 million in 2011 primarily due to unit sales growth to distributors in our Latin American operating segment and in our EMEA operating segment, as well as increased license revenues from our Japanese licensee.

Operating income by segment is summarized below:

(In thousands)	Year Ended December 31, 2012	2011	$ Change	% Change
North America	$ 200,084	$ 150,559	$ 49,525	32.9 %
Other foreign countries	8,611	12,208	(3,597)	(29.5)
Total operating income	$ 208,695	$ 162,767	$ 45,928	28.2 %

Operating income in our North American operating segment increased $49.5 million to $200.1 million in 2012 from $150.6 million in 2011 primarily due to the items discussed above in the Consolidated Results of Operations. Operating income in other foreign countries decreased by $3.6 million to $8.6 million in 2012 from $12.2 million in 2011 primarily due to higher costs associated with our continued investment to support our international expansion in our EMEA and Latin American operating segment, partially offset by unit sales growth and increased license revenues from our Japanese licensee as discussed above.

Seasonality

Historically, we have recognized a majority of our net revenues and a significant portion of our income from operations in the last two quarters of the year, driven primarily by increased sales volume of our products during the fall selling season, including our higher priced cold weather products, along with a larger proportion of higher margin direct to consumer sales. The level of our working capital generally reflects the seasonality and growth in our business. We generally expect inventory, accounts payable and certain accrued expenses to be higher in the second and third quarters in preparation for the fall selling season.

The following table sets forth certain financial information for the periods indicated. The data is prepared on the same basis as the audited consolidated financial statements included elsewhere in this Form 10-K. All recurring, necessary adjustments are reflected in the data below.

	Quarter Ended							
(In thousands)	Mar 31, 2013	Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012	Dec 31, 2012
Net revenues	$471,608	$454,541	$723,146	$682,756	$384,389	$369,473	$575,196	$505,863
Gross profit	216,551	219,631	350,135	350,353	175,204	169,467	280,391	254,235
Marketing SG&A expenses	62,841	48,952	74,175	60,521	44,167	46,651	65,629	48,929
Other SG&A expenses	140,218	138,369	155,131	191,365	106,634	111,096	123,782	123,714
Income from operations	13,492	32,310	120,829	98,467	24,403	11,720	90,980	81,592
(As a percentage of annual totals)								
Net revenues	20.2%	19.5%	31.0%	29.3%	20.9%	20.1%	31.4%	27.6%
Gross profit	19.1%	19.3%	30.8%	30.8%	19.9%	19.3%	31.9%	28.9%
Marketing SG&A expenses	25.4%	19.9%	30.1%	24.6%	21.5%	22.7%	32.0%	23.8%
Other SG&A expenses	22.4%	22.2%	24.8%	30.6%	22.9%	23.9%	26.6%	26.6%
Income from operations	5.1%	12.2%	45.6%	37.1%	11.7%	5.6%	43.6%	39.1%

Financial Position, Capital Resources and Liquidity

Our cash requirements have principally been for working capital and capital expenditures. We fund our working capital, primarily inventory, and capital investments from cash flows from operating activities, cash and cash equivalents on hand and borrowings available under our credit and long term debt facilities. Our working capital requirements generally reflect the seasonality and growth in our business as we recognize the majority of our net revenues in the back half of the year. Our capital investments have included expanding our in-store fixture and branded concept shop program, improvements and expansion of our distribution and corporate facilities to support our growth, leasehold improvements to our new brand and factory house stores, and investment and improvements in information technology systems.

Our inventory strategy is focused on continuing to meet consumer demand while improving our inventory efficiency over the long term by putting systems and processes in place to improve our inventory management. These systems and processes are designed to improve our forecasting and supply planning capabilities. In addition to systems and processes, key areas of focus that we believe will enhance inventory performance are added discipline around the purchasing of product, production lead time reduction, and better planning and execution in selling of excess inventory through our factory house stores and other liquidation channels.

In December 2013, we completed the acquisition of MapMyFitness. The purchase price was initially funded through $50.0 million cash on hand and $100.0 million borrowings available under our existing credit facility.

We believe our cash and cash equivalents on hand, cash from operations and borrowings available to us under our credit and long term debt facilities are adequate to meet our liquidity needs and capital expenditure requirements for at least the next twelve months. We continue to evaluate longer term funding options for our acquisition of MapMyFitness, as well as potential sources of liquidity to support future growth needs. Although we believe we have adequate sources of liquidity over the long term, an economic recession or a slow recovery could adversely affect our business and liquidity (refer to the "Risk Factors" section included in Item 1A). In addition, instability in or tightening of the capital markets could adversely affect our ability to obtain additional capital to grow our business and will affect the cost and terms of such capital.

Cash Flows

The following table presents the major components of net cash flows used in and provided by operating, investing and financing activities for the periods presented:

	Year Ended December 31,		
(In thousands)	**2013**	**2012**	**2011**
Net cash provided by (used in):			
Operating activities	$ 120,070	$ 199,761	$ 15,218
Investing activities	(238,102)	(46,931)	(89,436)
Financing activities	126,795	12,297	45,807
Effect of exchange rate changes on cash and cash equivalents	(3,115)	1,330	(75)
Net increase (decrease) in cash and cash equivalents	$ 5,648	$ 166,457	$ (28,486)

Operating Activities

Operating activities consist primarily of net income adjusted for certain non-cash items. Adjustments to net income for non-cash items include depreciation and amortization, unrealized foreign currency exchange rate gains and losses, losses on disposals of property and equipment, stock-based compensation, deferred income taxes and changes in reserves and allowances. In addition, operating cash flows include the effect of changes in operating assets and liabilities, principally inventories, accounts receivable, income taxes payable and receivable, prepaid expenses and other assets, accounts payable and accrued expenses.

Cash provided by operating activities decreased $79.7 million to $120.1 million in 2013 from $199.8 million in 2012. The decrease in cash provided by operating activities was due to decreased net cash flows from operating assets and liabilities of $142.4 million, partially offset by an increase in net income of $33.6 million and adjustments to net income for non-cash items, which increased $29.1 million year over year. The increase in net cash flows related to changes in operating assets and liabilities period over period was primarily driven by the following:

- an increase in inventory investments of $161.6 million. Inventory grew in 2013 at a rate higher than revenue growth primarily due to supplier delivery challenges experienced in the prior year period, early deliveries of product in the current period to manage supplier capacity and improve fill rates, along with incremental inventory investments to support our growing international and direct to consumer businesses.

This increase was also partially offset by:

- a larger increase in accrued expenses and other liabilities of $34.5 million in 2013 as compared to 2012, primarily due to higher accruals for our performance incentive plan as compared to the prior period.

Adjustments to net income for non-cash items increased in 2013 as compared to 2012 primarily due to an increase in stock-based compensation and higher depreciation and amortization in 2013 as compared to 2012.

Cash provided by operating activities increased $184.6 million to $199.8 million in 2012 from $15.2 million in 2011. The increase in cash provided by operating activities was due to increased net cash flows from operating assets and liabilities of $155.0 million and an increase in net income of $32.0 million, partially offset by adjustments to net income for non-cash items which decreased $2.4 million year over year. The increase in net cash flows related to changes in operating assets and liabilities period over period was primarily driven by the following:

- a decrease in inventory investments of $119.3 million primarily driven by success around our inventory management initiatives, along with delays in product receipts due to certain supplier challenges; and

- a larger decrease in prepaid expenses and other assets of $38.6 million in 2012 as compared to 2011, primarily due to income taxes paid during 2011 related to our tax planning strategies currently being recognized in income tax expense and timing of payments for our marketing investments.

Adjustments to net income for non-cash items decreased in 2012 as compared to 2011 primarily due to an increase in deferred taxes in 2012 as compared to a decrease in deferred taxes in 2011.

Investing Activities

Cash used in investing activities increased $191.2 million to $238.1 million in 2013 from $46.9 million in 2012. This increase in cash used in investing activities was primarily related to the purchase of MapMyFitness in December 2013 and increased capital expenditures to improve and expand our offices and distribution facilities, along with brand and factory house openings and expansions in 2013, as compared to 2012.

Cash used in investing activities decreased $42.5 million to $46.9 million in 2012 from $89.4 million in 2011. This decrease in cash used in investing activities was primarily due to the acquisition of our corporate headquarters in 2011. In addition, in connection with the assumed loan for the acquisition of our corporate headquarters, we were required to set aside $5.0 million in restricted cash. This cash became unrestricted upon repayment of the assumed loan in December 2012.

Total capital expenditures were $91.6 million, $62.8 million and $115.4 million in 2013, 2012 and 2011, respectively, which includes the acquisition of our corporate headquarters and other related expenditures in 2011. Capital expenditures for 2014 are expected to be in the range of $140 million to $150 million, primarily driven by incremental investments to support our direct to consumer and international businesses and further develop and expand our global office footprint.

Financing Activities

Cash provided by financing activities increased $114.5 million to $126.8 million in 2013 from $12.3 million in 2012. This increase was primarily due to $100.0 million borrowed under our revolving credit facility to partially fund the acquisition of MapMyFitness.

Cash provided by financing activities decreased $33.5 million to $12.3 million in 2012 from $45.8 million in 2011. This decrease was primarily due to the repayment of the loan assumed in connection with the acquisition of our corporate headquarters in 2011 and the repayment of the term loan under the credit facility, partially offset by the $50.0 million loan borrowed in December 2012.

Credit Facility

The Company has a credit facility with certain lending institutions. The credit facility has a term of four years through March 2015 and provides for a committed revolving credit line of up to $300.0 million. The commitment amount under the revolving credit facility may be increased by an additional $50.0 million, subject to certain conditions and approvals as set forth in the credit agreement.

The credit facility may be used for working capital and general corporate purposes and is secured by a first priority lien on substantially all of our assets and the assets of certain of our domestic subsidiaries (other than trademarks and the land and buildings comprising our corporate headquarters) and by a pledge of the equity interests of certain of our domestic subsidiaries and 65% of the equity interests of certain of our foreign subsidiaries. Up to $5.0 million of the facility may be used to support letters of credit, of which none were outstanding as of December 31, 2013. We are required to maintain a certain leverage ratio and interest coverage ratio as set forth in the credit agreement. As of December 31, 2013, we were in compliance with these ratios. The credit agreement also provides the lenders with the ability to reduce the borrowing base, even if we are in compliance with all conditions of the credit agreement, upon a material adverse change to the business, properties, assets, financial condition or results of operations. The credit agreement contains a number of restrictions that limit our ability, among other things, and subject to certain limited exceptions, to incur additional indebtedness, pledge our assets as security, guaranty obligations of third parties, make investments, undergo a merger or consolidation, dispose of assets, or materially change our line of business. In addition, the credit agreement includes a cross default provision whereby an event of default under other debt obligations, as defined in the credit agreement, will be considered an event of default under the credit agreement.

Borrowings under the credit facility bear interest based on the daily balance outstanding at LIBOR (with no rate floor) plus an applicable margin (varying from 1.25% to 1.75%) or, in certain cases a base rate (based on a certain lending institution's Prime Rate or as otherwise specified in the credit agreement, with no rate floor) plus an applicable margin (varying from 0.25% to 0.75%). The credit facility also carries a commitment fee equal to the unused borrowings multiplied by an applicable margin (varying from 0.25% to 0.35%). The applicable margins are calculated quarterly and vary based on our leverage ratio as set forth in the credit agreement.

During the three months ended December 31, 2013, we borrowed $100.0 million under the revolving credit facility to partially fund the acquisition of MapMyFitness. The interest rate under the revolving credit facility was 1.5% during the three months ended December 31, 2013. No balance was outstanding under the revolving credit facility as of December 31, 2012.

Long Term Debt

We have long term debt agreements with various lenders to finance the acquisition or lease of qualifying capital investments. Loans under these agreements are collateralized by a first lien on the related assets acquired. As these agreements are not committed facilities, each advance is subject to approval by the lenders. Additionally, these agreements include a cross default provision whereby an event of default under other debt obligations, including our credit facility, will be considered an event of default under these agreements. These agreements require a prepayment fee if we pay outstanding amounts ahead of the scheduled terms. The terms of the credit facility limit the total amount of additional financing under these agreements to $40.0 million, of which $18.0 million was available for additional financing as of December 31, 2013. At December 31, 2013 and 2012, the outstanding principal balance under these agreements was $4.9 million and $11.9 million, respectively. Currently, advances under these agreements bear interest rates which are fixed at the time of each advance. The weighted average interest rates on outstanding borrowings were 3.3%, 3.7% and 3.5% for the years ended December 31, 2013, 2012 and 2011, respectively.

In July 2011, in connection with the acquisition of our corporate headquarters, we assumed a $38.6 million nonrecourse loan secured by a mortgage on the acquired property. The assumed loan had an original term of approximately 10 years with a scheduled maturity date of March 2013. The loan included a balloon payment of $37.3 million due at maturity. The assumed loan was nonrecourse with the lender's remedies for non-performance limited to action against the acquired property and certain required reserves and a cash collateral account, except for nonrecourse carve outs related to fraud, breaches of certain representations, warranties or covenants, including those related to environmental matters, and other standard carve outs for a loan of this type. The loan required certain minimum cash flows and financial results from the property, and if those requirements were not met, additional reserves may have been required. The assumed loan required prior approval of the lender for certain matters related to the property, including material leases, changes to property management, transfers of any part of the property and material alterations to the property. The loan had an interest rate of 6.73%.

In December 2012, we repaid the remaining balance of the assumed nonrecourse loan of $37.7 million and entered into a $50.0 million recourse loan collateralized by the land, buildings and tenant improvements comprising our corporate headquarters. The loan has a seven year term and maturity date of December 2019. The loan bears interest at one month LIBOR plus a margin of 1.50%, and allows for prepayment without penalty. We are required to maintain the same leverage ratio and interest coverage ratio as set forth in our credit facility. As of December 31, 2013, we were in compliance with these ratios. The loan contains a number of restrictions that limit our ability, among other things, and subject to certain limited exceptions, to incur additional indebtedness, pledge our assets as a security, guaranty obligations of third parties, make investments, undergo a merger or consolidation, dispose of assets, or materially change our line of business. The loan requires prior approval of the lender for certain matters related to the property, including transfers of any interest in the property. In addition, the loan includes a cross default provision similar to the cross default provision in the credit facility discussed above. As of December 31, 2013 and 2012, the outstanding balance on the loan was $48.0 million and $50.0 million, respectively. The weighted average interest rate on the loan was 1.7% for the years ended December 31, 2013 and 2012.

We monitor the financial health and stability of the lenders under the revolving credit and long term debt facilities, however during any period of significant instability in the credit markets lenders could be negatively impacted in their ability to perform under these facilities.

Acquisitions

MapMyFitness

On December 6, 2013, we acquired 100% of the outstanding equity of MapMyFitness, Inc., a digital connected fitness platform, for $150.0 million in cash, subject to adjustment for final working capital. The purchase price was financed through $100.0 million in debt under our existing revolving credit facility and cash on hand. Through this acquisition, we expect to engage and grow the acquired connected fitness community, while also increasing awareness and sales of our existing product offerings through our North American wholesale and direct to consumer channels.

Corporate Headquarters

In July 2011, we acquired approximately 400 thousand square feet of office space comprising our corporate headquarters for $60.5 million. The acquisition included land, buildings, tenant improvements and third party lease-related intangible assets. As of December 31, 2013, 116 thousand square feet of the 400 thousand square feet acquired was leased to third party tenants with remaining lease terms ranging from 1 month to 12.5 years. We intend to occupy additional space as it becomes available.

Contractual Commitments and Contingencies

We lease warehouse space, office facilities, space for our brand and factory house stores and certain equipment under non-cancelable operating and capital leases. The leases expire at various dates through 2028, excluding extensions at our option, and contain various provisions for rental adjustments. In addition, this table includes executed lease agreements for brand and factory house stores that we did not yet occupy as of December 31, 2013. The operating leases generally contain renewal provisions for varying periods of time. Our significant contractual obligations and commitments as of December 31, 2013 as well as significant agreements entered into during the period after December 31, 2013 through the date of this report are summarized in the following table:

	Payments Due by Period				
(in thousands)	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
Contractual obligations					
Long term debt obligations (1)	$ 52,923	$ 4,972	$ 5,951	$ 4,000	$ 38,000
Operating lease obligations (2)	323,924	44,292	81,424	61,879	136,329
Product purchase obligations (3)	703,447	703,447	—	—	—
Sponsorships and other (4)	272,689	80,875	94,572	46,546	50,696
Total	$ 1,352,983	$ 833,586	$ 181,947	$ 112,425	$ 225,025

(1) Excludes $100.0 borrowings under the revolving credit facility, expected to be repaid in less than a year and a total of $0.1 million of fixed interest payments on long term debt obligations.

(2) Includes the minimum payments for operating lease obligations. The operating lease obligations do not include any contingent rent expense we may incur at our brand and factory house stores based on future sales above a specified minimum or payments made for maintenance, insurance and real estate taxes. Contingent rent expense was $7.8 million for the year ended December 31, 2013.

(3) We generally place orders with our manufacturers at least three to four months in advance of expected future sales. The amounts listed for product purchase obligations primarily represent our open production purchase orders with our manufacturers for our apparel, footwear and accessories, including expected inbound freight, duties and other costs. These open purchase orders specify fixed or minimum quantities of products at determinable prices. The product purchase obligations also includes fabric commitments with our suppliers, which secure a portion of our material needs for future seasons. The reported amounts exclude product purchase liabilities included in accounts payable as of December 31, 2013.

(4) Includes sponsorships with professional teams, professional leagues, colleges and universities, individual athletes, athletic events and other marketing commitments in order to promote our brand. Some of these sponsorship agreements provide for additional performance incentives and product supply obligations. It is not possible to determine how much we will spend on product supply obligations on an annual basis as contracts generally do not stipulate specific cash amounts to be spent on products. The amount of product provided to these sponsorships depends on many factors including general playing conditions, the number of sporting events in which they participate and our decisions regarding product and marketing initiatives. In addition, it is not possible to determine the performance incentive amounts we may be required to pay under these agreements as they are primarily subject to certain performance based and other variables. The amounts listed above are the fixed minimum amounts required to be paid under these agreements.

The table above excludes a liability of $24.1 million for uncertain tax positions, including the related interest and penalties, recorded in accordance with applicable accounting guidance, as we are unable to reasonably estimate the timing of settlement. Refer to Note 10 to the Consolidated Financial Statements for a further discussion of our uncertain tax positions.

Off-Balance Sheet Arrangements

In connection with various contracts and agreements, we have agreed to indemnify counterparties against certain third party claims relating to the infringement of intellectual property rights and other items. Generally, such indemnification obligations do not apply in situations in which our counterparties are grossly negligent, engage in willful misconduct, or act in bad faith. Based on our historical experience and the estimated probability of future loss, we have determined the fair value of such indemnifications is not material to our financial position or results of operations.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. To prepare these financial statements, we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosures of contingent assets and liabilities. Actual results could be significantly different from these estimates. We believe the following discussion addresses the critical accounting policies that are necessary to understand and evaluate our reported financial results.

Revenue Recognition

Net revenues consist of both net sales and license and other revenues. Net sales are recognized upon transfer of ownership, including passage of title to the customer and transfer of risk of loss related to those goods. Transfer of title and risk of loss are based upon shipment under free on board shipping point for most goods or upon receipt by the customer depending on the country of the sale and the agreement with the customer. In some instances, transfer of title and risk of loss take place at the point of sale, for example at our brand and factory house stores. We may also ship product directly from our supplier to the customer and recognize revenue when the product is delivered to and accepted by the customer. License and other revenues are primarily recognized based upon shipment of licensed products sold by our licensees. Sales taxes imposed on our revenues from product sales are presented on a net basis on the consolidated statements of income and therefore do not impact net revenues or costs of goods sold.

We record reductions to revenue for estimated customer returns, allowances, markdowns and discounts. We base our estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by us. The actual amount of customer returns and allowances, which is inherently uncertain, may differ from our estimates. If we determine that actual or expected returns or allowances are significantly higher or lower than the reserves we established, we would record a reduction or increase, as appropriate, to net sales in the period in which we make such a determination. Provisions for customer specific discounts are based on contractual obligations with certain major customers. Reserves for returns, allowances, markdowns and discounts are recorded as an offset to accounts receivable as settlements are made through offsets to outstanding customer invoices. As of December 31, 2013 and 2012, there were $43.8 million and $40.7 million, respectively, in reserves for customer returns, allowances, markdowns and discounts.

Allowance for Doubtful Accounts

We make ongoing estimates relating to the collectability of accounts receivable and maintain an allowance for estimated losses resulting from the inability of our customers to make required payments. In determining the amount of the reserve, we consider historical levels of credit losses and significant economic developments within the retail environment that could impact the ability of our customers to pay outstanding balances and make judgments about the creditworthiness of significant customers based on ongoing credit evaluations. Because we cannot predict future changes in the financial stability of our customers, actual future losses from uncollectible accounts may differ from estimates. If the financial condition of customers were to deteriorate, resulting in their inability to make payments, a larger reserve might be required. In the event we determine a smaller or larger reserve is appropriate, we would record a benefit or charge to selling, general and administrative expense in the period in which such a determination was made. As of December 31, 2013 and 2012, the allowance for doubtful accounts was $2.9 million and $3.3 million, respectively.

Inventory Valuation and Reserves

We value our inventory at standard cost which approximates landed cost, using the first-in, first-out method of cost determination. Market value is estimated based upon assumptions made about future demand and retail market conditions. If we determine that the estimated market value of our inventory is less than the carrying value of such inventory, we record a charge to cost of goods sold to reflect the lower of cost or market. If actual market conditions are less favorable than those we projected, further adjustments may be required that would increase the cost of goods sold in the period in which such a determination was made.

Goodwill, Intangible Assets and Long-Lived Assets

Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition and are allocated to the reporting units that are expected to receive the related benefits. Goodwill and indefinite lived intangible assets are not amortized and are required to be tested for impairment at least annually or sooner whenever events or changes in circumstances indicate that the assets may be impaired. In conducting an annual impairment test, we first review qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, we perform a quantitative assessment over relevant reporting units, analyzing the expected present value of future cash flows and quantifies the amount of impairment, if any. We perform our annual impairment tests in the fourth quarter of each fiscal year.

We continually evaluate whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. These factors may include a significant deterioration of operating results, changes in business plans, or changes in anticipated cash flows. When factors indicate that an asset should be evaluated for possible impairment, we review long-lived assets to assess recoverability from future operations using undiscounted cash flows. If future undiscounted cash flows are less than the carrying value, an impairment is recognized in earnings to the extent that the carrying value exceeds fair value.

No material impairments were recorded related to goodwill, intangible assets or long-lived assets during the years ended December 31, 2013, 2012 and 2011.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary.

Assessing whether deferred tax assets are realizable requires significant judgment. We consider all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent we believe it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against our deferred tax assets, which increase income tax expense in the period when such a determination is made.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions, or obtaining new information on particular tax positions may cause a change to the effective tax rate. We recognize accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the consolidated statements of income.

Stock-Based Compensation

We account for stock-based compensation in accordance with accounting guidance that requires all stock-based compensation awards granted to employees and directors to be measured at fair value and recognized as an expense in the financial statements. As of December 31, 2013, we had $20.0 million of unrecognized compensation expense expected to be recognized over a weighted average period of 1.2 years. This unrecognized compensation expense does not include any expense related to performance-based restricted stock units for which the performance targets have not been achieved as of December 31, 2013.

Determining the appropriate fair value model and calculating the fair value of stock-based compensation awards require the input of highly subjective assumptions, including the expected life of the stock-based compensation awards, stock price volatility and estimated forfeiture rates. We use the Black-Scholes option-pricing model to determine the fair value of stock option awards. The assumptions used in calculating the fair value of stock-based compensation awards represent management’s best estimates, but the estimates involve inherent uncertainties and the application of management judgment. In addition, compensation expense for performance-based awards is recorded over the related service period when achievement of the performance targets are deemed probable, which requires management judgment. For example, the achievement of certain operating income targets related to the performance-based restricted stock units granted in 2012 and 2013 were not deemed probable as of December 31, 2013. Additional stock-based compensation of up to $5.6 million would have been recorded in 2013 for these performance-based restricted stock units had the full achievement of all operating targets been deemed probable. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future. Refer to Note 2 and Note 12 to the Consolidated Financial Statements for a further discussion on stock-based compensation.

Recently Issued Accounting Standards

In July 2013, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update which requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, with certain exceptions. This guidance is effective for annual and interim reporting periods beginning after December 15, 2013, with early adoption permitted. We believe the adoption of this pronouncement will not have a material impact on our consolidated financial statements.

Recently Adopted Accounting Standards

In February 2013, the FASB issued an Accounting Standards Update which requires companies to present either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and the income statement line items affected by the reclassification. This guidance is effective for annual and interim reporting periods beginning after December 15, 2012. The adoption of this pronouncement did not have a material impact on our consolidated financial statements.

In July 2012, the FASB issued an Accounting Standards Update which allows companies to assess qualitative factors to determine the likelihood of indefinite-lived intangible asset impairment and whether it is necessary to perform the quantitative impairment test currently required. This guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The adoption of this pronouncement did not have an impact on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Foreign Currency Risk

We currently generate a majority of our consolidated net revenues in the United States, and the reporting currency for our consolidated financial statements is the U.S. dollar. As our net revenues and certain expenses generated outside of the United States increase, our results of operations could be adversely impacted by changes in foreign currency exchange rates. For example, as we recognize foreign revenues in local foreign currencies and if the U.S. dollar strengthens, it could have a negative impact on our foreign revenues upon translation of those results into the U.S. dollar upon consolidation of our financial statements. In addition, we are exposed to gains and losses resulting from fluctuations in foreign currency exchange rates on transactions generated by our foreign subsidiaries in currencies other than their local currencies. These gains and losses are primarily driven by intercompany transactions. These exposures are included in other expense, net on the consolidated statements of income.

From time to time, we may elect to use foreign currency forward contracts to reduce the risk from exchange rate fluctuations primarily on intercompany transactions and projected inventory purchases for our international subsidiaries. We do not enter into derivative financial instruments for speculative or trading purposes.

As of December 31, 2013, the aggregate notional value of our outstanding foreign currency forward contracts was $20.6 million, which was comprised of Canadian Dollar/U.S. Dollar, Euro/U.S. Dollar, and Pound Sterling/Euro currency pairs with contract maturities of 1 month. The foreign currency forward contracts outstanding as of December 31, 2013 have weighted average contractual forward foreign currency exchange rates of 1.07 CAD per $1.00, €0.73 per $1.00, and £0.83 per €1.00. The foreign currency forward contracts are not designated as cash flow hedges, and accordingly, changes in their fair value are recorded in earnings. The fair values of the Company's foreign currency forward contracts were assets of $12.1 thousand and $4.8 thousand as of December 31, 2013 and 2012, respectively, and were included in prepaid expenses and other current assets on the consolidated balance sheet. Refer to Note 9 to the Consolidated Financial Statements for a discussion of the fair value measurements. Included in other expense, net were the following amounts related to changes in foreign currency exchange rates and derivative foreign currency forward contracts:

	Year Ended December 31,		
(In thousands)	**2013**	**2012**	**2011**
Unrealized foreign currency exchange rate gains (losses)	$ (1,905)	$ 2,464	$ (4,027)
Realized foreign currency exchange rate gains (losses)	477	(182)	298
Unrealized derivative gains (losses)	13	675	(31)
Realized derivative gains (losses)	243	(3,030)	1,696

We enter into foreign currency forward contracts with major financial institutions with investment grade credit ratings and are exposed to credit losses in the event of non-performance by these financial institutions. This credit risk is generally limited to the unrealized gains in the foreign currency forward contracts. However, we monitor the credit quality of these financial institutions and consider the risk of counterparty default to be minimal. Although we have entered into foreign currency forward contracts to minimize some of the impact of foreign currency exchange rate fluctuations on future cash flows, we cannot be assured that foreign currency exchange rate fluctuations will not have a material adverse impact on our financial condition and results of operations.

Interest Rate Risk

In order to maintain liquidity and fund business operations, we enter into long term debt arrangements with various lenders which bear a range of fixed and variable rates of interest. The nature and amount of our long-term debt can be expected to vary as a result of future business requirements, market conditions and other factors. We may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations. In December 2012, we began utilizing an interest rate swap contract to convert a portion of variable rate debt under the $50.0 million loan to fixed rate debt. The contract pays fixed and receives variable rates of interest based on one-month LIBOR and has a maturity date of December 2019. The interest rate swap contract is accounted for as a cash flow hedge and accordingly, the effective portion of the changes in fair value are recorded in other comprehensive income and reclassified into interest expense over the life of the underlying debt obligation.

As of December 31, 2013, the notional value of our outstanding interest rate swap contract was $25.0 million. During the years ended December 31, 2013 and 2012, we recorded a $317.6 thousand and $21.1 thousand increase in interest expense, respectively, representing the effective portion of the contract reclassified from accumulated other comprehensive income. The fair value of the interest rate swap contract was an asset of $1.1 million as of December 31, 2013, and was included in other long term assets on the consolidated balance sheet. The fair value of the interest rate swap contract was a liability of $0.1 million as of December 31, 2012, and was included in other long term liabilities on the consolidated balance sheet.

Credit Risk

We are exposed to credit risk primarily on our accounts receivable. We provide credit to customers in the ordinary course of business and perform ongoing credit evaluations. We believe that our exposure to concentrations of credit risk with respect to trade receivables is largely mitigated by our customer base. We believe that our allowance for doubtful accounts is sufficient to cover customer credit risks as of December 31, 2013.

Inflation

Inflationary factors such as increases in the cost of our product and overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations in recent periods, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and selling, general and administrative expenses as a percentage of net revenues if the selling prices of our products do not increase with these increased costs.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Management on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. We conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 1992. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on our evaluation, we have concluded that our internal control over financial reporting was effective as of December 31, 2013.

The effectiveness of our internal control over financial reporting as of December 31, 2013, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

/s/ KEVIN A. PLANK **Kevin A. Plank**	Chairman of the Board of Directors and Chief Executive Officer
/s/ BRAD DICKERSON **Brad Dickerson**	Chief Financial Officer

Dated: February 21, 2014

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Under Armour, Inc.

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Under Armour, Inc. and its subsidiaries (the “Company”) at December 31, 2013 and December 31, 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 1992. The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland
February 21, 2014

Under Armour, Inc. and Subsidiaries

Consolidated Balance Sheets
(In thousands, except share data)

	December 31, 2013	December 31, 2012
Assets		
Current assets		
Cash and cash equivalents	$ 347,489	$ 341,841
Accounts receivable, net	209,952	175,524
Inventories	469,006	319,286
Prepaid expenses and other current assets	63,987	43,896
Deferred income taxes	38,377	23,051
Total current assets	1,128,811	903,598
Property and equipment, net	223,952	180,850
Goodwill	122,244	—
Intangible assets, net	24,097	4,483
Deferred income taxes	31,094	22,606
Other long term assets	47,543	45,546
Total assets	$ 1,577,741	$ 1,157,083
Liabilities and Stockholders' Equity		
Current liabilities		
Revolving credit facility	$ 100,000	$ —
Accounts payable	165,456	143,689
Accrued expenses	133,729	85,077
Current maturities of long term debt	4,972	9,132
Other current liabilities	22,473	14,330
Total current liabilities	426,630	252,228
Long term debt, net of current maturities	47,951	52,757
Other long term liabilities	49,806	35,176
Total liabilities	524,387	340,161
Commitments and contingencies (see Note 7)		
Stockholders' equity		
Class A Common Stock, $0.0003 1/3 par value; 200,000,000 shares authorized as of December 31, 2013 and 2012; 85,814,354 shares issued and outstanding as of December 31, 2013 and 83,461,106 shares issued and outstanding as of December 31, 2012.	28	28
Class B Convertible Common Stock, $0.0003 1/3 par value; 20,000,000 shares authorized, issued and outstanding as of December 31, 2013 and 21,300,000 shares authorized, issued and outstanding as of December 31, 2012.	7	7
Additional paid-in capital	397,283	321,338
Retained earnings	653,842	493,181
Accumulated other comprehensive income	2,194	2,368
Total stockholders' equity	1,053,354	816,922
Total liabilities and stockholders' equity	$ 1,577,741	$ 1,157,083

See accompanying notes.

Under Armour, Inc. and Subsidiaries

Consolidated Statements of Income
(In thousands, except per share amounts)

	Year Ended December 31,		
	2013	2012	2011
Net revenues	$ 2,332,051	$ 1,834,921	$ 1,472,684
Cost of goods sold	1,195,381	955,624	759,848
Gross profit	1,136,670	879,297	712,836
Selling, general and administrative expenses	871,572	670,602	550,069
Income from operations	265,098	208,695	162,767
Interest expense, net	(2,933)	(5,183)	(3,841)
Other expense, net	(1,172)	(73)	(2,064)
Income before income taxes	260,993	203,439	156,862
Provision for income taxes	98,663	74,661	59,943
Net income	$ 162,330	$ 128,778	$ 96,919
Net income available per common share			
Basic	$ 1.54	$ 1.23	$ 0.94
Diluted	$ 1.50	$ 1.21	$ 0.92
Weighted average common shares outstanding			
Basic	105,348	104,343	103,140
Diluted	107,979	106,380	105,052

See accompanying notes.

Under Armour, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(In thousands)

	Year Ended December 31,		
	2013	2012	2011
Net income	$ 162,330	$ 128,778	$ 96,919
Other comprehensive income (loss):			
Foreign currency translation adjustment	(897)	423	(13)
Unrealized gain (loss) on cash flow hedge, net of tax of $505 and $58 for the year ended December 31, 2013 and 2012, respectively	723	(83)	—
Total other comprehensive income (loss)	(174)	340	(13)
Comprehensive income	$ 162,156	$ 129,118	$ 96,906

See accompanying notes.

Under Armour, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity
(In thousands)

	Class A Common Stock		Class B Convertible Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2010	77,320	$ 26	25,000	$ 8	$ 224,870	$ 270,021	$ 2,041	$ 496,966
Exercise of stock options	1,126	—	—	—	12,853	—	—	12,853
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(23)	—	—	—	—	(776)	—	(776)
Issuance of Class A Common Stock, net of forfeitures	69	—	—	—	2,041	—	—	2,041
Class B Convertible Common Stock converted to Class A Common Stock	2,500	1	(2,500)	(1)	—	—	—	—
Stock-based compensation expense	—	—	—	—	18,063	—	—	18,063
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	10,379	—	—	10,379
Comprehensive income	—	—	—	—	—	96,919	(13)	96,906
Balance as of December 31, 2011	80,992	27	22,500	7	268,206	366,164	2,028	636,432
Exercise of stock options	1,218	1	—	—	12,370	—	—	12,371
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(38)	—	—	—	—	(1,761)	—	(1,761)
Issuance of Class A Common Stock, net of forfeitures	89	—	—	—	3,247	—	—	3,247
Class B Convertible Common Stock converted to Class A Common Stock	1,200	—	(1,200)	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	19,845	—	—	19,845
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	17,670	—	—	17,670
Comprehensive income	—	—	—	—	—	128,778	340	129,118
Balance as of December 31, 2012	83,461	28	21,300	7	321,338	493,181	2,368	816,922
Exercise of stock options	911	—	—	—	12,159	—	—	12,159
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(24)	—	—	—	—	(1,669)	—	(1,669)
Issuance of Class A Common Stock, net of forfeitures	166	—	—	—	3,439	—	—	3,439
Class B Convertible Common Stock converted to Class A Common Stock	1,300	—	(1,300)	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	43,184	—	—	43,184
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	17,163	—	—	17,163
Comprehensive income (loss)	—	—	—	—	—	162,330	(174)	162,156
Balance as of December 31, 2013	85,814	$ 28	20,000	$ 7	$ 397,283	$ 653,842	$ 2,194	$ 1,053,354

See accompanying notes.

Under Armour, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2013	**2012**	**2011**
Cash flows from operating activities			
Net income	$ 162,330	$ 128,778	$ 96,919
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	50,549	43,082	36,301
Unrealized foreign currency exchange rate (gains) losses	1,905	(2,464)	4,027
Loss on disposal of property and equipment	332	524	36
Stock-based compensation	43,184	19,845	18,063
Gain on bargain purchase of corporate headquarters (excludes transaction costs of $1.9 million)	—	—	(3,300)
Deferred income taxes	(18,832)	(12,973)	3,620
Changes in reserves and allowances	13,945	13,916	5,536
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(35,960)	(53,433)	(33,923)
Inventories	(156,900)	4,699	(114,646)
Prepaid expenses and other assets	(19,049)	(4,060)	(42,633)
Accounts payable	14,642	35,370	17,209
Accrued expenses and other liabilities	56,481	21,966	23,442
Income taxes payable and receivable	7,443	4,511	4,567
Net cash provided by operating activities	120,070	199,761	15,218
Cash flows from investing activities			
Purchases of property and equipment	(87,830)	(50,650)	(56,228)
Purchases of businesses, net of cash acquired	(148,097)	—	(23,164)
Purchases of other assets	(475)	(1,310)	(1,153)
Purchase of long term investment	—	—	(3,862)
Change in loans receivable	(1,700)	—	—
Change in restricted cash	—	5,029	(5,029)
Net cash used in investing activities	(238,102)	(46,931)	(89,436)
Cash flows from financing activities			
Proceeds from revolving credit facility	100,000	—	30,000
Payments on revolving credit facility	—	—	(30,000)
Proceeds from term loan	—	—	25,000
Payments on term loan	—	(25,000)	—
Proceeds from long term debt	—	50,000	5,644
Payments on long term debt	(5,471)	(44,330)	(7,418)
Excess tax benefits from stock-based compensation arrangements	17,167	17,868	10,260
Proceeds from exercise of stock options and other stock issuances	15,099	14,776	14,645
Payments of debt financing costs	—	(1,017)	(2,324)
Net cash provided by financing activities	126,795	12,297	45,807
Effect of exchange rate changes on cash and cash equivalents	(3,115)	1,330	(75)
Net increase in cash and cash equivalents	5,648	166,457	(28,486)
Cash and cash equivalents			
Beginning of period	341,841	175,384	203,870
End of period	$ 347,489	$ 341,841	$ 175,384
Non-cash investing and financing activities			
Debt assumed and property and equipment acquired in connection with purchase of corporate headquarters	$ —	$ —	$ 38,556
Increase in accrual for property and equipment	3,786	12,137	157
Other supplemental information			
Cash paid for income taxes	85,570	57,739	56,940
Cash paid for interest	1,505	3,306	2,305

See accompanying notes.

Under Armour, Inc. and Subsidiaries

Notes to the Audited Consolidated Financial Statements

1. Description of the Business

Under Armour, Inc. is a developer, marketer and distributor of branded performance apparel, footwear and accessories. These products are sold worldwide and worn by athletes at all levels, from youth to professional on playing fields around the globe, as well as by consumers with active lifestyles.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Under Armour, Inc. and its wholly owned subsidiaries (the “Company”). All intercompany balances and transactions have been eliminated. The accompanying consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

On June 11, 2012 the Board of Directors declared a two-for-one stock split of the Company's Class A and Class B common stock, which was effected in the form of a 100% common stock dividend distributed on July 9, 2012. Stockholders' equity and all references to share and per share amounts in the accompanying consolidated financial statements have been retroactively adjusted to reflect the two-for-one stock split for all periods presented.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at date of inception to be cash and cash equivalents. Included in interest expense, net for the years ended December 31, 2013, 2012 and 2011 was interest income of $23.7 thousand, $25.2 thousand and $30.0 thousand, respectively, related to cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that subject the Company to significant concentration of credit risk consist primarily of accounts receivable. The majority of the Company’s accounts receivable is due from large sporting goods retailers. Credit is extended based on an evaluation of the customer’s financial condition and collateral is not required. The most significant customers that accounted for a large portion of net revenues and accounts receivable are as follows:

	Customer A	Customer B	Customer C
Net revenues			
2013	16.6%	5.3%	4.8%
2012	16.6%	5.8%	5.2%
2011	18.2%	7.4%	5.6%
Accounts receivable			
2013	27.1%	9.1%	5.1%
2012	26.4%	8.8%	7.0%
2011	25.4%	8.6%	5.5%

Allowance for Doubtful Accounts

The Company makes ongoing estimates relating to the collectability of accounts receivable and maintains an allowance for estimated losses resulting from the inability of its customers to make required payments. In determining the amount of the reserve, the Company considers historical levels of credit losses and significant economic developments within the retail environment that could impact the ability of its customers to pay outstanding balances and makes judgments about the creditworthiness of significant customers based on ongoing credit evaluations. Because the Company cannot predict future changes in the financial stability of its customers, actual future losses from uncollectible accounts may differ from estimates. If the financial condition of customers were to deteriorate, resulting in their inability to make payments, a larger reserve might be required. In the event the Company determines a smaller or larger reserve is appropriate, it would record a benefit or charge to selling, general and administrative expense in the period in which such a determination was made. As of December 31, 2013 and 2012, the allowance for doubtful accounts was $2.9 million and $3.3 million, respectively.

Inventories

Inventories consist primarily of finished goods. Costs of finished goods inventories include all costs incurred to bring inventory to its current condition, including inbound freight, duties and other costs. The Company values its inventory at standard cost which approximates landed cost, using the first-in, first-out method of cost determination. Market value is estimated based upon assumptions made about future demand and retail market conditions. If the Company determines that the estimated market value of its inventory is less than the carrying value of such inventory, it records a charge to cost of goods sold to reflect the lower of cost or market. If actual market conditions are less favorable than those projected by the Company, further adjustments may be required that would increase the cost of goods sold in the period in which such a determination was made.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary.

Assessing whether deferred tax assets are realizable requires significant judgment. The Company considers all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent the Company believes it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against the Company's deferred tax assets, which increase income tax expense in the period when such a determination is made.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions, or obtaining new information on particular tax positions may cause a change to the effective tax rate. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the consolidated statements of income.

Property and Equipment

Property and equipment are stated at cost, including the cost of internal labor for software customized for internal use, less accumulated depreciation and amortization. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets: 3 to 10 years for furniture, office equipment, software and plant equipment and 10 to 35 years for site improvements, buildings and building equipment. Leasehold and tenant improvements are amortized over the shorter of the lease term or the estimated useful lives of the assets. The cost of in-store apparel and footwear fixtures and displays are capitalized, included in furniture, fixtures and displays, and depreciated over 3 years. The Company periodically reviews assets' estimated useful lives based upon actual experience and expected future utilization. A change in useful life is treated as a change in accounting estimate and is applied prospectively.

The Company capitalizes the cost of interest for long term property and equipment projects based on the Company's weighted average borrowing rates in place while the projects are in progress. Capitalized interest was $0.4 million and $0.5 million as of December 31, 2013 and 2012, respectively.

Upon retirement or disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in selling, general and administrative expenses for that period. Major additions and betterments are capitalized to the asset accounts while maintenance and repairs, which do not improve or extend the lives of assets, are expensed as incurred.

Goodwill, Intangible Assets and Long-Lived Assets

Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition and are allocated to the reporting units that are expected to receive the related benefits. Goodwill and indefinite lived intangible assets are not amortized and are required to be tested for impairment at least annually or sooner whenever events or changes in circumstances indicate that the assets may be impaired. In conducting an annual impairment test, the Company first reviews qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, the Company performs a quantitative assessment over relevant reporting units, analyzing the expected present value of future cash flows and quantifies the amount of impairment, if any. The Company performs its annual impairment tests in the fourth quarter of each fiscal year.

The Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. These factors may include a significant deterioration of operating results, changes in business plans, or changes in anticipated cash flows. When factors indicate that an asset should be evaluated for possible impairment, the Company reviews long-lived assets to assess recoverability from future operations using undiscounted cash flows. If future undiscounted cash flows are less than the carrying value, an impairment is recognized in earnings to the extent that the carrying value exceeds fair value.

No material impairments were recorded related to goodwill, intangible assets or long-lived assets during the years ended December 31, 2013, 2012 and 2011.

Accrued Expenses

At December 31, 2013, accrued expenses primarily included $56.7 million and $11.9 million of accrued compensation and benefits and marketing expenses, respectively. At December 31, 2012, accrued expenses primarily included $37.9 million and $13.6 million of accrued compensation and benefits and marketing expenses, respectively.

Foreign Currency Translation and Transactions

The functional currency for each of the Company’s wholly owned foreign subsidiaries is generally the applicable local currency. The translation of foreign currencies into U.S. dollars is performed for assets and liabilities using current foreign currency exchange rates in effect at the balance sheet date and for revenue and expense accounts using average foreign currency exchange rates during the period. Capital accounts are translated at historical foreign currency exchange rates. Translation gains and losses are included in stockholders’ equity as a component of accumulated other comprehensive income. Adjustments that arise from foreign currency exchange rate changes on transactions, primarily driven by intercompany transactions, denominated in a currency other than the functional currency are included in other expense, net on the consolidated statements of income.

Derivatives and Hedging Activities

The Company uses derivative financial instruments in the form of foreign currency forward and interest rate swap contracts to minimize the risk associated with foreign currency exchange rate and interest rate fluctuations. The Company accounts for derivative financial instruments pursuant to applicable accounting guidance. This guidance establishes accounting and reporting standards for derivative financial instruments and requires all derivatives to be recognized as either assets or liabilities on the balance sheet and to be measured at fair value. Unrealized derivative gain positions are recorded as other current assets or other long term assets, and unrealized derivative loss positions are recorded as accrued expenses or other long term liabilities, depending on the derivative financial instrument’s maturity date.

Currently, the Company’s foreign currency forward contracts are not designated as cash flow hedges, and accordingly, changes in their fair value are included in other expense, net on the consolidated statements of income. The Company has designated its interest rate swap contract as a cash flow hedge and accordingly, the effective portion of changes in fair value are recorded in other comprehensive income and reclassified into interest expense over the life of the underlying debt obligation. The ineffective portion, if any, is recognized in current period earnings. The Company does not enter into derivative financial instruments for speculative or trading purposes.

Revenue Recognition

The Company recognizes revenue pursuant to applicable accounting standards. Net revenues consist of both net sales and license and other revenues. Net sales are recognized upon transfer of ownership, including passage of title to the customer and transfer of risk of loss related to those goods. Transfer of title and risk of loss is based upon shipment under free on board shipping point for most goods or upon receipt by the customer depending on the country of the sale and the agreement with the customer. In some instances, transfer of title and risk of loss takes place at the point of sale, for example, at the Company’s brand and factory house stores. The Company may also ship product directly from its supplier to the customer and recognize revenue when the product is delivered to and accepted by the customer. License and other revenues are primarily recognized based upon shipment of licensed products sold by the Company’s licensees. Sales taxes imposed on the Company’s revenues from product sales are presented on a net basis on the consolidated statements of income and therefore do not impact net revenues or costs of goods sold.

The Company records reductions to revenue for estimated customer returns, allowances, markdowns and discounts. The Company bases its estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by the Company. The actual amount of customer returns and allowances, which is inherently uncertain, may differ from the Company’s estimates. If the Company determines that actual or expected returns or allowances are significantly higher or lower than the reserves it established, it would record a reduction or increase, as appropriate, to net sales in the period in which it makes such a determination. Provisions for customer specific discounts are based on contractual obligations with certain major customers. Reserves for returns, allowances, markdowns and discounts are recorded as an offset to accounts receivable as settlements are made through offsets to outstanding customer invoices. As of December 31, 2013 and 2012, there were $43.8 million and $40.7 million, respectively, in reserves for customer returns, allowances, markdowns and discounts.

Advertising Costs

Advertising costs are charged to selling, general and administrative expenses. Advertising production costs are expensed the first time an advertisement related to such production costs is run. Media (television, print and radio) placement costs are expensed in the month during which the advertisement appears, and costs related to event sponsorships are expensed when the event occurs. In addition, advertising costs include sponsorship expenses. Accounting for sponsorship payments is based upon specific contract provisions and the payments are generally expensed uniformly over the term of the contract after recording expense related to specific performance incentives once they are deemed probable. Advertising expense, including amortization of in-store marketing fixtures and displays, was $246.5 million, $205.4 million and $167.9 million for the years ended December 31, 2013, 2012 and 2011, respectively. At December 31, 2013 and 2012, prepaid advertising costs were $22.0 million and $17.5 million, respectively.

Shipping and Handling Costs

The Company charges certain customers shipping and handling fees. These fees are recorded in net revenues. The Company includes the majority of outbound handling costs as a component of selling, general and administrative expenses. Outbound handling costs include costs associated with preparing goods to ship to customers and certain costs to operate the Company’s distribution facilities. These costs, included within selling, general and administrative expenses, were $46.1 million, $34.8 million and $26.1 million for the years ended December 31, 2013, 2012 and 2011, respectively. The Company includes outbound freight costs associated with shipping goods to customers as a component of cost of goods sold.

Minority Investment

The Company holds a minority investment in Dome Corporation (“Dome”), the Company’s Japanese licensee. The Company invested ¥1,140.0 million, or $15.5 million, in exchange for 19.5% common stock ownership in Dome. As of December 31, 2013 and 2012, the carrying value of the Company’s investment was $15.2 million and $14.6 million, respectively, and was included in other long term assets on the consolidated balance sheet. The investment is subject to foreign currency translation rate fluctuations as it is held by the Company’s European subsidiary.

The Company accounts for its investment in Dome under the cost method given that it does not have the ability to exercise significant influence. Additionally, the Company concluded that no event or change in circumstances occurred during the year ended December 31, 2013 that may have a significant adverse effect on the fair value of the investment.

Earnings per Share

Basic earnings per common share is computed by dividing net income available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Any stock-based compensation awards that are determined to be participating securities, which are stock-based compensation awards that entitle the holders to receive dividends prior to vesting, are included in the calculation of basic earnings per share using the two class method. Diluted earnings per common share is computed by dividing net income available to common stockholders for the period by the diluted weighted average common shares outstanding during the period. Diluted earnings per share reflects the potential dilution from common shares issuable through stock options, warrants, restricted stock units and other equity awards. Refer to Note 11 for further discussion of earnings per share.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with accounting guidance that requires all stock-based compensation awards granted to employees and directors to be measured at fair value and recognized as an expense in the financial statements. In addition, this guidance requires that excess tax benefits related to stock-based compensation awards be reflected as financing cash flows.

The Company uses the Black-Scholes option-pricing model to estimate the fair market value of stock-based compensation awards. The Company uses the “simplified method” to estimate the expected life of options, as permitted by accounting guidance. The “simplified method” calculates the expected life of a stock option equal to the time from grant to the midpoint between the vesting date and contractual term, taking into account all vesting tranches. The risk free interest rate is based on the yield for the U.S. Treasury bill with a maturity equal to the expected life of the stock option. Expected volatility is based on the Company's historical average. Compensation expense is recognized net of forfeitures on a straight-line basis over the total vesting period, which is the implied requisite service period. Compensation expense for performance-based awards is recorded over the implied requisite service period when achievement of the performance target is deemed probable. The forfeiture rate is estimated at the date of grant based on historical rates.

The Company issues new shares of Class A Common Stock upon exercise of stock options, grant of restricted stock or share unit conversion. Refer to Note 12 for further details on stock-based compensation.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Fair Value of Financial Instruments

The carrying amounts shown for the Company’s cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short term maturity of those instruments. The fair value of the long term debt approximates its carrying value based on the variable nature of interest rates and current market rates available to the Company. The fair value of foreign currency forward contracts is based on the net difference between the U.S. dollars to be received or paid at the contracts’ settlement date and the U.S. dollar value of the foreign currency to be sold or purchased at the current forward exchange rate. The fair value of the interest rate swap contract is based on the net difference between the fixed interest to be paid and variable interest to be received over the term of the contract based on current market rates.

Recently Issued Accounting Standards

In July 2013, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update which requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, with certain exceptions. This guidance is effective for annual and interim reporting periods beginning after December 15, 2013, with early adoption permitted. The Company believes the adoption of this pronouncement will not have a material impact on its consolidated financial statements.

Recently Adopted Accounting Standards

In February 2013, the FASB issued an Accounting Standards Update which requires companies to present either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and the income statement line items affected by the reclassification. This guidance is effective for annual and interim reporting periods beginning after December 15, 2012. The adoption of this pronouncement did not have a material impact on the Company's consolidated financial statements.

In July 2012, the FASB issued an Accounting Standards Update which allows companies to assess qualitative factors to determine the likelihood of indefinite-lived intangible asset impairment and whether it is necessary to perform the quantitative impairment test currently required. This guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The adoption of this pronouncement did not have an impact on the Company's consolidated financial statements.

3. Acquisitions

MapMyFitness

On December 6, 2013, the Company acquired 100% of the outstanding equity of MapMyFitness, Inc., a digital connected fitness platform, for $150.0 million in cash, subject to adjustment for final working capital. The purchase price was financed through $100.0 million in debt under the Company's existing revolving credit facility and cash on hand. Through this acquisition, the Company expects to engage and grow the acquired connected fitness community, while also increasing awareness and sales of the Company's existing product offerings through our North American wholesale and direct to consumer channels.

The acquisition was accounted for as a business combination. The Company allocated the total purchase price to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date, with the remaining unallocated purchase price recorded as goodwill. As a result of the initial purchase price allocation, the Company recorded intangible assets of $20.6 million, goodwill of $122.2 million, and other net assets of $6.6 million, primarily consisting of $4.7 million of net deferred tax assets. The purchase price allocation is preliminary, pending the settlement of working capital.

Intangible assets consist of $12.0 million of technology, $5.0 million of trade name, and $3.6 million of customer relationships. The Company estimated the acquisition date fair values of the intangible assets based on income based discounted cash flow models using estimates and assumptions regarding future operations. The Company will amortize the intangible assets on a straight-line basis over their estimated useful lives of two to seven years.

The goodwill recorded as a result of the acquisition primarily reflects unidentified intangible assets acquired, including the value of integrating and innovating acquired technologies and engaging and growing the digital community. The acquired goodwill has been allocated primarily within the Company's North America operating segment as well as the MapMyFitness operating segment. The goodwill associated with this acquisition is not deductible for tax purposes.

In connection with this acquisition, the Company incurred acquisition related expenses of approximately $2.5 million. These expenses were included in selling, general and administrative expenses on the consolidated statements of income during the year ended December 31, 2013. This acquisition did not have a material impact to the Company’s consolidated statements of income during the year ended December 31, 2013. Pro forma results are not presented, as the acquisition was not considered material to the consolidated Company.

Corporate Headquarters

In July 2011, the Company acquired approximately 400 thousand square feet of office space comprising its corporate headquarters for $60.5 million. The acquisition included land, buildings, tenant improvements and third party lease-related intangible assets. As of December 31, 2013, 116 thousand square feet of the 400 thousand square feet acquired was leased to third party tenants with remaining lease terms ranging from 1 month to 12.5 years. The Company intends to occupy additional space as it becomes available.

The acquisition included the assumption of a $38.6 million loan secured by the property and the remaining purchase price was paid in cash funded primarily by a $25.0 million term loan borrowed in May 2011. The carrying value of the assumed loan approximated its fair value on the date of the acquisition. Refer to Note 6 for a discussion of the assumed loan and term loan. A $1.0 million deposit was paid upon signing the purchase agreement in November 2010.

The aggregate fair value of the acquisition was $63.8 million. The fair value was estimated using a combination of market, income and cost approaches. The acquisition was accounted for as a business combination, and as such the Company recognized a bargain purchase gain in the year ended December 31, 2011 of $3.3 million, as the amount by which the fair value of the net assets acquired exceeded the fair value of the purchase price.

In connection with this acquisition, the Company incurred acquisition related expenses of approximately $1.9 million. Both the acquisition related expenses and pre-tax bargain purchase gain were included in selling, general and administrative expenses on the consolidated statements of income during the year ended December 31, 2011. This transaction did not have a material impact to the Company’s consolidated statements of income during the year ended December 31, 2013.

4. Property and Equipment, Net

Property and equipment consisted of the following:

(In thousands)	December 31, 2013	December 31, 2012
Leasehold and tenant improvements	$ 97,776	$ 75,058
Furniture, fixtures and displays	68,045	59,849
Buildings	45,903	42,533
Software	51,984	40,836
Office equipment	39,551	35,752
Plant equipment	45,509	30,214
Land	17,628	17,628
Construction in progress	28,471	23,005
Other	1,219	1,246
Subtotal property and equipment	396,086	326,121
Accumulated depreciation	(172,134)	(145,271)
Property and equipment, net	$ 223,952	$ 180,850

Construction in progress primarily includes costs incurred for software systems, leasehold improvements and in-store fixtures and displays not yet placed in use.

Depreciation expense related to property and equipment was $48.3 million, $39.8 million and $32.7 million for the years ended December 31, 2013, 2012 and 2011, respectively.

5. Goodwill and Intangible Assets, Net

The following table summarizes changes in the carrying amount of the Company’s goodwill by reportable segment as of the periods indicated:

(In thousands)	North America	Other foreign countries and businesses	Total
Balance as of December 31, 2012	$ —	$ —	$ —
Goodwill acquired	119,799	2,445	122,244
Balance as of December 31, 2013	$ 119,799	$ 2,445	$ 122,244

The following table summarizes the Company’s intangible assets as of the periods indicated:

	December 31, 2013			December 31, 2012		
(In thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:						
Technology	$ 12,000	$ (126)	$ 11,874	$ —	$ —	$ —
Trade name	5,000	(53)	4,947	—	—	—
Customer relationships	3,600	(38)	3,562	—	—	—
Lease-related intangible assets	3,896	(2,605)	1,291	3,896	(1,974)	1,922
Other	3,648	(2,914)	734	3,087	(2,215)	872
Total	$ 28,144	$ (5,736)	$ 22,408	$ 6,983	$ (4,189)	$ 2,794
Indefinite-lived intangible assets			1,689			1,689
Intangible assets, net			$ 24,097			$ 4,483

Technology, trade-name and customer relationship intangible assets were acquired with the purchase of MapMyFitness and are amortized on a straight-line basis over 84 months, 48 months and 24 months. respectively. Lease-related intangible assets were acquired with the purchase of the Company’s corporate headquarters and are amortized over the remaining third party lease terms, which ranged from 9 months to 15 years on the date of purchase. Other intangible assets are amortized using estimated useful lives of 55 months to 120 months with no residual value. Amortization expense, which is included in selling, general and administrative expenses, was $1.6 million, $2.2 million and $2.9 million for the years ended December 31, 2013, 2012 and 2011, respectively. The estimated amortization expense of the Company’s intangible assets is $5.4 million, $5.0 million, $3.3 million, $3.1 million and $1.9 million for the years ending December 31, 2014, 2015, 2016, 2017 and 2018, respectively.

6. Credit Facility and Long Term Debt

Credit Facility

The Company has a credit facility with certain lending institutions. The credit facility has a term of four years through March 2015 and provides for a committed revolving credit line of up to $300.0 million. The commitment amount under the revolving credit facility may be increased by an additional $50.0 million, subject to certain conditions and approvals as set forth in the credit agreement.

The credit facility may be used for working capital and general corporate purposes and is secured by a first priority lien on substantially all of the assets of the Company and the assets of certain of its domestic subsidiaries (other than trademarks and the land and buildings comprising the Company’s corporate headquarters) and by a pledge of the equity interests of certain of its domestic subsidiaries and 65% of the equity interests of certain of the Company’s foreign subsidiaries. Up to $5.0 million of the facility may be used to support letters of credit, of which none were outstanding as of December 31, 2013. The Company is required to maintain a certain leverage ratio and interest coverage ratio as set forth in the credit agreement. As of December 31, 2013, the Company was in compliance with these ratios. The credit agreement also provides the lenders with the ability to reduce the borrowing base, even if the Company is in compliance with all conditions of the credit agreement, upon a material adverse change to the business, properties, assets, financial condition or results of operations of the Company. The credit agreement contains a number of restrictions that limit the Company’s ability, among other things, and subject to certain limited exceptions, to incur additional indebtedness, pledge its assets as security, guaranty obligations of third parties, make investments, undergo a merger or consolidation, dispose of assets, or materially change its line of business. In addition, the credit agreement includes a cross default provision whereby an event of default under other debt obligations, as defined in the credit agreement, will be considered an event of default under the credit agreement.

Borrowings under the credit facility bear interest based on the daily balance outstanding at LIBOR (with no rate floor) plus an applicable margin (varying from 1.25% to 1.75%) or, in certain cases a base rate (based on a certain lending institution’s Prime Rate or as otherwise specified in the credit agreement, with no rate floor) plus an applicable margin (varying from 0.25% to 0.75%). The credit facility also carries a commitment fee equal to the unused borrowings multiplied by an applicable margin (varying from 0.25% to 0.35%). The applicable margins are calculated quarterly and vary based on the Company’s leverage ratio as set forth in the credit agreement.

During the three months ended December 31, 2013, the Company borrowed $100.0 million under the revolving credit facility to partially fund the acquisition of MapMyFitness. The interest rate under the revolving credit facility was 1.5% during the three months ended December 31, 2013. No balance was outstanding under the revolving credit facility as of December 31, 2012.

Long Term Debt

The Company has long term debt agreements with various lenders to finance the acquisition or lease of qualifying capital investments. Loans under these agreements are collateralized by a first lien on the related assets acquired. As these agreements are not committed facilities, each advance is subject to approval by the lenders. Additionally, these agreements include a cross default provision whereby an event of default under other debt obligations, including the Company’s credit facility, will be considered an event of default under these agreements. These agreements require a prepayment fee if the Company pays outstanding amounts ahead of the scheduled terms. The terms of the credit facility limit the total amount of additional financing under these agreements to $40.0 million, of which $18.0 million was available for additional financing as of December 31, 2013. At December 31, 2013 and 2012, the outstanding principal balance under these agreements was $4.9 million and $11.9 million, respectively. Currently, advances under these agreements bear interest rates which are fixed at the time of each advance. The weighted average interest rates on outstanding borrowings were 3.3%, 3.7% and 3.5% for the years ended December 31, 2013, 2012 and 2011, respectively.

In July 2011, in connection with the Company’s acquisition of its corporate headquarters, the Company assumed a $38.6 million nonrecourse loan secured by a mortgage on the acquired property. The assumed loan had an original term of approximately 10 years with a scheduled maturity date of March 2013. The loan includes a balloon payment of $37.3 million due at maturity. The assumed loan is nonrecourse with the lender’s remedies for non-performance limited to action against the acquired property and certain required reserves and a cash collateral account, except for nonrecourse carve outs related to fraud, breaches of certain representations, warranties or covenants, including those related to environmental matters, and other standard carve outs for a loan of this type. The loan requires certain minimum cash flows and financial results from the property, and if those requirements are not met, additional reserves may be required. The assumed loan requires prior approval of the lender for certain matters related to the property, including material leases, changes to property management, transfers of any part of the property and material alterations to the property. The loan had an interest rate of 6.73%.

In December 2012, the Company repaid the remaining balance of the assumed nonrecourse loan of $37.7 million and entered into a $50.0 million recourse loan collateralized by the land, buildings and tenant improvements comprising the Company's corporate headquarters. The loan has a seven year term and maturity date of December 2019. The loan bears interest at one month LIBOR plus a margin of 1.50%, and allows for prepayment without penalty. The Company is required to maintain the same leverage ratio and interest coverage ratio as set forth in the credit facility. As of December 31, 2013, the Company was in compliance with these ratios. The loan contains a number of restrictions that limit the Company’s ability, among other things, and subject to certain limited exceptions, to incur additional indebtedness, pledge its assets as a security, guaranty obligations of third parties, make investments, undergo a merger or consolidation, dispose of assets, or materially change its line of business. The loan requires prior approval of the lender for certain matters related to the property, including transfers of any interest in the property. In addition, the loan includes a cross default provision similar to the cross default provision in the credit facility discussed above. As of December 31, 2013 and 2012, the outstanding balance on the loan was $48.0 million and $50.0 million, respectively. The weighted average interest rate on the loan was 1.7% for the years ended December 31, 2013 and 2012.

The following are the scheduled maturities of long term debt as of December 31, 2013:

(In thousands)		
2014	$	4,972
2015		3,951
2016		2,000
2017		2,000
2018		2,000
2019 and thereafter		38,000
Total scheduled maturities of long term debt		52,923
Less current maturities of long term debt		(4,972)
Long term debt obligations	$	47,951

Interest expense was $2.9 million, $5.2 million and $3.9 million for the years ended December 31, 2013, 2012 and 2011, respectively. Interest expense includes the amortization of deferred financing costs and interest expense under the credit and long term debt facilities, as well as the assumed loan discussed above.

The Company monitors the financial health and stability of the lenders under the revolving credit and long term debt facilities, however during any period of significant instability in the credit markets lenders could be negatively impacted in their ability to perform under these facilities.

7. Commitments and Contingencies

Obligations Under Operating Leases

The Company leases warehouse space, office facilities, space for its brand and factory house stores and certain equipment under non-cancelable operating leases. The leases expire at various dates through 2028, excluding extensions at the Company’s option, and include provisions for rental adjustments. The table below includes executed lease agreements for brand and factory house stores that the Company did not yet occupy as of December 31, 2013 and does not include contingent rent the Company may incur at its stores based on future sales above a specified minimum or payments made for maintenance, insurance and real estate taxes. The following is a schedule of future minimum lease payments for non-cancelable real property operating leases as of December 31, 2013 as well as significant operating lease agreements entered into during the period after December 31, 2013 through the date of this report:

(In thousands)		
2014	$	44,292
2015		44,116
2016		37,308
2017		32,532
2018		29,347
2019 and thereafter		136,329
Total future minimum lease payments	$	323,924

Included in selling, general and administrative expense was rent expense of $41.8 million, $31.1 million and $26.7 million for the years ended December 31, 2013, 2012 and 2011, respectively, under non-cancelable operating lease agreements. Included in these amounts was contingent rent expense of $7.8 million, $6.2 million and $3.6 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Sponsorships and Other Marketing Commitments

Within the normal course of business, the Company enters into contractual commitments in order to promote the Company's brand and products. These commitments include sponsorship agreements with teams and athletes on the collegiate and professional levels, official supplier agreements, athletic event sponsorships and other marketing commitments. The following is a schedule of the Company's future minimum payments under its sponsorship and other marketing agreements as of December 31, 2013, as well as significant sponsorship and other marketing agreements entered into during the period after December 31, 2013 through the date of this report:

(In thousands)		
2014	$	80,875
2015		59,132
2016		35,440
2017		25,195
2018		21,351
2019 and thereafter		50,696
Total future minimum sponsorship and other marketing payments	$	272,689

The amounts listed above are the minimum obligations required to be paid under the Company's sponsorship and other marketing agreements. The amounts listed above do not include additional performance incentives and product supply obligations provided under certain agreements. It is not possible to determine how much the Company will spend on product supply obligations on an annual basis as contracts generally do not stipulate specific cash amounts to be spent on products. The amount of product provided to the sponsorships depends on many factors including general playing conditions, the number of sporting events in which they participate and the Company's decisions regarding product and marketing initiatives. In addition, the costs to design, develop, source and purchase the products furnished to the endorsers are incurred over a period of time and are not necessarily tracked separately from similar costs incurred for products sold to customers.

Other

From time to time, the Company is involved in litigation and other proceedings, including matters related to commercial disputes and intellectual property, as well as trade, regulatory and other claims related to its business. The Company believes that all current proceedings are routine in nature and incidental to the conduct of its business, and that the ultimate resolution of any such proceedings will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

In connection with various contracts and agreements, the Company has agreed to indemnify counterparties against certain third party claims relating to the infringement of intellectual property rights and other items. Generally, such indemnification obligations do not apply in situations in which the counterparties are grossly negligent, engage in willful misconduct, or act in bad faith. Based on the Company's historical experience and the estimated probability of future loss, the Company has determined that the fair value of such indemnifications is not material to its consolidated financial position or results of operations.

8. Stockholders' Equity

The Company's Class A Common Stock and Class B Convertible Common Stock have an authorized number of shares at December 31, 2013 of 200.0 million shares and 20.0 million shares, respectively, and each have a par value of $0.0003 1/3 per share. Holders of Class A Common Stock and Class B Convertible Common Stock have identical rights, including liquidation preferences, except that the holders of Class A Common Stock are entitled to one vote per share and holders of Class B Convertible Common Stock are entitled to 10 votes per share on all matters submitted to a stockholder vote. Class B Convertible Common Stock may only be held by Kevin Plank, the Company's founder and Chief Executive Officer, or a related party of Mr. Plank, as defined in the Company's charter. As a result, Mr. Plank has a majority voting control over the Company. Upon the transfer of shares of Class B Convertible Stock to a person other than Mr. Plank or a related party of Mr. Plank, the shares automatically convert into shares of Class A Common Stock on a one-for-one basis. In addition, all of the outstanding shares of Class B Convertible Common Stock will automatically convert into shares of Class A Common Stock on a one-for-one basis upon the death or disability of Mr. Plank or on the record date for any stockholders' meeting upon which the shares of Class A Common Stock and Class B Convertible Common Stock beneficially owned by Mr. Plank is less than 15% of the total shares of Class A Common Stock and Class B Convertible Common Stock outstanding. Holders of the Company's common stock are entitled to receive dividends when and if authorized and declared out of assets legally available for the payment of dividends.

During the year ended December 31, 2013, 1.3 million shares of Class B Convertible Common Stock were converted into shares of Class A Common Stock on a one-for-one basis in connection with stock sales.

9. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The fair value accounting guidance outlines a valuation framework, creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures, and prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial assets and (liabilities) measured at fair value are set forth in the table below:

	December 31, 2013			December 31, 2012		
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Derivative foreign currency forward contracts (see Note 14)	$ —	$ 12	$ —	$ —	$ 5	$ —
Interest rate swap contract (see Note 14)	—	1,087	—	—	(141)	—
TOLI policies held by the Rabbi Trust (see Note 13)	—	4,625	—	—	4,250	—
Deferred Compensation Plan obligations (see Note 13)	—	(3,338)	—	—	(2,837)	—

Fair values of the financial assets and liabilities listed above are determined using inputs that use as their basis readily observable market data that are actively quoted and are validated through external sources, including third-party pricing services and brokers. The foreign currency forward contracts represent gains and losses on derivative contracts, which is the net difference between the U.S. dollar value to be received or paid at the contracts' settlement date and the U.S. dollar value of the foreign currency to be sold or purchased at the current forward exchange rate. The interest rate swap contract represents gains and losses on the derivative contract, which is the net difference between the fixed interest to be paid and variable interest to be received over the term of the contract based on current market rates. The fair value of the trust owned life insurance ("TOLI") policies held by the Rabbi Trust is based on the cash-surrender value of the life insurance policies, which are invested primarily in mutual funds and a separately managed fixed income fund. These investments are initially made in the same funds and purchased in substantially the same amounts as the selected investments of participants in the Under Armour, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan"), which represent the underlying liabilities to participants in the Deferred Compensation Plan. Liabilities under the Deferred Compensation Plan are recorded at amounts due to participants, based on the fair value of participants' selected investments.

The carrying value of the Company's long term debt approximated its fair value as of December 31, 2013 and 2012. The fair value of the Company's long term debt was estimated based upon quoted prices for similar instruments (Level 2 input).

10. Provision for Income Taxes

Income before income taxes is as follows:

	Year Ended December 31,		
(In thousands)	2013	2012	2011
Income before income taxes:			
United States	$ 196,558	$ 155,514	$ 122,774
Foreign	64,435	47,925	34,088
Total	$ 260,993	$ 203,439	$ 156,862

The components of the provision for income taxes consisted of the following:

	Year Ended December 31,		
(In thousands)	2013	2012	2011
Current			
Federal	$ 85,542	$ 66,533	$ 38,209
State	19,130	12,962	10,823
Other foreign countries	13,295	8,139	7,291
	117,967	87,634	56,323
Deferred			
Federal	(14,722)	(9,606)	5,604
State	(5,541)	(3,563)	548
Other foreign countries	959	196	(2,532)
	(19,304)	(12,973)	3,620
Provision for income taxes	$ 98,663	$ 74,661	$ 59,943

A reconciliation from the U.S. statutory federal income tax rate to the effective income tax rate is as follows:

	Year Ended December 31,		
	2013	2012	2011
U.S. federal statutory income tax rate	35.0 %	35.0 %	35.0 %
State taxes, net of federal tax impact	2.4	2.1	4.1
Unrecognized tax benefits	2.5	2.7	3.1
Nondeductible expenses	1.1	0.6	0.8
Foreign rate differential	(3.3)	(4.1)	(4.8)
Other	0.1	0.4	—
Effective income tax rate	37.8 %	36.7 %	38.2 %

The increase in the 2013 full year effective income tax rate, as compared to 2012, is primarily due to increased foreign investments driving a lower proportion of foreign taxable income, along with increased non-deductible expenses, including acquisition related expenses, in the current year.

Deferred tax assets and liabilities consisted of the following:

(In thousands)	December 31, 2013	December 31, 2012
Deferred tax asset		
Stock-based compensation	$ 25,472	$ 13,157
Allowance for doubtful accounts and other reserves	16,262	14,000
Foreign net operating loss carryforward	13,829	12,416
U. S. net operating loss carryforward	10,119	—
Deferred rent	8,980	6,007
Inventory obsolescence reserves	6,269	4,138
Tax basis inventory adjustment	5,633	3,581
State tax credits, net of federal tax impact	5,342	2,856
Foreign tax credits	3,807	2,210
Accrued expenses	3,403	1,266
Deferred compensation	1,372	1,170
Other	5,889	3,652
Total deferred tax assets	106,377	64,453
Less: valuation allowance	(8,091)	(3,966)
Total net deferred tax assets	98,286	60,487
Deferred tax liability		
Property, plant and equipment	(13,375)	(10,116)
Intangible assets	(8,627)	(610)
Prepaid expenses	(6,380)	(4,153)
Other	(447)	—
Total deferred tax liabilities	(28,829)	(14,879)
Total deferred tax assets, net	$ 69,457	$ 45,608

In connection with the Company's acquisition of MapMyFitness (see Note 3), the Company acquired $10.5 million in deferred tax assets associated with approximately $42.5 million in federal and state net operating loss (“NOLs”) carryforwards. The acquisition resulted in a “change of ownership” within the meaning of Section 382 of the Internal Revenue Code, and, as a result, such NOLs are subject to an annual limitation. Based upon the historical taxable income and projections of future taxable income over periods in which these NOLs will be deductible, the Company believes that it is more likely than not that the Company will be able to fully utilize these NOLs before the carry-forward periods expire beginning 2029 through 2033, and therefore a valuation allowance is not required.

As of December 31, 2013, the Company had $13.8 million in deferred tax assets associated with approximately $55.2 million in foreign net operating loss carryforwards which will begin to expire in 2 to 9 years. As of December 31, 2013, the Company believes certain deferred tax assets associated with foreign net operating loss carryforwards will expire unused based on the Company's projections. Therefore, a valuation allowance of $2.5 million was recorded against the Company's net deferred tax assets in 2013.

As of December 31, 2013, the Company had $3.8 million in deferred tax assets associated with foreign tax credits. As of December 31, 2013 the Company believes that a portion of the foreign taxes paid would not be creditable against its future income taxes. Therefore, a valuation allowance of $1.6 million was recorded against the Company's net deferred tax assets in 2013.

As of December 31, 2013, approximately $95.2 million of cash and cash equivalents was held by the Company's non-U.S. subsidiaries whose cumulative undistributed earnings total $102.5 million. Withholding and U.S. taxes have not been provided on the undistributed earnings as the earnings are being permanently reinvested in its non-U.S. subsidiaries. Determining the tax liability that would arise if these earnings were repatriated is not practical.

As of December 31, 2013 and 2012, the total liability for unrecognized tax benefits, including related interest and penalties, was approximately $24.1 million and $17.1 million, respectively. The following table represents a reconciliation of the Company's total unrecognized tax benefits balances, excluding interest and penalties, for the years ended December 31, 2013, 2012 and 2011:

(In thousands)	Year Ended December 31, 2013	2012	2011
Beginning of year	$ 15,297	$ 9,783	$ 5,165
Increases as a result of tax positions taken in a prior period	—	—	—
Decreases as a result of tax positions taken in a prior period	—	—	—
Increases as a result of tax positions taken during the current period	7,526	5,702	4,959
Decreases as a result of tax positions taken during the current period	—	—	—
Decreases as a result of settlements during the current period	—	—	—
Reductions as a result of a lapse of statute of limitations during the current period	(1,111)	(188)	(341)
End of year	$ 21,712	$ 15,297	$ 9,783

As of December 31, 2013, $20.1 million of unrecognized tax benefits, excluding interest and penalties, would impact the Company's effective tax rate if recognized.

As of December 31, 2013, 2012 and 2011, the liability for unrecognized tax benefits included $2.4 million, $1.8 million and $1.4 million, respectively, for the accrual of interest and penalties. For each of the years ended December 31, 2013, 2012 and 2011, the Company recorded $1.0 million, $0.7 million and $0.4 million, respectively, for the accrual of interest and penalties in its consolidated statements of income. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the consolidated statements of income.

The Company files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The majority of the Company's returns for years before 2010 are no longer subject to U.S. federal, state and local or foreign income tax examinations by tax authorities. The Company does not expect any material changes to the total unrecognized tax benefits within the next twelve months.

11. Earnings per Share

The calculation of earnings per share for common stock shown below excludes the income attributable to outstanding restricted stock awards from the numerator and excludes the impact of these awards from the denominator. The following is a reconciliation of basic earnings per share to diluted earnings per share:

(In thousands, except per share amounts)	Year Ended December 31, 2013	2012	2011
Numerator			
Net income	$ 162,330	$ 128,778	$ 96,919
Net income attributable to participating securities	(162)	(386)	(582)
Net income available to common shareholders (1)	$ 162,168	$ 128,392	$ 96,337
Denominator			
Weighted average common shares outstanding	105,267	104,055	102,454
Effect of dilutive securities	2,631	2,037	1,912
Weighted average common shares and dilutive securities outstanding	107,898	106,092	104,366
Earnings per share—basic	$ 1.54	$ 1.23	$ 0.94
Earnings per share—diluted	$ 1.50	$ 1.21	$ 0.92
(1) Basic weighted average common shares outstanding	105,267	104,055	102,454
Basic weighted average common shares outstanding and participating securities	105,348	104,343	103,140
Percentage allocated to common stockholders	99.9%	99.7%	99.4%

Effects of potentially dilutive securities are presented only in periods in which they are dilutive. Stock options, restricted stock units and warrants representing 0.1 million shares of common stock were outstanding for each of the years ended December 31, 2013, 2012 and 2011, but were excluded from the computation of diluted earnings per share because their effect would be anti-dilutive.

12. Stock-Based Compensation

Stock Compensation Plans

The Under Armour, Inc. Amended and Restated 2005 Omnibus Long-Term Incentive Plan (the “2005 Plan”) provides for the issuance of stock options, restricted stock, restricted stock units and other equity awards to officers, directors, key employees and other persons. Stock options and restricted stock and restricted stock unit awards under the 2005 Plan generally vest ratably over a two to four year period. The contractual term for stock options is generally ten years from the date of grant. The Company generally receives a tax deduction for any ordinary income recognized by a participant in respect to an award under the 2005 Plan. The 2005 Plan terminates in 2015. As of December 31, 2013, 9.7 million shares are available for future grants of awards under the 2005 Plan.

Total stock-based compensation expense for the years ended December 31, 2013, 2012 and 2011 was $43.2 million, $19.8 million and $18.1 million, respectively. As of December 31, 2013, the Company had $20.0 million of unrecognized compensation expense expected to be recognized over a weighted average period of 1.2 years. This unrecognized compensation expense does not include any expense related to performance-based restricted stock units for which the performance targets have not been achieved as of December 31, 2013. Refer to “Restricted Stock and Restricted Stock Units” below for further information on these awards.

Employee Stock Purchase Plan

The Company’s Employee Stock Purchase Plan (the “ESPP”) allows for the purchase of Class A Common Stock by all eligible employees at a 15% discount from fair market value subject to certain limits as defined in the ESPP. As of December 31, 2013, 1.5 million shares are available for future purchases under the ESPP. During the years ended December 31, 2013, 2012 and 2011, 54.2 thousand, 56.9 thousand and 59.9 thousand shares were purchased under the ESPP, respectively.

Non-Employee Director Compensation Plan and Deferred Stock Unit Plan

The Company’s Non-Employee Director Compensation Plan (the “Director Compensation Plan”) provides for cash compensation and equity awards to non-employee directors of the Company under the 2005 Plan. Non-employee directors have the option to defer the value of their annual cash retainers as deferred stock units in accordance with the Under Armour, Inc. Non-Employee Deferred Stock Unit Plan (the “DSU Plan”). Each new non-employee director receives an award of restricted stock units upon the initial election to the Board of Directors, with the units covering stock valued at $0.1 million on the grant date and vesting in three equal annual installments. In addition, each non-employee director receives, following each annual stockholders’ meeting, a grant under the 2005 Plan of restricted stock units covering stock valued at $75.0 thousand on the grant date. Each award vests 100% on the date of the next annual stockholders’ meeting following the grant date.

The receipt of the shares otherwise deliverable upon vesting of the restricted stock units automatically defers into deferred stock units under the DSU Plan. Under the DSU Plan each deferred stock unit represents the Company’s obligation to issue one share of the Company’s Class A Common Stock with the shares delivered six months following the termination of the director’s service.

Stock Options

The weighted average fair value of a stock option granted for the years ended December 31, 2013 and 2011 was $25.82 and $19.28, respectively. There were no stock options granted during the year ended December 31, 2012. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Year Ended December 31,		
	2013	2012	2011
Risk-free interest rate	1.2%	—	1.2% - 2.6%
Average expected life in years	6.25	—	6.25
Expected volatility	55.4%	—	54.4% - 56.1%
Expected dividend yield	—%	—%	—%

A summary of the Company's stock options as of December 31, 2013, 2012 and 2011, and changes during the years then ended is presented below:

(In thousands, except per share amounts)	Year Ended December 31, 2013		2012		2011	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	3,149	$ 15.31	4,808	$ 13.99	5,948	$ 12.66
Granted, at fair market value	10	48.70	—	—	220	36.05
Exercised	(911)	13.35	(1,218)	10.17	(1,126)	11.42
Expired	—	—	—	—	(26)	9.47
Forfeited	(112)	16.82	(441)	15.19	(208)	13.41
Outstanding, end of year	2,136	$ 16.22	3,149	$ 15.31	4,808	$ 13.99
Options exercisable, end of year	1,173	$ 15.59	968	$ 13.10	846	$ 12.71

The intrinsic value of stock options exercised during the years ended December 31, 2013, 2012 and 2011 was $44.1 million, $44.5 million and $27.4 million, respectively.

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2013:

(In thousands, except per share amounts)

Options Outstanding				Options Exercisable			
Number of Underlying Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Total Intrinsic Value	Number of Underlying Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Total Intrinsic Value
2,136	$ 16.22	5.9	$ 151,835	1,173	$ 15.59	5.6	$ 84,140

Included in the tables above are 2.3 million and 2.5 million performance-based stock options granted to officers and key employees under the 2005 Plan during the years ended December 31, 2010 and 2009. These performance-based stock options have a weighted average exercise price of $10.38, and a term of ten years. These performance-based options had vestings that were tied to the achievement of certain combined annual operating income targets. Upon the achievement of each of the combined operating income targets, 50% of the options vest and the remaining 50% vest one year later. As of December 31, 2013, the combined operating income targets related to all performance-based stock options were met. For performance-based stock options granted in 2009, 50% of the options vested in February 2011, and the remaining 50% vested in February 2012. For the stock options granted in 2010, 50% of the options vested in February 2013 and the remaining 50% will vest in February 2014, subject to continued employment.

The weighted average fair value of these performance-based stock options is $5.83, and was estimated using the Black-Scholes option-pricing model consistent with the weighted average assumptions included in the table above. During the years ended December 31, 2013 and 2012, the Company recorded $1.4 million and $3.9 million, respectively, in stock-based compensation expense for these performance-based stock options.

Restricted Stock and Restricted Stock Units

A summary of the Company's restricted stock and restricted stock units as of December 31, 2013, 2012 and 2011, and changes during the years then ended is presented below:

	Year Ended December 31,					
(In thousands, except per share amounts)	**2013**		**2012**		**2011**	
	Number of Restricted Shares	**Weighted Average Fair Value**	**Number of Restricted Shares**	**Weighted Average Fair Value**	**Number of Restricted Shares**	**Weighted Average Fair Value**
Outstanding, beginning of year	2,257	$ 39.02	1,646	$ 29.11	824	$ 18.02
Granted	841	52.70	1,329	45.84	1,576	33.10
Forfeited	(205)	34.74	(379)	33.45	(454)	29.76
Vested	(271)	33.51	(339)	23.31	(300)	18.59
Outstanding, end of year	2,622	$ 44.38	2,257	$ 39.02	1,646	$ 29.11

Included in the table above are 0.7 million, 1.0 million and 0.8 million performance-based restricted stock units awarded to certain executives and key employees under the 2005 Plan during the years ended December 31, 2013, 2012 and 2011, respectively. These performance-based restricted stock units have a weighted average fair value of $42.81 and have vesting that is tied to the achievement of certain combined annual operating income targets.

As of December 31, 2013, a portion of the combined operating income targets related to the 2011 performance-based restricted stock units were achieved. For performance-based restricted stock units granted in 2011, 50% of the awards will vest in February 2014, and the remaining 50% will vest in February 2015, subject to continued employment. Upon the achievement of the combined operating income targets for the 2012 awards, 50% of the restricted stock units will vest in February 2015 and the remaining 50% will vest in February 2016. Upon the achievement of the combined operating income targets for the 2013 awards, one third of the restricted stock units will vest in February 2015, one third will vest in February 2016 and the remaining one third will vest in February 2017. If certain lower levels of combined operating income are achieved, fewer or no restricted stock units will vest, and the remaining restricted stock units will be forfeited.

During the year ended December 31, 2013, the Company deemed the achievement of certain operating income targets probable for the awards granted in 2013, 2012 and 2011, and recorded $30.8 million for a portion of these awards, including cumulative adjustments of $9.0 million during the three months ended March 31, 2013 and $11.3 million during the three months ended December 31, 2013. During the year ended December 31, 2012, the Company deemed the achievement of certain operating income targets probable for the awards granted in 2011, and recorded $4.1 million for a portion of these awards, including a cumulative adjustment of $2.4 million during the three months ended March 31, 2012. The Company will assess the probability of the achievement of the operating income targets at the end of each reporting period. If it becomes probable that the remaining performance targets related to these performance-based restricted stock units will be achieved, a cumulative adjustment will be recorded as if ratable stock-based compensation expense had been recorded since the grant date. Additional stock based compensation of up to $5.6 million would have been recorded through December 31, 2013 for all performance-based restricted stock units had the full achievement of these operating income targets been deemed probable.

Warrants

In 2006, the Company issued fully vested and non-forfeitable warrants to purchase 960.0 thousand shares of the Company's Class A Common Stock to NFL Properties as partial consideration for footwear promotional rights which were recorded as an intangible asset. With the assistance of an independent third party valuation firm, the Company assessed the fair value of the warrants using various fair value models. Using these measures, the Company concluded that the fair value of the warrants was $8.5 million. The warrants have a term of 12 years from the date of issuance and an exercise price of $18.50 per share, which is the adjusted closing price of the Company's Class A Common Stock on the date of issuance. As of December 31, 2013, all outstanding warrants were exercisable, and no warrants were exercised.

13. Other Employee Benefits

The Company offers a 401(k) Deferred Compensation Plan for the benefit of eligible employees. Employee contributions are voluntary and subject to Internal Revenue Service limitations. The Company matches a portion of the participant's contribution and recorded expense of $2.7 million, $2.3 million and $1.8 million for the years ended December 31, 2013, 2012 and 2011, respectively. Shares of the Company's Class A Common Stock are not an investment option in this plan.

In addition, the Company offers the Under Armour, Inc. Deferred Compensation Plan which allows a select group of management or highly compensated employees, as approved by the Compensation Committee, to make an annual base salary and/or bonus deferral for each year. As of December 31, 2013 and 2012, the Deferred Compensation Plan obligations were $3.3 million and $2.8 million, respectively, and were included in other long term liabilities on the consolidated balance sheets.

The Company established the Rabbi Trust to fund obligations to participants in the Deferred Compensation Plan. As of December 31, 2013 and 2012, the assets held in the Rabbi Trust were TOLI policies with cash-surrender values of $4.6 million and $4.3 million, respectively. These assets are consolidated and are included in other long term assets on the consolidated balance sheet. Refer to Note 9 for a discussion of the fair value measurements of the assets held in the Rabbi Trust and the Deferred Compensation Plan obligations.

14. Risk Management and Derivatives

Foreign Currency Risk Management

The Company is exposed to gains and losses resulting from fluctuations in foreign currency exchange rates relating to transactions generated by its international subsidiaries in currencies other than their local currencies. These gains and losses are primarily driven by intercompany transactions. From time to time, the Company may elect to enter into foreign currency forward contracts to reduce the risk associated with foreign currency exchange rate fluctuations on intercompany transactions and projected inventory purchases for its European and Canadian subsidiaries. In addition, the Company may elect to enter into foreign currency forward contracts to reduce the risk associated with foreign currency exchange rate fluctuations on Pound Sterling denominated balance sheet items.

As of December 31, 2013, the aggregate notional value of our outstanding foreign currency forward contracts was $20.6 million, which was comprised of Canadian Dollar/U.S. Dollar, Euro/U.S. Dollar, and Pound Sterling/Euro currency pairs with contract maturities of 1 month. The foreign currency forward contracts are not designated as cash flow hedges, and accordingly, changes in their fair value are recorded in earnings. The fair values of the Company’s foreign currency forward contracts were assets of $12.1 thousand and $4.8 thousand as of December 31, 2013 and 2012, respectively, and were included in prepaid expenses and other current assets on the consolidated balance sheet. Refer to Note 9 for a discussion of the fair value measurements. Included in other expense, net were the following amounts related to changes in foreign currency exchange rates and derivative foreign currency forward contracts:

	Year Ended December 31,		
(In thousands)	**2013**	**2012**	**2011**
Unrealized foreign currency exchange rate gains (losses)	$ (1,905)	$ 2,464	$ (4,027)
Realized foreign currency exchange rate gains (losses)	477	(182)	298
Unrealized derivative gains (losses)	13	675	(31)
Realized derivative gains (losses)	243	(3,030)	1,696

Interest Rate Risk Management

In order to maintain liquidity and fund business operations, the Company enters into long term debt arrangements with various lenders which bear a range of fixed and variable rates of interest. The nature and amount of the Company's long-term debt can be expected to vary as a result of future business requirements, market conditions and other factors. The Company may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations. In December 2012, the Company began utilizing an interest rate swap contract to convert a portion of variable rate debt under the $50.0 million loan to fixed rate debt. The contract pays fixed and receives variable rates of interest based on one-month LIBOR and has a maturity date of December 2019. The interest rate swap contract is accounted for as a cash flow hedge and accordingly, the effective portion of the changes in fair value are recorded in other comprehensive income and reclassified into interest expense over the life of the underlying debt obligation.

As of December 31, 2013, the notional value of the Company's outstanding interest rate swap contract was $25.0 million. During the years ended December 31, 2013 and 2012, the Company recorded a $317.6 thousand and $21.1 thousand increase in interest expense, representing the effective portion of the contract reclassified from accumulated other comprehensive income. The fair value of the interest rate swap contract was an asset of $1.1 million as of December 31, 2013, and was included in other long term assets on the consolidated balance sheet. The fair value of the interest rate swap contract was a liability of $0.1 million as of December 31, 2012, and was included in other long term liabilities on the consolidated balance sheet.

The Company enters into derivative contracts with major financial institutions with investment grade credit ratings and is exposed to credit losses in the event of non-performance by these financial institutions. This credit risk is generally limited to the unrealized gains in the contracts. However, the Company monitors the credit quality of these financial institutions and considers the risk of counterparty default to be minimal.

15. Related Party Transactions

The Company has an agreement to license a software system with a vendor whose Co-CEO is a director of the Company. During the years ended December 31, 2013, 2012 and 2011, the Company paid $3.7 million, $1.9 million and $1.8 million, respectively, in licensing fees and related support services to this vendor. There were no amounts payable to this related party as of December 31, 2013 and 2012.

The Company has an operating lease agreement with an entity controlled by the Company’s CEO to lease an aircraft for business purposes. The Company paid $1.0 million, $0.8 million and $0.7 million in lease payments to the entity for its use of the aircraft during the years ended December 31, 2013, 2012 and 2011, respectively. No amounts were payable to this related party as of December 31, 2013 and 2012. The Company determined the lease payments charged are at or below fair market lease rates.

16. Segment Data and Related Information

The Company’s operating segments are based on how the Chief Operating Decision Maker (“CODM”) makes decisions about allocating resources and assessing performance. As such, the CODM receives discrete financial information for the Company's principal business by geographic region based on the Company’s strategy to become a global brand. These geographic regions include North America; Latin America; Europe, the Middle East and Africa (“EMEA”); and Asia. Each geographic segment operates exclusively in one industry: the development, marketing and distribution of branded performance apparel, footwear and accessories. Beginning in 2013, the CODM also receives discrete financial information for the Company's acquired MapMyFitness business. Due to the insignificance of the EMEA, Latin America, Asia and MapMyFitness operating segments, they have been combined into other foreign countries and businesses for disclosure purposes.

The net revenues and operating income (loss) associated with the Company's segments are summarized in the following tables. Net revenues represent sales to external customers for each segment. In addition to net revenues, operating income (loss) is a primary financial measure used by the Company to evaluate performance of each segment. Intercompany balances were eliminated for separate disclosure and the majority of corporate expenses within North America have not been allocated to other foreign countries and businesses. Certain corporate services costs, previously included within North America, have been allocated to other foreign countries and businesses. Prior period segment data has been recast within the tables below to conform to current year presentation.

	Year Ended December 31,		
(In thousands)	2013	2012	2011
Net revenues			
North America	$ 2,193,739	$ 1,726,733	$ 1,383,346
Other foreign countries and businesses	138,312	108,188	89,338
Total net revenues	$ 2,332,051	$ 1,834,921	$ 1,472,684

	Year Ended December 31,		
(In thousands)	2013	2012	2011
Operating income (loss)			
North America	$ 271,338	$ 200,084	$ 150,559
Other foreign countries and businesses	(6,240)	8,611	12,208
Total operating income	265,098	208,695	162,767
Interest expense, net	(2,933)	(5,183)	(3,841)
Other expense, net	(1,172)	(73)	(2,064)
Income before income taxes	$ 260,993	$ 203,439	$ 156,862

Net revenues by product category are as follows:

(In thousands)	Year Ended December 31, 2013	2012	2011
Apparel	$ 1,762,150	$ 1,385,350	$ 1,122,031
Footwear	298,825	238,955	181,684
Accessories	216,098	165,835	132,400
Total net sales	2,277,073	1,790,140	1,436,115
Licensing and other revenues	54,978	44,781	36,569
Total net revenues	$ 2,332,051	$ 1,834,921	$ 1,472,684

As of December 31, 2013 and 2012, substantially all of the Company's long-lived assets were located in the United States. Net revenues in the United States were $2,082.5 million, $1,650.4 million and $1,325.8 million for the years ended December 31, 2013, 2012 and 2011, respectively.

17. Unaudited Quarterly Financial Data

	Quarter Ended (unaudited)				
(In thousands)	March 31,	June 30,	September 30,	December 31,	Year Ended December 31,
2013					
Net revenues	$ 471,608	$ 454,541	$ 723,146	$ 682,756	$ 2,332,051
Gross profit	216,551	219,631	350,135	350,353	1,136,670
Income from operations	13,492	32,310	120,829	98,467	265,098
Net income	7,814	17,566	72,784	64,166	162,330
Earnings per share-basic	$ 0.07	$ 0.17	$ 0.69	$ 0.61	$ 1.54
Earnings per share-diluted	$ 0.07	$ 0.16	$ 0.68	$ 0.59	$ 1.50
2012					
Net revenues	$ 384,389	$ 369,473	$ 575,196	$ 505,863	$ 1,834,921
Gross profit	175,204	169,467	280,391	254,235	879,297
Income from operations	24,403	11,720	90,980	81,592	208,695
Net income	14,661	6,668	57,317	50,132	128,778
Earnings per share-basic	$ 0.14	$ 0.06	$ 0.55	$ 0.48	$ 1.23
Earnings per share-diluted	$ 0.14	$ 0.06	$ 0.54	$ 0.47	$ 1.21

18. Subsequent Events

Acquisitions

On January 2, 2014, the Company acquired certain assets of its distributor in Mexico. Following the acquisition, the Company has begun selling its products in Mexico directly rather than through a distributor. The operating results for this acquisition will be included in the Company's consolidated statements of income from the date of acquisition. The Company is currently in the process of assessing the fair value of the assets acquired and liabilities assumed, which is expected to be final during the first quarter of 2014. This acquisition is not material to the Company.

Stockholders' Equity

In February 2014, 0.3 million shares of Class B Convertible Common Stock were converted into shares of Class A Common Stock on a one-for-one basis in connection with a stock sale.

Stock-Based Compensation

In February 2014, 0.4 million performance-based restricted stock units were awarded to certain officers and key employees under the 2005 Plan. The performance-based restricted stock units have vesting that is tied to the achievement of certain combined annual operating income targets for 2014 and 2015. Upon the achievement of the combined operating income target, one third of the restricted stock units will vest in February 2016, one third will vest in February 2017 and the remaining one third will vest in February 2018. If certain lower levels of combined operating income for 2014 and 2015 are achieved, fewer or no restricted stock units will vest at each vest date, and the remaining restricted stock units will be forfeited.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of December 31, 2013 pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2013, our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Refer to Item 8 of this report for the "Report of Management on Internal Control over Financial Reporting."

There has been no change in our internal control over financial reporting during the most recent fiscal quarter that has materially affected, or that is reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item regarding directors is incorporated herein by reference from the 2014 Proxy Statement, under the headings "NOMINEES FOR ELECTION AT THE ANNUAL MEETING," "CORPORATE GOVERNANCE AND RELATED MATTERS: Audit Committee" and "SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE." Information required by this Item regarding executive officers is included under "Executive Officers of the Registrant" in Part 1 of this Form 10-K.

Code of Ethics

We have a written code of ethics in place that applies to all our employees, including our principal executive officer, principal financial officer, and principal accounting officer and controller. A copy of our code of ethics policy is available on our website: www.underarmour.com. We are required to disclose any change to, or waiver from, our code of ethics for our senior financial officers. We intend to use our website as a method of disseminating this disclosure as permitted by applicable SEC rules.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference herein from the 2014 Proxy Statement under the headings "CORPORATE GOVERNANCE AND RELATED MATTERS: Compensation of Directors," and "EXECUTIVE COMPENSATION."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference herein from the 2014 Proxy Statement under the heading "SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS OF SHARES." Also refer to Item 5 "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference herein from the 2014 Proxy Statement under the heading "TRANSACTIONS WITH RELATED PERSONS" and "CORPORATE GOVERNANCE AND RELATED MATTERS—Independence of Directors."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference herein from the 2014 Proxy Statement under the heading "INDEPENDENT AUDITORS."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. The following documents are filed as part of this Form 10-K:

1. Financial Statements:

2. Financial Statement Schedule

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits

The following exhibits are incorporated by reference or filed herewith. References to the Company's 2007 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007. References to the Company's 2010 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010. References to the Company's 2011 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011. References to the Company's 2012 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012.

Exhibit No.	
2.01	Agreement and Plan of Merger, dated as of November 8, 2013, among Under Armour, Inc., MMF Merger Sub, Inc., MapMyFitness, Inc. and Fortis Advisors LLC (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed November 14, 2013).
3.01	Articles of Amendment and Restatement (incorporated by reference to Exhibit 3.01 of the Company's Form 10-Q for the quarterly period ended June 30, 2012).
3.02	Second Amended and Restated By-Laws (incorporated by reference to Exhibit 3.02 of the Company's Form 8-K filed February 21, 2013).
4.01	Warrant Agreement between the Company and NFL Properties LLC dated as of August 3, 2006 (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed August 7, 2006).
10.01	Credit Agreement among PNC Bank, National Association, as Administrative Agent, SunTrust Bank, as Syndication Agent, Bank of America, N.A., as Documentation Agent, and the Lenders and the Guarantors that are party thereto and the Company dated March 29, 2011 (incorporated by reference to Exhibit 10.04 of the Company's Form 10-Q for the quarterly period ended June 30, 2011), as amended by First Amendment to Credit Agreement dated September 16, 2011 (incorporated by reference to Exhibit 10.01 of the Company's Form 10-Q for the quarterly period ended September 30, 2011).
10.02	Office lease by and between Beason Properties LLLP (as successor to 1450 Beason Street LLC) and the Company dated December 14, 2007 (portions of this exhibit have been omitted pursuant to a request for confidential treatment) (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed on December 20, 2007), as amended by the First Amendment dated June 4, 2008 (incorporated by reference to Exhibit 10.04 of the Company's Form 10-Q for the quarterly period ended June 30, 2008) and the Second Amendment to Office Lease dated October 1, 2009 (portions of this exhibit have been omitted pursuant to a request for confidential treatment) (incorporated by reference to Exhibit 10.01 of the Company's Form 10-Q for the quarterly period ended September 30, 2009).
10.03	Under Armour, Inc. Executive Incentive Plan (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on May 6, 2013).*
10.04	Under Armour, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.15 of the Company's 2007 Form 10-K) and Amendment One to this plan (incorporated by reference to Exhibit 10.14 of the Company's 2010 Form 10-K).*
10.05	Form of Change in Control Severance Agreement.*
10.06	Under Armour, Inc. Amended and Restated 2005 Omnibus Long-Term Incentive Plan and Amendment One to the Plan (incorporated by reference to Exhibit 10.01 of the Company's Form 10-Q for the quarterly period ending June 30, 2012).*
10.07	Restricted Stock Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan between Henry Stafford and the Company (incorporated by reference to Exhibit 10.07a of the Company's 2011 Form 10-K).*
10.08	Forms of Non-Qualified Stock Option Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibit 10.23 of the Company's 2007 Form 10-K and Exhibit 10.08 of the Company's 2011 Form 10-K).*
10.09	Form of Restricted Stock Unit Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibit 10.09 of the Company's 2011 Form 10-K).*
10.10	Forms of Performance-Based Stock Option Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibits 10.02 of the Company's Form 10-Q for the quarterly period ended March 31, 2009 and Exhibit 10.03 of the Company's Form 10-Q for the quarterly period ended March 31, 2010).*
10.11	Amendment to Stock Option Awards Effective August 3, 2011 (incorporated by reference to Exhibit 10.11 of the Company's 2011 Form 10-K).*

Exhibit No.	
10.12	Forms of Performance-Based Restricted Stock Unit Grant Agreement for U.S. Employees under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (filed herewith and incorporated by reference to Exhibit 10.12 of the Company's 2012 Form 10-K, Exhibit 10.05 of the Company’s Form 10-Q for the quarterly period ended June 30, 2011 and Exhibit 10.12 of the Company's 2011 Form 10-K).*
10.13	Form of Performance-Based Restricted Stock Unit Grant Agreement for International Employees under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan.*
10.14	Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives and the Company.*
10.15	Employment Agreement by and between Karl-Heinz Maurath and the Company (portions of this exhibit have been omitted pursuant to a request for confidential treatment) (incorporated by reference to Exhibit 10.15 of the Company's 2012 Form 10-K).*
10.16	Under Armour, Inc. 2013 Non-Employee Director Compensation Plan (incorporated by reference to Exhibit 10.01 of the Company's Form 10-Q for the quarterly period ended March 31, 2013), Form of Initial Restricted Stock Unit Grant (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed June 6, 2006), Form of Annual Stock Option Award (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed June 6, 2006) and Form of Annual Restricted Stock Unit Grant (incorporated by reference to Exhibit 10.6 of the Company’s Form 10-Q for the quarterly period ended June 30, 2011).*
10.17	Under Armour, Inc. 2006 Non-Employee Director Deferred Stock Unit Plan (incorporated by reference to Exhibit 10.02 of the Company’s Form 10-Q for the quarterly period ended March 31, 2010) and Amendment One to this plan (incorporated by reference to Exhibit 10.23 of the Company’s 2010 Form 10-K).*
10.18	Change in Control Severance Agreement between Karl-Heinz Maurath and the Company.*
21.01	List of Subsidiaries.
23.01	Consent of PricewaterhouseCoopers LLP.
31.01	Section 302 Chief Executive Officer Certification.
31.02	Section 302 Chief Financial Officer Certification.
32.01	Section 906 Chief Executive Officer Certification.
32.02	Section 906 Chief Financial Officer Certification.

Exhibit No.	
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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* Management contract or a compensatory plan or arrangement required to be filed as an Exhibit pursuant to Item 15(b) of Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNDER ARMOUR, INC.

By: /s/ KEVIN A. PLANK
Kevin A. Plank
Chairman of the Board of Directors and Chief Executive Officer

Dated: February 21, 2014

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

/s/ KEVIN A. PLANK Kevin A. Plank	Chairman of the Board of Directors and Chief Executive Officer (principal executive officer)
/s/ BRAD DICKERSON Brad Dickerson	Chief Financial Officer (principal accounting and financial officer)
/s/ BYRON K. ADAMS, JR. Byron K. Adams, Jr.	Director
/s/ DOUGLAS E. COLTHARP Douglas E. Coltharp	Director
/s/ ANTHONY W. DEERING Anthony W. Deering	Director
/s/ A.B. KRONGARD A.B. Krongard	Director
/s/ WILLIAM R. MCDERMOTT William R. McDermott	Director
/s/ ERIC T. OLSON Eric T. Olson	Director
/s/ HARVEY L. SANDERS Harvey L. Sanders	Director
/s/ THOMAS J. SIPPEL Thomas J. Sippel	Director

Dated: February 21, 2014

Schedule II

Valuation and Qualifying Accounts

(In thousands)

Description	Balance at Beginning of Year	Charged to Costs and Expenses	Write-Offs Net of Recoveries	Balance at End of Year
Allowance for doubtful accounts				
For the year ended December 31, 2013	$ 3,286	$ 210	$ (558)	$ 2,938
For the year ended December 31, 2012	4,070	(108)	(676)	3,286
For the year ended December 31, 2011	4,869	699	(1,498)	4,070
Sales returns and allowances				
For the year ended December 31, 2013	$ 32,919	$ 135,739	$ (134,556)	$ 34,102
For the year ended December 31, 2012	20,600	107,536	(95,217)	32,919
For the year ended December 31, 2011	16,827	74,245	(70,472)	20,600
Deferred tax asset valuation allowance				
For the year ended December 31, 2013	$ 3,996	$ 4,095	$ —	$ 8,091
For the year ended December 31, 2012	1,784	2,855	(643)	3,996
For the year ended December 31, 2011	1,765	1,784	(1,765)	1,784

UNDER ARMOUR

CHANGE IN CONTROL SEVERANCE AGREEMENT

This CHANGE IN CONTROL SEVERANCE AGREEMENT (this "Agreement") is made as of the ___ day of _________, _____, between Under Armour, Inc., a corporation organized under the laws of the State of Maryland (together with its affiliates, the "Company"), and ___________________ ("Executive").

WITNESSETH THAT:

WHEREAS, should Under Armour, Inc. or shareholders of Under Armour, Inc. receive any proposal from a third person regarding a possible Change in Control, the Board of Directors of Under Armour, Inc. (the "Board") believes it is important that the Company be able to rely upon the Executive to continue in his position until after such Change in Control and that Under Armour, Inc. be able to receive and rely upon the Executive's advice, if requested, as to the best interest of Under Armour, Inc. and its shareholders in connection with any such Change in Control, without concern that the Executive might be distracted or his advice affected by the personal uncertainties and risks created by such a Change in Control.

NOW THEREFORE, in order to provide an incentive to the Executive for the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility of a Change in Control, and to encourage Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and Executive hereby agree as follows:

1. <u>Definitions</u>.

(i) "AAA" shall have the meaning set forth in Section 7(ii).

(ii) "Accrued Obligations" shall mean the sum of the following: (a) the full base salary earned by the Executive through the Termination Date and unpaid as of the Termination Date, calculated at the highest rate of base salary in effect at any time during the twelve (12) months immediately preceding the Termination Date; (b) the amount of any base salary attributable to vacation earned by the Executive but not taken before the Termination Date; (c) any Bonus accrued to the Executive with respect to the calendar year preceding the termination of employment and unpaid as of the Termination Date; (d) a pro-rata Bonus for the year in which the Change in Control occurs, equal to the Bonus times a fraction, the numerator of which is the number of days during the calendar year preceding the Termination Date and the denominator of which is 365; and (e) all other amounts earned by the Executive and unpaid as of the Termination Date.

(iii) “Arbitration Rules” shall have the meaning set forth in Section 7(ii).

(iv) “Bonus” shall mean the greater of: (a) the annual average of the Executive’s bonus paid to the Executive with respect to the two (2) calendar years prior to Executive’s termination of employment with the Company or (b) the Executive’s target bonus for the year of such termination of employment.

(v) “Cause” shall mean the occurrence of any of the following: (a) the Executive’s material misconduct or neglect in the performance of his duties; (b) the Executive’s commission of any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company’s ability to conduct its business in the normal course; (c) the Executive’s use of illegal drugs or abusive use of prescription drugs; (d) the Executive's material breach of the Company's written Code of Conduct, as in effect from time to time; (e) the Executive's commission of any act that results in severe harm to the Company excluding any act taken by the Executive in good faith that he reasonably believed was in the best interests of the Company; or (f) the Executive’s material breach of this Agreement, including, but not limited to, a material breach of the Employee Confidentiality, Non-Competition and Non-Solicitation Agreement attached hereto as Attachment A.

(vi) “Change in Control” shall mean the occurrence of any of the following:

a. Any ‘person’ (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the ‘beneficial owner’ (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of Under Armour, Inc. representing fifty percent (50%) or more of the total voting power represented by Under Armour, Inc.’s then-outstanding voting securities, provided, however that a Change in Control shall not be deemed to occur if an employee benefit plan (or a trust forming a part thereof) maintained by Under Armour, Inc., and/or Kevin Plank and/or his immediate family members, directly or indirectly, become the beneficial owner, of more than fifty percent (50%) of the then-outstanding voting securities of Under Armour, Inc. after such acquisition;

b. A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. ‘Incumbent Directors’ shall mean directors who either (A) are directors of Under Armour, Inc. as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to Under Armour, Inc.);

c. The consummation of a merger or consolidation of Under Armour, Inc. with any other corporation, other than a merger or consolidation which would result in (a) the voting securities of Under Armour, Inc. outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of Under Armour, Inc. or such surviving entity outstanding immediately after such merger or consolidation in substantially the same proportion as prior to such merger or consolidation; or (b) the directors of Under Armour, Inc. immediately prior thereto continuing to represent at least fifty percent (50%) of the directors of Under Armour, Inc. or such surviving entity immediately after such merger or consolidation; or

d. The consummation of the sale or disposition by Under Armour, Inc. of all or substantially all of Under Armour, Inc.'s assets.

(vii) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(viii) "Contract Period" shall mean the period staring on the date hereof and ending on the second anniversary of the date hereof. The Company, in its sole discretion, shall have the right to extend the Contract Period.

(ix) "Disability" shall mean a physical or mental incapacity of the Executive which entitles the Executive to benefits at least as favorable as the benefits provided under the long term disability plan applicable to and maintained by the Company as in effect immediately prior to the Change in Control.

(x) "Good Reason," shall mean the occurrence of any of the following events: (a) a diminishment in the scope of the Executive's duties or responsibilities with the Company; (b) a reduction in the Executive's current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; (c) a requirement that the Executive relocate more than fifty (50) miles from his primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Executive's duties and responsibilities with the Company; (d) a failure by any successor to the Company to assume this Agreement pursuant to Section 5(a) hereof; or (e) a material breach by the Company of any of the terms of this Agreement.

(xi) "Protection Period" shall mean the twelve (12) month period following a Change in Control.

(xii) "Termination Date" shall mean the effective date as provided hereunder of the termination of Executive's Employment.

(xiii) "Without Cause" shall mean the termination of the Executive's employment by the Company other than for Cause, death or Disability.

2. Application of this Agreement. This Agreement shall apply if and only if: (a) the Executive's employment terminates during the Protection Period and (b) the Change in Control occurs during the Contract Period. This Agreement shall not apply to any termination of the Executive's employment other than what is described in the preceding sentence. Notwithstanding the foregoing, if three (3) months prior to the date on which a Change in Control occurs, the Executive's employment with the Company is terminated by the Company other than by reason of the Executive's death, Disability or circumstances that would constitute Cause or the terms and conditions of the Executive's employment are adversely changed in a manner which would constitute grounds for a termination of employment by the Executive for Good Reason, and it is reasonably demonstrated that such termination of employment or adverse change (i) was at the request of a third party who has taken steps reasonably calculated to effect the Change in Control, or (ii) otherwise arose in connection with or in anticipation of the Change in Control, then for all purposes of this Agreement such termination of employment shall be deemed to have occurred during the Protection Period and shall be considered either termination of the Executive's employment Without Cause by the Company or termination of the Executive's employment by the Executive for Good Reason, as the case may be.

3. Termination of Employment of Executive. The Executive's employment may be terminated by following the procedures specified in this Section 3.

(i) Cause. The Executive may not be terminated for Cause unless and until a notice of intent to terminate the Executive's employment for Cause, specifying the particulars of the conduct of the Executive forming the basis for such termination, is given to the Executive by the Company and, subsequently, a majority of the Board finds, after reasonable notice to the Executive (but in no event less than fifteen (15) days prior notice) and an opportunity for the Executive and his counsel to be heard by the Board, that termination of the Executive's employment for Cause is justified. Termination of the Executive's employment for Cause shall become effective after such finding has been made by the Board and five (5) business days after the Board gives to the Executive notice thereof, specifying in detail the particulars of the conduct of the Executive found by the Board to justify termination for Cause. It shall not constitute Good Reason to the Executive to the extent the Executive is relieved of any duties and responsibilities during the period the Board is considering whether such termination for Cause is justified.

(ii) Disability. Termination of the Executive's employment for Disability shall become effective thirty (30) days after a notice of intent to terminate the Executive's employment, specifying Disability as the basis for such termination, is given to the Executive by the Company.

(iii) Termination Without Cause. At all times, the Company shall have the right by notice to the Executive of the Company's intention to terminate Executive's employment Without Cause. Termination of Executive's employment by the Company Without Cause shall become effective immediately upon the receipt by the Executive of such notice.

(iv) Voluntary Termination by the Executive. The Executive may terminate his employment with the Company by giving a notice of voluntary termination to the Company, and if such termination is for Good Reason, such notice shall set forth in reasonable detail the acts and circumstances claimed by the Executive to constitute Good Reason. Termination of the Executive's employment by the Executive without Good Reason shall be effective five (5) business days after the Executive gives notice thereof to the Company. The Company shall have twenty (20) days after receipt of such notice from the Executive of claimed Good Reason to cure any Good Reason. If the Company is unable to cure the Good Reason during such cure period, termination of the Executive's employment by the Executive for Good Reason shall be effective five (5) business days after the expiration of such cure period.

(v) Death. Termination of the Executive's employment for death shall be effective on the date of the Executive's death.

4. Benefits Upon Termination of Employment.

(i) Termination Without Cause or by the Executive for Good Reason. Upon the termination of the employment of Executive Without Cause by the Company or by the Executive for Good Reason, the Company shall pay or provide to the Executive:

(a) a lump sum payment equal to the sum of the following:

1. the Accrued Obligations; and

2. an amount equal to the sum of the annual base salary of the Executive at the highest rate in effect during the Protection Period and the Bonus.

The payment described in this Section 4(i)(a)(1) shall be made by the Company not later than the earlier of the date required by applicable law or five (5) days following the Termination Date. The payment described in Section 4(i)(a)(2) shall be paid in accordance with Section 4(vi). Executive shall not be required to mitigate the amount of the payment provided for in this Section 4(i)(a) by seeking other employment or otherwise. The amount of the payment provided for in this Section 4(i)(a) shall not be reduced by any compensation or other amounts paid to or earned by Executive as the result of employment with another employer after the date on which his employment with the Company terminates or otherwise.

(b) the continuance of the Executive's life, medical, dental, prescription drug and long and short-term disability plans, programs or arrangements, whether group or individual, of the Company in which the Executive was entitled to participate at any time during the twelve (12) month period prior to the Termination Date until the earliest to occur of (1) one (1) year after the Termination Date; (2) the Executive's death (provided that compensation and benefits payable to his beneficiaries shall not terminate upon his death); or (3) with respect to any particular plan, program or arrangement, the date the Executive is afforded a comparable benefit at a comparable cost to the Executive by a subsequent employer.

(ii) Cobra Continuation Coverage. Upon the expiration of the provision of benefits in Section 4(i)(b), the Executive and his dependents shall be entitled to exercise such rights as they may have under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").

(iii) Death and Disability. Upon a termination of the Executive's employment on account of the Executive's death or Disability, the Company shall pay to the Executive or his estate or beneficiary (in the event of his death), the Accrued Obligations within five (5) days of the Termination Date and the Company shall provide to the Executive or his estate or beneficiary (in the event of his death), such benefits that the Company provides in the event of an employee's death or Disability.

(iv) Cause, Voluntary Termination by the Executive. Upon the termination of the Executive's employment by the Company for Cause or by the Executive without Good Reason, the Company shall pay to the Executive the Accrued Obligations within five (5) days of the Termination Date.

(v) Effect of Stock Options and Other Equity Awards. The terms and conditions of the Executive's award agreements or employment agreement (as applicable to such Executive) shall govern the effect of termination of the Executive's employment on equity awards granted by the Company and held by the Executive as of the Termination Date.

(vi) Conditions to Receiving Benefits. The benefits described in Sections 4(i)(a)(2) and 4(i)(b) shall be subject to the Executive's execution of the Employee Confidentiality, Non-Competition, and Non-Solicitation Agreement attached hereto as Attachment A, and the benefits described in Sections 4(i)(a)(2) and 4(i)(b) will be paid within the sixty (60) day period following the Termination Date provided the Executive executes the release attached hereto as Attachment B, and such release becomes effective and irrevocable within such sixty (60) day period and provided, further, that if such sixty (60) day period begins in one calendar year and ends in a second calendar year, the payment will be made in the second calendar year.

(vii) No Further Payments due to Executive. Except as provided in this Section 4, the Company shall have no obligation to make any other payment, in the nature of severance or termination pay.

(viii) Exception to Benefit Entitlements. The Executive shall not receive the payments and benefits under this Agreement if the Executive has executed an individually negotiated employment contract, agreement or offer letter with the Company relating to severance benefits that is in effect on the Termination Date, unless the Executive waives any such severance benefits under such contract, agreement or letter.

(viii) Retirement Payments. No amounts paid pursuant to this Agreement will constitute compensation for any purpose under any retirement plan or other employee benefit plan, program, arrangement or agreement of the Company or any of its affiliates, unless such plan, program, arrangement or agreement specifically so provides.

5. Successors; Binding Agreement.

(a) This Agreement shall be binding upon any successor (whether direct or indirect, by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the business and/or assets of Under Armour, Inc. Additionally, Under Armour, Inc. shall require any such successor expressly to agree to assume and to assume of the obligations of the Company under this Agreement upon or prior to such succession taking place. A copy of such assumption and agreement shall be delivered to the Executive promptly after its execution by the successor.

(b) This Agreement is personal to the Executive and the Executive may not assign or transfer any part of his rights or duties hereunder, or any payments due to the Executive hereunder, to any other person, except that this Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees or beneficiaries. No payment pursuant to any will or the laws of descent and distribution shall be made hereunder unless the Company shall have been furnished with a copy of such will and/or such other evidence as the Board may deem necessary to establish the validity of the payment.

6. Modification; Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by Executive and by an officer of the Company thereunto expressly authorized by the Board. Waiver by any party of any breach of or failure to comply with any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement.

7. Arbitration of Disputes.

(i) Any disagreement, dispute, controversy or claim arising out of or relating to this Agreement or the interpretation or validity hereof shall be settled exclusively and finally by arbitration. It is specifically understood and agreed that any such disagreement, dispute or controversy which cannot be resolved between the parties, including without limitation any matter relating to interpretation of this Agreement, may be submitted to arbitration irrespective of the magnitude thereof, the amount in controversy or whether such disagreement, dispute or controversy would otherwise be considered justiciable or ripe for resolution by a court or arbitral tribunal.

(ii) The arbitration shall be conducted in accordance with the Commercial Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association ("AAA").

(iii) The arbitral tribunal shall consist of one arbitrator. The parties to the arbitration jointly shall directly appoint such arbitrator within thirty (30) days of initiation of the arbitration. If the parties shall fail to appoint such arbitrator as provided above, such arbitrator shall be appointed by the AAA as provided in the Arbitration Rules and shall be a person who (a) maintains his principal place of business within thirty (30) miles of the City of Baltimore and (b) has substantial experience in executive compensation. The parties shall each pay an equal portion of the fees, if any, and expenses of such arbitrator.

(iv) The arbitration shall be conducted within thirty (30) miles of the City of Baltimore or in such other city in the United States of America as the parties to the dispute may designate by mutual written consent.

(v) At any oral hearing of evidence in connection with the arbitration, each party thereto or its legal counsel shall have the right to examine its witnesses and to cross-examine the witnesses of any opposing party. No evidence of any witness shall be presented unless the opposing party or parties shall have the opportunity to cross-examine such witness, except as the parties to the dispute otherwise agree in writing or except under extraordinary circumstances where the interests of justice require a different procedure.

(vi) Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties hereto hereby waive to the extent permitted by law any rights to appeal or to seek review of such award by any court or tribunal. The parties hereto agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction.

(vii) Nothing herein contained shall be deemed to give the arbitral tribunal any authority, power, or right to alter, change, amend, modify, add to or subtract from any of the provisions of this Agreement.

(viii) If any dispute is not resolved within sixty (60) days from the date of the commencement of an arbitration, then the Company shall, at its option, elect to pay Executive either (a) within five (5) days after the end of such sixty (60)-day period, the amount or amounts which would have been payable to Executive had there been no dispute, subject to reimbursement to the extent consistent with the final disposition of the dispute or (b) following final disposition of the dispute, the amount determined in such final disposition to have been payable, together with Interest from the date when such sums were originally payable to the date of actual payment. For purpose of this paragraph (viii) the term “Interest” means interest at a rate equal to the Company’s borrowing rate per annum, compounded monthly.

(ix) Notwithstanding anything to the contrary in this Agreement, the arbitration provisions set forth in this Section 7 shall be governed exclusively by the Federal Arbitration Act, Title 9, United States Code.

(x) If the Executive prevails in the arbitration concerning any substantial matter of this Agreement or the rights and duties of any party hereunder, in addition to such other relief as may be granted, the Company shall reimburse the Executive for the Executive’s reasonable attorneys’ fees incurred by reason of such arbitration to the extent the attorneys’ fees relate to such substantial matter, and any such reimbursement payments shall be made no later than March 15 of the year following the year in which such arbitration award is final.

8. Notice. All notices, requests, demands and other communications required or permitted to be given by either party to the other party to this Agreement (including, without limitation, any notice of termination of employment and any notice of an intention to arbitrate) shall be in writing and shall be deemed to have been duly given when delivered personally or received by certified or registered mail, return receipt requested, postage prepaid, at the address of the other party, as follows:

If to the Company, to:	If to the Executive, to:
Under Armour, Inc. Attn: Vice President, Human Resources 1020 Hull Street Baltimore, Maryland 21230	__________ __________ __________
With a copy to: Under Armour, Inc. Attn: Legal Department 1020 Hull Street Baltimore, Maryland 21230	With a copy to: __________ __________ __________

Either party hereto may change its address for purposes of this Section 8 by giving fifteen (15) days’ prior notice to the other party hereto.

9. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10. Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of this Agreement.

11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

12. Governing Law. This Agreement has been executed and delivered in the State of Maryland and shall in all respects be governed by, and construed and enforced in accordance with, the laws of the State of Maryland without reference to its principles of conflicts of law.

13. Certain Withholdings. The Company shall withhold from any amounts payable to Executive hereunder all federal, state, city and other taxes and withholdings that the Company determines are required to be withheld pursuant to any applicable law or regulation.

14. Entire Agreement. This Agreement supersedes any and all other oral or written agreements heretofore made relating to amounts payable pursuant to a change in control and constitutes the entire agreement relating to such change in control. Any existing employment agreement is hereby superseded only with regard to amounts payable pursuant to a change in control.

15. Code Section 409A. To the extent that the right to any payment under this Agreement provides for deferred compensation within the meaning of Section 409A of the Code that is not exempt from Code Section 409A as involuntary separation pay or a short-term deferral (or otherwise), a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for any payment or benefits upon or following a termination of employment unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision, references to a “termination,” “termination of employment,” or like terms shall mean “separation from service.” In addition, notwithstanding any provision to the contrary in this agreement, if Executive is deemed on the date of Executive’s “separation from service” (within the meaning of Code Section 409A) to be a “specified employee” (within the meaning of Code Section 409A), then with regard to any payment under this Agreement that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment shall not be made prior to the later of (1) June 30, 2012, or (2) the earlier of (a) the expiration of the six (6) month period measured from the date of Executive’s “separation from service” and (b) the date of Executive’s death. Each payment under this Agreement shall be treated as a separate payment for purposes of Code Section 409A. In addition, to the extent that any reimbursement or in-kind benefit under this Agreement or under any other reimbursement or in-kind benefit plan or arrangement in which Executive participates during the term of Executive’s employment under this Agreement or thereafter provides for a “deferral of compensation” within the meaning of Section 409A of the Code, (i) the amount eligible for reimbursement or in-kind benefit in one calendar year may not affect the amount eligible for reimbursement or in-kind benefit in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the

amount that may be reimbursed or paid), (ii) the right to reimbursement or an in-kind benefit is not subject to liquidation or exchange for another benefit, and (iii) subject to any shorter time periods provided herein, any such reimbursement of an expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

UNDER ARMOUR, INC.

By:	By:
Title:	Title:

ATTACHMENT A

EMPLOYEE CONFIDENTIALITY, NON-COMPETITION, AND NON-SOLICITATION AGREEMENT

[Attachment A, the Form of Employee Confidentiality, Non-Competition, and Non-Solicitation Agreement by and between certain executives and the Company, has been separately filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2013, as Exhibit 10.14]

ATTACHMENT B

RELEASE AGREEMENT

I understand and agree completely to the terms set forth in the Under Armour, Inc Change in Control Severance Agreement (the "Agreement").

I understand that this Release, together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Agreement.

I hereby confirm my obligations under the Company's Employee Confidentiality, Non-Competition and Non-Solicitation Agreement.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company and its parents, subsidiaries, successors, predecessors and affiliates, and its and their partners, members, directors, officers, employees, stockholders, shareholders, agents, attorneys, predecessors, insurers, affiliates and assigns, from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date I sign this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company or the termination of that employment; (b) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company (other than compensation and benefits accrued before any termination of employment or any rights you may have under stock option grants); (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990 (as amended), the federal Age Discrimination in Employment Act (as amended), and the federal Employee Retirement Income Security Act of 1974 (as amended).

I understand that I may consider whether to agree to the terms contained herein for a period of twenty-one days after the date hereof. Accordingly, I will sign and return the acknowledgment copy of this Release to acknowledge my understanding of and agreement with the foregoing. Prior to my signing this Release, I was advised to consult with an attorney.

This Release will become effective, enforceable and irrevocable seven days after the date on which I sign it. During the seven-day period prior to this date, I may revoke this Release to accept the terms hereof by indicating in writing to the Company my intention to revoke. I understand that if I exercise my right to revoke hereunder, I will forfeit my right to receive any of the special benefits offered to me under the Agreement, and to the extent such payments have already been made, I agree that I will immediately reimburse the Company for the amounts of such payment.

____
By:

Date: ______________________________

Exhibit 10.12

RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS AGREEMENT, made as of this ____ day of ____________________, 2014, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and ______________________________ (the "Grantee").

WHEREAS, the Company has adopted the Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (the "Plan"), attached hereto as Attachment A or otherwise delivered or made available to Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the Grant to Grantees in the Plan of restricted share units for shares of Stock of the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Investment. The Grantee represents that the Restricted Stock Units (as defined herein) are being acquired for investment and not with a view toward the distribution thereof.

2. Grant of Restricted Stock Units. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an Award of Restricted Stock Units for ________ shares of Stock of the Company (collectively, the "Restricted Stock Units"). The Purchase Price for the Restricted Stock Units shall be paid by the Grantee's services to the Company.

3. Grant Date. The Grant Date of the Restricted Stock Units hereby granted is ____________, 2014.

4. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

5. Vesting and Delivery Date. The Restricted Stock Units shall vest as follows provided the Grantee remains employed by the Company on each such vesting date:

(a) Below Threshold Level: All of the Restricted Stock Units shall be forfeited if the combined Operating Income for the Company for 2014 and 2015 is less than $__________; OR

(b) Threshold Level: Forty percent (40%) of the Restricted Stock Units (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2014 and 2015 is equal to or greater than $__________ but less than $__________, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2016, February 15, 2017 and February 15, 2018, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining sixty percent (60%) of the Restricted Stock Units shall be forfeited); OR

(c) Target Level: Eighty percent (80%) of the Restricted Stock Units (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2014 and 2015 is equal to or greater than $__________ but less than $__________, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2016, February 15, 2017 and February 15, 2018, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining twenty percent (20%) of the Restricted Stock Units shall be forfeited); OR

(d) Stretch Level: All of the Restricted Stock Units shall be earned and eligible to vest if the combined Operating Income for the Company for 2014 and 2015 is equal to or greater than $__________, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2016, February 15, 2017 and February 15, 2018, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares.

As used in this Section 5, the term “Operating Income” shall mean the Company’s income from operations as reported in the Company’s audited financial statements prepared in accordance with generally accepted accounting principles excluding the impact of any generally accepted accounting principle changes implemented after the date hereof. The forfeiture and/or vesting amounts of the Restricted Stock Units as specified in the Section 5 shall be effective as of February 15, 2016. The Compensation Committee of the Board shall certify in writing the achievement of the combined Operating Income for the Company.

Notwithstanding the foregoing, in the event that the Grantee’s employment is terminated on account of the Grantee’s death or Disability at any time, all unvested Restricted Stock Units not previously forfeited shall immediately vest on such date of termination.

On the first business day after each vesting date, the Company shall deliver to Grantee the shares of stock to which the Restricted Stock Units relate.

6. Change in Control.

(a) In the event of a Change in Control in which the Restricted Stock Units will not be continued, assumed or substituted with Substitute Awards (as defined below), the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall automatically be deemed satisfied and all of the Restricted Stock Units not otherwise forfeited shall vest immediately prior to the Change in Control.

(b) In the event of a Change in Control (i) occurring prior to the certification of the achievement of the combined Operating Income for the Company, and (ii) following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall be automatically deemed satisfied, with such number of Substitute Awards not otherwise forfeited vesting in three equal annual installments as set forth in Section 5(c) of this Agreement.

(c) In the event of a Change in Control (i) occurring following the certification of the achievement of the combined Operating Income for the Company, and (ii) following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, any Substitute Awards not otherwise forfeited shall vest in three equal annual installments as set forth in Section 5(b), 5(c) or 5(d) of this Agreement, as applicable.

(d) If the Restricted Stock Units are substituted with Substitute Awards as set forth in subclauses (b) or (c) of this Section 6, and within 12 months following the Change in Control the Grantee is terminated by the Successor (or an affiliate thereof) without Cause or resigns for Good

Reason, the Substitute Awards not otherwise forfeited shall immediately vest upon such termination or resignation.

(e) The following definitions shall apply to this Section 6:

i. "Cause" shall mean the occurrence of any of the following: (a) the Grantee's material misconduct or neglect in the performance of his or her duties; (b) the Grantee's commission of any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (c) the Grantee's material breach of the Company's written Code of Conduct, as in effect from time to time; (d) the Grantee's commission of any act that results in severe harm to the Company excluding any act taken by the Grantee in good faith that he or she reasonably believed was in the best interests of the Company; or (e) the Grantee's material breach of the Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between Grantee and the Company (the "Confidentiality, Non-Compete and Non-Solicitation Agreement") attached hereto as Attachment B. However, none of the foregoing events or conditions will constitute Cause unless the Company provides Grantee with written notice of the event or condition and thirty (30) days to cure such event or condition (if curable) and the event or condition is not cured within such 30-day period.

ii. "Good Reason" shall mean the occurrence of any of the following events: (a) a diminishment in the scope of the Grantee's duties or responsibilities with the Company; (b) a reduction in the Grantee's current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; or (c) a requirement that the Grantee relocate more than fifty (50) miles from his or her primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Grantee's duties and responsibilities with the Company. However, none of the foregoing events or conditions will constitute Good Reason unless (i) Grantee provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (ii) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (iii) Grantee resigns his or her employment within thirty (30) days following the expiration of such cure period.

iii. An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by the Successor with awards that, solely in the discretion of the Compensation Committee of the Board, preserves the existing value of the outstanding Restricted Stock Units at the time of the Change in Control and provides vesting and payout terms that are at least as favorable to Grantee as the vesting and payout terms applicable to the Restricted Stock Units.

iv. "Successor" shall mean the continuing or successor organization, as the case may be, following the Change in Control.

7. Forfeiture. Subject to the provisions of the Plan and Sections 5 and 6 of this Agreement, with respect to the Restricted Stock Units which have not become vested on the date the Grantee's employment is terminated, the Award of Restricted Stock Units shall expire and such unvested Restricted Stock Units shall immediately be forfeited on such date.

8. Employee Confidentiality, Non-Competition and Non-Solicitation Agreement. As a condition to the grant of the Restricted Stock Units, Grantee shall have executed and become a party to the Confidentiality, Non-Compete and Non-Solicitation Agreement.

9. No Shareholder Rights. Grantee does not have any rights of a shareholder with respect to the Restricted Stock Units. No dividend equivalents will be earned or paid with regard to the Restricted Stock Units.

10. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

11. Integration. This Agreement and the Plan contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

12. Withholding Taxes. Grantee agrees, as a condition of this grant, that Grantee will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of vesting in Restricted Stock Units or delivery of shares acquired under this grant. Grantee may elect to satisfy such obligations, in whole or in part, by causing the Company to withhold shares of Stock otherwise issuable to the Grantee as provided under the Plan. In the event that the Company determines that any federal, state, local, municipal or foreign tax or withholding payment is required relating to the vesting in Restricted Stock Units or delivery of shares arising from this grant, the Company shall have the right to require such payments from Grantee in the form and manner as provided in the Plan.

13. Data Privacy. In order to administer the Plan, the Company may process personal data about Grantee. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Grantee such as home address and business address and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan. By accepting this grant, Grantee gives explicit consent to the Company to process any such personal data. Grantee also gives explicit consent to the Company to transfer any such personal data outside the country in which Grantee works or is employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

14. Electronic Delivery. The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant Grantee agrees that the Company may deliver the Plan prospectus and the Company's annual report to Grantee in an electronic format. If at any time Grantee would prefer to receive paper copies of these documents, as Grantee is entitled to receive, the Company would be pleased to provide copies. Grantee should contact ______________________________ to request paper copies of these documents.

15. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by Grantee through an electronic signature.

16. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing conflict of laws. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland, and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts, where this Award of Restricted Stock Units is made and/or to be performed.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Restricted Stock Units shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee’s own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By: ______________________________

GRANTEE

____

Attachment A

[Attachment A, the Under Armour, Inc. Amended and Restated 2005 Omnibus Long-Term Incentive Plan, was previously filed with the Company’s Form 10-Q for the quarterly period ending June 30, 2012 as Exhibit 10.01]

Attachment B

[Attachment B, the Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives and the Company, has been separately filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2013, as Exhibit 10.14]

RESTRICTED STOCK UNIT GRANT AGREEMENT

FOR NON-US GRANTEES

THIS AGREEMENT, made as of this ____ day of ____________________, 2014, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and _____________________________ (the "Grantee").

WHEREAS, the Company has adopted the Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (the "Plan"), attached hereto as Attachment A or otherwise delivered or made available to Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the Grant to Grantees in the Plan of restricted share units for shares of Stock of the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Investment. The Grantee represents that the Restricted Stock Units (as defined herein) are being acquired for investment and not with a view toward the distribution thereof.

2. Grant of Restricted Stock Units. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an award (the "Award") of Restricted Stock Units for ________ shares of Stock of the Company (collectively, the "Restricted Stock Units"). The Purchase Price for the Restricted Stock Units shall be paid by the Grantee's services to the Company.

3. Grant Date. The Grant Date of the Restricted Stock Units hereby granted is ____________, 2014.

4. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

5. Vesting and Delivery Date. The Restricted Stock Units shall vest as follows provided the Grantee remains employed by the Company on each such vesting date:

(a) Below Threshold Level: All of the Restricted Stock Units shall be forfeited if the combined Operating Income for the Company for 2014 and 2015 is less than $__________; OR

(b) Threshold Level: Forty percent (40%) of the Restricted Stock Units (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2014 and 2015 is equal to or greater than $__________ but less than $__________, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2016, February 15, 2017 and February 15, 2018, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining sixty percent (60%) of the Restricted Stock Units shall be forfeited); OR

(c) Target Level: Eighty percent (80%) of the Restricted Stock Units (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2014 and 2015 is equal to or greater than $__________ but less than $__________, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2016, February 15, 2017 and February 15, 2018, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining twenty percent (20%) of the Restricted Stock Units shall be forfeited); OR

(d) Stretch Level: All of the Restricted Stock Units shall be earned and eligible to vest if the combined Operating Income for the Company for 2014 and 2015 is equal to or greater than $__________, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2016, February 15, 2017 and February 15, 2018, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares.

As used in this Section 5, the term “Operating Income” shall mean the Company’s income from operations as reported in the Company’s audited financial statements prepared in accordance with generally accepted accounting principles excluding the impact of any generally accepted accounting principle changes implemented after the date hereof. The forfeiture and/or vesting amounts of the Restricted Stock Units as specified in the Section 5 shall be effective as of February 15, 2016. The Compensation Committee of the Board shall certify in writing the achievement of the combined Operating Income for the Company.

Notwithstanding the foregoing, in the event that the Grantee’s employment is terminated on account of the Grantee’s death or Disability at any time, all unvested Restricted Stock Units not previously forfeited shall immediately vest on such date of termination.

On the first business day after each vesting date, the Company shall deliver to Grantee the shares of stock to which the Restricted Stock Units relate.

6. Change in Control.

(a) In the event of a Change in Control in which the Restricted Stock Units will not be continued, assumed or substituted with Substitute Awards (as defined below), the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall automatically be deemed satisfied and all of the Restricted Stock Units not otherwise forfeited shall vest immediately prior to the Change in Control.

(b) In the event of a Change in Control (i) occurring prior to the certification of the achievement of the combined Operating Income for the Company, and (ii) following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall be automatically deemed satisfied, with such number of Substitute Awards not otherwise forfeited vesting in three equal annual installments as set forth in Section 5(c) of this Agreement.

(c) In the event of a Change in Control (i) occurring following the certification of the achievement of the combined Operating Income for the Company, and (ii) following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, any Substitute Awards not otherwise forfeited shall vest in three equal annual installments as set forth in Section 5(b), 5(c) or 5(d) of this Agreement, as applicable.

(d) If the Restricted Stock Units are substituted with Substitute Awards as set forth in subclauses (b) or (c) of this Section 6, and within 12 months following the Change in Control the Grantee is terminated by the Successor (or an affiliate thereof) without Cause or resigns for Good Reason, the Substitute Awards not otherwise forfeited shall immediately vest upon such termination or resignation.

(e) The following definitions shall apply to this Section 6:

i. "Cause" shall mean the occurrence of any of the following: (a) the Grantee's material misconduct or neglect in the performance of his or her duties; (b) the Grantee's commission of any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (c) the Grantee's material breach of the Company's written Code of Conduct, as in effect from time to time; (d) the Grantee's commission of any act that results in severe harm to the Company excluding any act taken by the Grantee in good faith that he or she reasonably believed was in the best interests of the Company; or (e) the Grantee's material breach of the Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between Grantee and the Company (the "Confidentiality, Non-Compete and Non-Solicitation Agreement") attached hereto as Attachment B. However, none of the foregoing events or conditions will constitute Cause unless the Company provides Grantee with written notice of the event or condition and thirty (30) days to cure such event or condition (if curable) and the event or condition is not cured within such 30-day period.

ii. "Good Reason" shall mean the occurrence of any of the following events: (a) a diminishment in the scope of the Grantee's duties or responsibilities with the Company; (b) a reduction in the Grantee's current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; or (c) a requirement that the Grantee relocate more than fifty (50) miles from his or her primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Grantee's duties and responsibilities with the Company. However, none of the foregoing events or conditions will constitute Good Reason unless (i) Grantee provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (ii) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (iii) Grantee resigns his or her employment within thirty (30) days following the expiration of such cure period.

iii. An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by the Successor with awards that, solely in the discretion of the Compensation Committee of the Board, preserves the existing value of the outstanding Restricted Stock Units at the time of the Change in Control and provides vesting and payout terms that are at least as favorable to Grantee as the vesting and payout terms applicable to the Restricted Stock Units.

iv. "Successor" shall mean the continuing or successor organization, as the case may be, following the Change in Control.

7. Forfeiture. Subject to the provisions of the Plan and Sections 5 and 6 of this Agreement, with respect to the Restricted Stock Units which have not become vested on the date the Grantee's employment is terminated, the Award of Restricted Stock Units shall expire and such unvested Restricted Stock Units shall immediately be forfeited on such date.

For purposes of the Award, the Grantee's employment will be considered terminated as of the date the Grantee is no longer actively providing services to the Company or any Subsidiary or Affiliate, as applicable (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or rendering services or the terms of the Grantee's employment or service agreement, if any). Unless otherwise determined by the Company, the Grantee's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g*., the Grantee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or rendering services or the terms of the Grantee's employment or service agreement, if any). The Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of his or her Award (including whether the Grantee may still be considered to be providing services while on a leave of absence).

8. Obligation to Continue Employment. Neither the Company nor any Subsidiary or Affiliate is obligated by or as a result of the Plan or this Agreement to continue the Grantee's status as an employee and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the employment status of the Grantee at any time.

9. Employee Confidentiality, Non-Competition and Non-Solicitation Agreement. As a condition to the grant of the Restricted Stock Units, Grantee shall have executed and become a party to the Confidentiality, Non-Compete and Non-Solicitation Agreement.

10. No Shareholder Rights. Grantee does not have any rights of a shareholder with respect to the Restricted Stock Units. No dividend equivalents will be earned or paid with regard to the Restricted Stock Units.

11. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

12. Integration. This Agreement and the Plan contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

13. Withholding Taxes. The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary or Affiliate for which the Grantee is a Service Provider (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items") is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not

limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of any shares of Stock acquired under the Plan and the receipt of any dividends or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; or

(b) withholding from proceeds of the sale of shares of Stock acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or

(c) withholding in shares of Stock to be issued upon settlement of the Restricted Stock Units; or

(d) by any other method deemed by the Company to comply with applicable laws.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in shares of Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares subject to the vested Restricted Stock Units, notwithstanding that a number of the shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Grantee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

14. Nature of Grant. In accepting the Award, the Grantee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

(c) all decisions with respect to future restricted stock units or other grants, if any, will be at the sole discretion of the Company;

(d) the Grantee is voluntarily participating in the Plan;

(e) the Award and any shares of Stock acquired under the Plan are not intended to replace any pension rights or compensation;

(f) the Award and any shares of Stock acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or payments or welfare benefits or similar payments;

(g) the future value of the shares of Stock underlying the Award is unknown, indeterminable, and cannot be predicted with certainty;

(h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the termination of the Grantee's status as an employee (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or rendering services or the terms of the Grantee's employment agreement, if any), and in consideration of the grant of the Restricted Stock Units to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any claim against the Company or any other Subsidiary or Affiliate, waives his or her ability, if any, to bring any such claim, and releases the Company and any other Subsidiary or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(i) unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Stock; and

(j) neither the Company nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Award or of any amounts due to the Grantee pursuant to settlement of the Award or the subsequent sale of any shares of Stock acquired upon settlement.

15. Data Privacy. ***The Grantee hereby voluntarily consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.***

The Grantee understands that the Company and any Subsidiary or Affiliate may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all awards or any other entitlement to shares of Stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

The Grantee understands that Data will be transferred to the stock plan service provider selected by the Company, which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting Human Resources at Totalrewards@underarmour.com. The Grantee authorizes the Company, the stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke his or her consent, his or her employment status or service and career with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing consent is that the Company would not be able to grant the Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing his or her consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that he or she may contact Human Resources at Totalrewards@underarmour.com.

16. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by Grantee through an electronic signature.

18. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing conflict of laws. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland, and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts, where this Award of Restricted Stock Units is made and/or to be performed.

19. Appendix. Notwithstanding any provisions in this Award Agreement, the Award shall be subject to any special terms and conditions set forth in any Appendix to this Award Agreement for the Grantee's country. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or

advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.

20. Insider Trading Restrictions/Market Abuse Laws. The Grantee acknowledges that, depending on the Grantee's country of residence, the Grantee may be subject to insider trading restrictions and/or market abuse laws, which may affect the Grantee's ability to acquire or sell shares of Stock or rights to shares of Stock (*e.g.*, Restricted Stock Units) under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the Grantee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Grantee is advised to speak to his or her personal advisor on this matter.

21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Award and on any shares of Stock issued upon settlement of the Award, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. Language. If the Grantee has received this Agreement, or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control

23. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

24. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Restricted Stock Units shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By: ______________________________

GRANTEE

____

APPENDIX

TO THE

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-U.S. EMPLOYEES

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Award if the Grantee works and/or resides in one of the countries listed below. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or the Grantee transfers employment to a different country after the Award is granted, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will apply to the Grantee.

Notifications

This Appendix also includes information regarding certain other issues of which the Grantee should be aware with respect to the Grantee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out-of-date at the time the Grantee vests in the Restricted Stock Units or sells any shares of Stock issued at settlement of the Award.

In addition, the information contained herein is general in nature and may not apply to the Grantee's particular situation. As a result, the Company is not in a position to assure the Grantee of any particular result. Accordingly, the Grantee is strongly advised to seek appropriate professional advice as to how the relevant laws in the Grantee's country may apply to the Grantee's individual situation.

If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or if the Grantee transfers employment to a different country after the Award is granted, the notifications contained in this Appendix may not be applicable to the Grantee in the same manner.

Capitalized terms used but not defined in this Appendix shall have the same meanings assigned to them in the Plan and the Award Agreement.

AUSTRALIA

Notifications

Securities Law Information. If the Grantee acquires shares of Stock under the Plan and offers the shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. The Grantee should consult with his or her personal legal advisor before making any such offer in Australia.

BRAZIL

Terms and Conditions

Compliance with Law. The Grantee must comply with applicable Brazilian laws and is responsible for paying any and all applicable taxes associated with the settlement of the Award, the receipt of any dividends, and the sale of shares of Stock acquired under the Plan.

Notifications

Exchange Control Information. If the Grantee is a resident or is domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US$100,000. Assets and rights that must be reported include any shares of Stock acquired under the Plan. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

CANADA

Terms and Conditions

Nature of Award. The following provision replaces the second paragraph of Section 7 of the "Forfeiture" section of the Award Agreement:

For purposes of the Award, Grantee's status as Service Provider will be considered terminated as of the date Grantee is no longer actively providing services to the Company or one of its Subsidiaries or Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Grantee is employed or rendering services or the terms of Grantee's employment or service agreement, if any); unless otherwise expressly provided in this Agreement or determined by the Company, Grantee's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of the earlier of (a) the date on which Grantee receives notice of termination of Grantee's status as Service Provider, or (b) the date Grantee is no longer actively providing services to the Company or one of its Subsidiaries or Affiliates (*i.e.*, the period during which Grantee is considered employed would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Grantee is employed or rendering services or the terms of Grantee's employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when Grantee is no longer actively providing services for purposes of Grantee's Award (including whether Grantee may still be considered to be providing services while on a leave of absence).

The following provisions apply if Grantee is in Quebec:

Consent to Receive Information in English. The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir expressement souhaité que la convention [“Award Agreement”], ainsi que tous les documents, avis et procédures judiciaries, éxecutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Data Privacy. The following provision supplements the “Data Privacy” section of the Award Agreement:

Grantee hereby authorizes the Company and the Company’s representatives to discuss and obtain all relevant information from all personnel, professional or non-professional, involved in the administration of the Plan. Grantee further authorizes the Company and any Subsidiary or Affiliate and the Company’s designated broker/third party administrator for the Plan (or such other stock plan service provider that may be selected by the Company to assist with the implementation, administration and management of the Plan) to disclose and discuss such information with their advisors. Grantee also authorizes the Company and/or any Subsidiary or Affiliate to record such information and to keep such information in Grantee's employment file.

Notifications

Securities Law Information. Grantee is permitted to sell shares of Stock acquired through the Plan through the designated broker appointed under the Plan, if any (or any other broker acceptable to the Company), provided the resale of shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The shares of Stock are currently listed on the New York Stock Exchange.

CHILE

Notifications

Exchange Control and Tax Reporting Information. Grantee must comply with the exchange control and tax reporting requirements in Chile in connection with the acquisition and sale of shares of Stock under the Plan.

Grantee is not required to repatriate funds obtained from the sale of shares of Stock to Chile. However, if Grantee decides to repatriate such funds to Chile, Grantee must do so through the Formal Exchange Market (*i.e.*, a commercial bank or registered foreign exchange office) if the funds exceed US$10,000.

If Grantee's aggregate investments held outside of Chile exceed US$5,000,000 (including the investments made under the Plan), Grantee must report the status of such investments annually to the Central Bank, using Annex 3.1 of Chapter XII of the Foreign Exchange Regulations.

If Grantee holds shares of Stock acquired under the Plan outside of Chile, Grantee must report the details of these investments on annual basis to the Chilean Internal Revenue Service ("CIRS") by filing Tax Form 1851, “Annual Sworn Statement Regarding Investments Held Abroad.” Furthermore, if Grantee wishes to receive credit against Grantee's Chilean income taxes for taxes paid abroad, Grantee must report the payment of taxes abroad to the CIRS by filing Tax Form 1853, “Annual Sworn Statement Regarding Credits for Taxes Paid Abroad.” These statements must be submitted electronically through the CIRS website (www.sii.cl) before March 15 of each year.

Securities Law Information. Neither the Restricted Stock Units nor the shares of Stock issued in connection with the Restricted Stock Units will be registered under the Registry of Securities held by the Chilean Superintendence of Securities ("CSS") nor are they under the control or supervision of the CSS.

CHINA

Terms and Conditions

The following provisions will apply to Grantees who are subject to PRC exchange control restrictions, as determined by the Company in its sole discretion:

Exchange Control Information. Grantee understands and agrees that, to facilitate compliance with exchange control laws in China, Grantee may be required to immediately repatriate to China the cash proceeds from the sale of any shares of Stock acquired at vesting of the Restricted Stock Units and any dividends received in relation to the shares. Grantee further understands that, under local law, such repatriation of the cash proceeds may need to be effectuated through a special exchange control account established by the Company or any Subsidiary or Affiliate, and Grantee hereby consents and agrees that the proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares may be transferred to such special account prior to being delivered to Grantee.

The proceeds may be paid to Grantee in U.S. dollars or local currency at the Company's discretion. In the event the proceeds are paid to Grantee in U.S. dollars, Grantee understands that Grantee will be required to set up a U.S. dollar bank account in China and provide the bank account details to the Company and/or any Subsidiary or Affiliate, as applicable, so that the proceeds may be deposited into this account.

Grantee agrees to bear any currency fluctuation risk between the time the shares of Stock are sold or dividends are paid and the time the proceeds are distributed to Grantee through any such special account.

Grantee further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Foreign Asset/Account Reporting Information. Effective from January 1, 2014, PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Under these new rules, Grantee may be subject to reporting obligations for the shares or awards, including stock options and restricted stock units, acquired under the Plan and Plan-related transactions. It is the Grantee's responsibility to comply with this reporting obligation and the Grantee should consult his or her personal tax advisor in this regard.

HONG KONG

Terms and Conditions

Restricted Stock Units Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Award Agreement, the grant of Restricted Stock Units does not provide any right for Grantee to receive a cash payment, and the Restricted Stock Units are payable in shares of Stock only.

Securities Law Information. *WARNING: The grant of Restricted Stock Units under the terms of the Award Agreement and the Plan and the issuance of shares of Stock at vesting of Restricted Stock Units do not constitute a public offering of securities, and they are available only to Service Providers.*

Please be aware that the contents of the Award Agreement, including this Appendix, and the Plan have not been reviewed by any regulatory authority in Hong Kong. Grantee is advised to exercise caution in relation to the right to acquire shares of Stock at vesting of the Restricted Stock Units, or otherwise, under the Plan. If Grantee is in any doubt about any of the contents of the Award Agreement, including this Appendix or the Plan, Grantee should obtain independent professional advice.

Sale of Shares. By accepting the Restricted Stock Units, Grantee agrees that in the event that the Restricted Stock Units vest and shares of Stock are issued to Grantee within six months of the Date of Grant, Grantee agrees that Grantee will not dispose of any shares acquired prior to the six-month anniversary of the Date of Grant.

MEXICO

Term and Conditions

No Entitlement or Claims for Compensation. These provisions supplement Section 14 of the Award Agreement:

Modification. By accepting the Restricted Stock Units, Grantee understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Award of Restricted Stock Units the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 1020 Hull Street, Baltimore, MD 21230, U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of shares of Stock does not, in any way, establish an employment relationship between Grantee and the Company or any of its Subsidiaries or Affiliates since Grantee is participating in the Plan on a wholly commercial basis and the sole employer is UA Mexico Services, S. De R.I. C.V., nor does it establish any rights between Grantee and the employer.

Plan Document Acknowledgment. By accepting the Award of Restricted Stock Units, Grantee acknowledges that Grantee has received copies of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, by accepting the Agreement, Grantee further acknowledges that Grantee has read and specifically and expressly approved the terms and conditions in the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Subsidiary or Affiliate are not responsible for any decrease in the value of the shares of Stock underlying the Restricted Stock Units.

Finally, Grantee hereby declares that Grantee does not reserve any action or right to bring any claim against the Company or any of its Subsidiaries or Affiliates for any compensation or damages as a result of Grantee’s participation in the Plan and therefore grants a full and broad release to the Company and any Subsidiary or Affiliate, as applicable, with respect to any claim that may arise under the Plan.

Spanish Translation

Sin derecho a compensación o reclamaciones por compensación. *Estas disposiciones complementan el Contrato:*

***Modificación*.** *Al aceptar las Unidades de Acciones Restringidas, el recipiente del premio <"Grantee"> entiende y acuerda que cualquier modificación al Plan o al Contrato o su terminación no constituirá un cambio o perjuicio a los términos y condiciones de empleo.*

Declaración de Política. *El Otorgamiento de Unidades de Acciones Restringidas que la Compañía está haciendo de conformidad con el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin responsabilidad alguna.*

La Compañía, con oficinas registradas ubicadas en 1020 Hull Street, Baltimore, MD 21230, EE.UU. es únicamente responsable de la administración del Plan y la participación en el Plan y la adquisición de Acciones no establece, de forma alguna, una relación de trabajo entre el "Grantee" y la Compañía, ya que el "Grantee" participa en el Plan de una forma totalmente comercial y el único patrón es UA Mexico Services, S. De R.I. C.V. y tampoco establece ningún derecho entre el "Grantee" y el Patrón.

Reconocimiento del Documento del Plan. *Al aceptar el Otorgamiento de las Unidades de Acciones Restringidas, el "Grantee" reconoce que el "Grantee" ha recibido copias del Plan, ha revisado el Plan y el Contrato en su totalidad y entiende y acepta completamente todas las disposiciones contenidas en el Plan y en el Contrato.*

Adicionalmente, al aceptar el Contrato, el "Grantee" reconoce que el "Grantee" ha leído y específica y expresamente ha aprobado los términos y condiciones del Contrato, en el que claramente se ha descrito y establecido que: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el Plan es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como su Sociedad Controlante, Subsidiaria no son responsables por cualquier disminución en el valor de las Acciones subyacentes a las Unidades de Acciones Restringidas.

Finalmente, el "Grantee" en este acto declara que el "Grantee" no se reserva ninguna acción o derecho para interponer cualquier demanda o reclamación en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, por lo tanto, otorga el más amplio finiquito al Patrón, la Compañía, así como su Sociedad Controlante, Subsidiaria con respecto a cualquier demanda o reclamación que pudiera surgir en virtud del Plan.

NETHERLANDS

Notifications

Securities Law Information. The Grantee should be aware of Dutch insider-trading rules, which may impact the sale of shares of Stock acquired under the Plan. In particular, the Grantee may be prohibited from effectuating certain transactions involving shares of Stock during the period in which Grantee has "inside information" regarding the Company.

By accepting the Restricted Stock Units and participating in the Plan, Grantee acknowledges having read and understood this Securities Law Information and further acknowledges that it is Grantee's responsibility to comply with the following Dutch insider-trading rules:

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “inside information” related to an issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of details concerning the issuing company to which the securities relate, which is not public and which, if published, would reasonably be expected to affect the stock price, regardless of the development of the price. The insider could be a service provider in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain service providers working in the Netherlands (possibly including the Grantee) may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the Grantee had such inside information.

PANAMA

Notifications

Securities Law Notification. The Restricted Stock Units and any shares of Stock which may be issued to Grantee upon vesting and settlement of the Restricted Stock Units are not subject to registration under Panamanian Law as they are not intended for the public, but solely for Grantee's benefit.

UNITED KINGDOM

Terms and Conditions

Withholding Taxes. The following provisions supplement Section 13 of the Award Agreement:

Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to account to HM Revenue & Customs ("HMRC") with respect to the event giving rise to the Tax-Related Items (the "Chargeable Event") that cannot be satisfied by the means previously described. If payment or withholding of income tax is not made within ninety (90) days after the Chargeable Event, or, if the Chargeable Event occurs on or after April 6, 2014, within 90 days after the end of the UK tax year in which the Chargeable Event occurs or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, (the "Due Date"), Grantee agrees that the amount of any uncollected income tax shall (assuming Grantee is not a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended)), constitute a loan owed by Grantee to the employer, effective on the Due Date. The loan will bear interest at the then-current official rate of Her Majesty's Revenue and Customs and it will be immediately due and repayable by the Grantee, and the Company or the employer may recover it at any time thereafter by any of the means referred to in Section 13 of the Award Agreement.

Notwithstanding the foregoing, if the Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the 1934 Act), the Grantee will not be eligible for such a loan to cover the unpaid income tax. In the event that the Grantee is such a director or executive officer and the income tax is not collected from or paid by the Grantee by the Due Date, the amount of any uncollected taxes will constitute a benefit to the Grantee on which additional income tax and national insurance contributions ("NICs") will be payable. The Grantee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company or the employer, as applicable, any employee NICs due on this additional benefit, which the Company or the employer may recover from the Grantee by any of the means referred to in Section 13 of the Award Agreement.

Attachment A

[Attachment A, the Under Armour, Inc. Amended and Restated 2005 Omnibus Long-Term Incentive Plan, was previously filed with the Company’s Form 10-Q for the quarterly period ending June 30, 2012 as Exhibit 10.01]

Attachment B

[Attachment B, the Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives and the Company, has been separately filed with the Company’s Annual Report on Form 10-K for the year ended December 31, 2013, as Exhibit 10.14]

Exhibit 10.14

EMPLOYEE CONFIDENTIALITY, NON-COMPETITION, AND NON-SOLICITATION AGREEMENT

This Confidentiality, Non-Competition, and Non-Solicitation Agreement ("Agreement") is entered into this ___ day of ____, 2014, by **Under Armour, Inc.** (together with its affiliates, the "Company") and __________ ("Employee").

EXPLANATORY NOTE

Employee recognizes that Employee has had or will have access to confidential business information during the course of his or her employment, the improper disclosure or use of which during or after Employee's employment would create unfair competition and would likely cause substantial loss and harm to the Company. Employee may also be provided specialized training by the Company and be responsible for generating and/or maintaining the goodwill of the Company with its Customers, Suppliers, employees and others. Employee further acknowledges that employment or continued employment with the Company is based on Employee's agreement to abide by the covenants contained herein.

NOW THEREFORE, in consideration of Employee's employment or continued employment with the Company and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. **Confidentiality**. Employee acknowledges Employee's fiduciary duty and duty of loyalty to the Company, and the obligations arising from them not to disclose business information provided or acquired on a confidential basis. Further, Employee acknowledges that the Company, in reliance on this Agreement, will provide Employee access to trade secrets, customers, proprietary data and/or other Confidential Information. Employee agrees to retain this information as confidential and not to use this information for Employee's personal benefit or the benefit of anyone other than the Company or to disclose it to any third party, except when required to do so to properly perform duties for the Company. Further, as a condition of employment, during the time Employee is employed by the Company and continuing after any termination of Employee's employment, Employee agrees to protect and hold in a fiduciary capacity for the benefit of the Company all Confidential Information, as defined below, unless Employee is required to disclose Confidential Information pursuant to the terms of a valid and effective order issued by a court of competent jurisdiction or a governmental authority. In the event that Employee receives an order or other legal demand, such as a subpoena, discovery request, or order of a court or other body having jurisdiction over such matter, to produce any Confidential Information or other information concerning the Company, Employee agrees to promptly provide the Company with written notice of such subpoena, order, demand or discovery request so that the Company may timely move to quash if appropriate. Employee shall use Confidential Information solely for the purpose of carrying out those duties assigned to

Employee and not for any other purpose. The disclosure of Confidential Information to Employee shall not be construed as granting to Employee any license under any copyright, trade secret, or right of ownership or any other right to use the Confidential Information whatsoever.

(a) For purposes of this Agreement, “Confidential Information” shall mean all information concerning the Company’s business that is not generally known to the public and which became known to the Employee in the course of or by virtue of employment with the Company. Confidential Information shall include, but shall not be limited to designs, drawings, formulas, processes, methods, techniques, systems, models, samples, prototypes, contracts, reports, letters, notes, intellectual property, trade secrets and/or know-how, technical information, financial information and metrics (whether historical, projections or forecasts), and information concerning advertising, pricing, costs, business planning, operations, procedures, services, potential services, products, potential products, products under development, production, purchasing, marketing, sales, personnel (including identities, contact information, skills, performance, salary and benefits of other employees), customers, suppliers, or other information of the Company; any papers, data, records, devices, equipment, compilations, invoices, customer or supplier lists or contact information, compilations of names and addresses, or documents of the Company; any confidential information or trade secrets of any third party provided to the Company in confidence or subject to other use or disclosure restrictions or limitations; and any other information, written, oral, electronic, or retained in Employee’s memory, whether existing now or at some time in the future, whether pertaining to current or future developments or prospects, and whether created, revealed or accessed during the Employee’s employment, which pertains to the Company’s affairs or interests or with whom or how the Company does business. The Company acknowledges and agrees that Confidential Information shall not include information which is or becomes publicly available other than as a result of a disclosure by the Employee or through other wrongful means.

(b) Employee shall promptly notify the Company if he or she has reason to believe that the unauthorized use, possession, or disclosure of any Confidential Information has occurred or may occur.

(c) All physical or otherwise transferrable items containing Confidential Information, including, but not limited to documentary, electronic or other recorded versions of any Confidential Information, shall remain the exclusive and confidential property of the Company and shall be immediately returned, along with any copies or notes that Employee made thereof or therefrom, to the Company when Employee ceases employment with the Company. Employee further agrees to immediately return upon request by the Company copies of any Confidential Information contained on Employee’s home computer, portable computer or other data storage device (including but not limited to cell phones, zip drives, PDAs, iPads, etc.). Employee agrees to delete or destroy all copies of Confidential Information that are stored on any devices, networks, storage locations or media not owned by the Company and in Employee's possession or control. Employee also agrees to allow the Company, in its discretion at the termination of Employee’s employment and thereafter upon reasonable notice and for reasonable cause, access to any home computer, portable computer or other data storage device maintained by Employee, including but not limited to, for the purpose of determining whether said Confidential

Information has been misappropriated. Employee further acknowledges that all documents and records relating to Company business, including but not limited to those that he or she prepares or assists in preparing during employment with the Company, belong to the Company and Employee agrees to promptly return them and all other property belonging to the Company, upon the termination of Employee's employment. Additionally any personal mobile device used to perform work for the Company or on the Company's behalf is subject to the Company's Bring Your Own Device to Work Policy and thus subject to the Company's right to remove any Confidential Information from those devices as more specifically described in the Bring Your Own Device to Work Policy.

2. Ownership of Works for Hire.

(a) Employee agrees that any inventions, ideas, developments, methods, improvements, discoveries, innovations, software, works of authorship and any other intangible property (hereinafter collectively referred to as "Intellectual Property"), whether patentable or not, that are developed (in whole or in part), considered, contemplated or reduced to practice by Employee or under his or her direction or jointly with others during his or her employment with the Company, whether or not during normal working hours or on the premises of the Company, shall be considered "Works for Hire" for the exclusive use by and benefit of the Company. Employee will make full and prompt disclosure to the Company of all such Works for Hire. Regardless of such disclosure, the Company shall own all rights to any Works for Hire, including without limitation all related patent rights and copyrights, items and developments that are subject to being patented and copyrighted, and the right to market (or not to market) any such property, and Employee agrees to assign and does hereby assign to the Company (or any person or entity designated by the Company) all his or her rights, title and interest in and to all Works for Hire and all related patents, patent applications, copyrights and copyright applications.

(b) Employee agrees to cooperate fully with the Company, both during and after his or her employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights and patents (both in the United States and foreign countries) relating to Works for Hire. Employee shall sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney that the Company may deem necessary or desirable in order to protect its rights and interests in any Works for Hire.

(c) The Employee specifically acknowledges that his or her compensation and benefits constitute full payment for any Works for Hire and waives any claim of right to such Works for Hire, which Employee further acknowledges belong entirely to the Company.

(d) The Company may, at its election and in its discretion, waive and/or relinquish any of its rights of ownership and royalties with respect to any Works for Hire, by agreeing to do so in a written instrument executed by the Company.

3. **Definitions**. For purposes of this Agreement, the following terms have the meanings defined below.

(a) "Competitor Businesses" shall mean any business that at the time the Company seeks to enforce this covenant:

(1) competes with the Company in the business of premium branded performance athletic (a) apparel, (b) footwear, (c) equipment and/or (d) accessories (including, for example, and not by way of limitation, companies such as Nike, Adidas, Reebok, lululemon, Columbia, New Balance, Brooks, Puma or other premium athletic brands); or

(2) competes with any other line of business that the Company is involved with at the time of Employee's termination and in relation to which line of business Employee had access to and/or knowledge of Confidential Information or had engaged in establishing goodwill for the Company with its Customers or Suppliers.

(b) "Customer" shall mean any individual, business, or entity that (a) purchased products or services from the Company within the final twelve (12) months of Employee's employment; and (b) Employee had business contact with or provided services to, whether individually or with others, on behalf of the Company during the final twelve (12) months of Employee's employment. "Prospective Customer" shall mean any individual, business, or entity that Employee solicited or pursued, or assisted in soliciting or pursuing within the final twelve (12) months of Employee's employment for the purpose of selling products or services of the Company. Customers or Prospective Customers include, but are not limited to wholesale distribution channels, which include independent and specialty retailers, institutional athletic departments, leagues and teams, national and regional sporting goods chains and department store chains.

(c) "Supplier" shall mean any individual, business, or entity (a) from whom the Company purchased products or services within the final twelve (12) months of Employee's employment; and (b) with whom Employee had business contact and obtained products and services on behalf of the Company during the final twelve (12) months of Employee's employment. "Prospective Supplier" shall mean any individual, business, or entity with whom Employee had business contact with and from whom Employee sought to obtain products or services from on behalf of the Company in the final twelve (12) months of Employee's employment. Suppliers or Prospective Suppliers include but are not limited to consultants, vendors, factories, and mills.

4. **Non-Competition**. Employee hereby covenants and agrees that at no time during the Employee's employment with the Company and for a period of one (1) year immediately following termination of Employee's employment with the Company, whether voluntary or involuntary (the "Restricted Period"), shall Employee, without the prior written consent of the Company:

(a) directly or indirectly work for, be contracted to or contract with, or provide strategic advice to a Competitor Business in a capacity that is the same as or similar to the capacity in which Employee worked for the Company and/or in a capacity in which Employee's knowledge of the Company's Confidential

Information, and/or previous establishment of goodwill for the Company with its Customers or Suppliers, would be of value in Employee's work for the Competitor Business; or

(b) compete with the Company directly or indirectly as employee, principal, agent, contractor, or otherwise in the sale or licensing of any products or services that at the time the Company seeks to enforce this Agreement, are competitive with the products or services developed, marketed, or sold by the Company and about which products and services Employee's knowledge of the Company's Confidential Information and/or previous establishment of goodwill with Customers or Suppliers would be of value in competing with the Company.

5. Non-Solicitation and Non-Interference. Employee hereby covenants and agrees that at no time during the Restricted Period shall the Employee:

(a) directly or indirectly solicit or influence, or contact for purposes of soliciting or influencing, any Customer or Supplier, or Prospective Customer or Supplier, to terminate or adversely modify its relationship with the Company or to do business with a Competitor Business instead of the Company, nor shall Employee assist others in any such soliciting, influencing, contacting, communicating, or otherwise diverting such business; or

(b) directly or indirectly interfere with any transaction, agreement or business relationship in which the Company was involved during the Employee's employment with the Company and about which Employee is aware because of his/her employment with the Company; or

(c) directly or indirectly solicit or induce any then-current employee of the Company that the Employee worked with or came to know as a result of Employee's employment with the Company, to leave employment with the Company, or interfere in any way with such employment, and will not participate in the hiring of any such employee, including, without limitation, by identifying or targeting the Company's employees for that purpose and/or engaging them in new employment. Employee further agrees not to contact any such employee of the Company or to cause the employee to be contacted for the purpose or foreseeable effect of causing or inducing the employee to leave the Company's employment; or

(d) act in any way, directly or indirectly, with the purpose or effect of soliciting, diverting or taking away any Customer or Supplier of the Company.

6. Additional Consideration. As additional consideration for the Non-Competition obligations described in Paragraph 4 above, should the Company pursuant to those obligations require Employee to refrain from accepting employment or other work he or she has been offered that the Company, in its discretion, believes would violate Employee's obligations, the Company shall pay Employee an amount equal to sixty percent (60%) of Employee's weekly base pay as of the date of Employee's termination from the Company ("Non-Competition Payment"). The Non-Competition Payment shall begin when the Company advises Employee of its belief that the proposed employment would violate the Employee's non-compete obligations and shall continue throughout the remaining duration of the Restricted Period. The Non-Competition Payment shall be paid in accordance with the Company's customary pay practices in effect at the time each payment is made, and shall be reduced by (a) the amount of severance, if any, that Employee receives from the Company; and (b) the amount of any pay received during the Restricted Period from employment in any capacity to the extent that any such salary exceeds forty percent (40%) of Employee's base pay as of the date of Employee's termination from employment, annualized or pro-rated to correspond with the remaining portion of the Restricted Period following the job offer. (By way of example, assuming an Employee's remaining Restricted Period following a job offer is six (6) months and that his or her base pay at the time of termination was $100,000, the Non-Competition Payment would not be reduced unless the salary earned by the Employee during the Restricted Period exceeded $20,000. In the event the salary earned during the Restricted Period exceeds this threshold, the Non-Competition Payment will be reduced, or eliminated, pro rata.)].

7. **Notification of New Employment**. Employee acknowledges and agrees that for a period of one (1) year following the date of termination of Employee's employment with the Company, Employee will inform the Company, prior to the acceptance of any job or any work as an independent contractor, of the identity of any new employer or other entity to which Employee is providing consulting or other services, along with Employee's starting date, title, job description, salary, and any other information that the Company may reasonably request to confirm Employee's compliance with the terms of this Agreement. Failure to provide all of this information to the Company may result in forfeiture of the Non-Competition Payment described above.

8. **Reasonableness of Restrictions.** Employee acknowledges and represents that he or she fully understands this Agreement and has had the opportunity to have it explained by legal counsel of his or her choosing. Employee acknowledges that the restrictions imposed by this Agreement are fair and reasonably required for the protection of the Company and its legitimate business interests, and will not preclude Employee from becoming gainfully employed following the termination, for any reason, of Employee's employment with the Company. Employee acknowledges that these covenants have substantial and immeasurable value to the Company.

9. **Injunctive Relief**. Employee acknowledges and agrees that in the event of a violation or threatened violation of any provision of this Agreement, the Company will sustain irreparable harm and will have the full right to seek injunctive relief, in addition to any other available remedies.

10. **Survivability**. This Agreement shall remain binding in the event of Employee's termination of employment with the Company for any reason.

11. **Extension**. Employee further acknowledges that if Employee is found to have violated any restriction in Paragraphs 4 or 5 above, that the time period for such restriction will be extended by one day for each day of Employee's failure either to comply with said restriction or to take prompt corrective action to make the Company whole for any breach, up to a maximum extension equal to the original Restricted Period. In the event of such a breach, the Company shall be entitled to the entry of an injunction enforcing the covenant for such an extended period. The Company also shall be entitled to a preliminary injunction, enforcing the covenant for up to such an extended period, if trial on the merits in any pending enforcement litigation has not yet occurred or concluded, if the covenant otherwise will lapse from expiration of the period originally prescribed for its operation, and if the Company satisfies the requirements warranting preliminary relief, except that the threat of irreparable injury will be presumed from the impending lapse of the covenant.

12. **Assignment**. Although Employee shall not have the right to assign this Agreement, it is nevertheless binding on his or her heirs and executors, and on the Company's successors and assigns.

13. **Governing Law and Consent to Jurisdiction**. The formation, construction and interpretation of this Agreement, including but not limited to its enforceability, shall at all times and in all respects be governed by the laws of the State of Maryland, without reference to its conflict-of-law rules. The Company has the right to enforce this Agreement or pursue claims relating to it in any forum having jurisdiction. Any legal action that Employee initiates against the Company that relates in any way to this Agreement, including, without limitation, for a declaratory judgment, will be brought exclusively in the state courts of Maryland. If the Company elects to sue in Maryland for any claim relating in any way to this Agreement, Employee agrees to waive any defense of lack of personal jurisdiction or improper venue. Employee also agrees that the existence of any asserted claim or cause of action he or she has or believes he or she has against the Company, or asserted breach of duty by the Company, whether or not based on this Agreement, shall not constitute a defense to the enforcement by the Company of the restrictive covenants above.

14. **Severable Provisions**. The provisions of this Agreement are severable, including each of the obligations in Paragraphs 4 and 5. In the event that the provisions of this Agreement should ever be deemed to exceed the limitations permitted by applicable laws, Employee and the Company agree that such provisions shall be reformed to the maximum limitations permitted by the applicable laws. Further, any invalidity or unenforceability shall affect only the provision or provisions deemed unenforceable, and shall not make any other provision in this Agreement invalid or unenforceable.

15. **Entire Agreement**. This Agreement constitutes the entire agreement between the Parties with respect to the specific covenants and obligations herein and supersedes any and all negotiations, discussions and prior understandings concerning the creation or operation of those specific covenants and obligations. No provision of this Agreement may be changed except by written agreement signed by both Employee and an officer of the Company.

16. WAIVER OF JURY TRIAL. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSSCLAIM, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT.

IN WITNESS WHEREOF, the Parties have executed the Agreement as of the date first above written.

UNDER ARMOUR, INC.

By: ______________________________
Name: ______________________________
Title: ______________________________

WITNESS:

____

EMPLOYEE

____
(signature)
Print Name: ______________________________

Exhibit 10.18

UNDER ARMOUR.

CHANGE IN CONTROL SEVERANCE AGREEMENT

This CHANGE IN CONTROL SEVERANCE AGREEMENT (this “Agreement”) is made as of the 1 day of January, 2014, between Under Armour, Inc., a corporation organized under the laws of the State of Maryland (together with its affiliates, the “Company”), and Karl-Heinz Maurath (“Executive”).

WITNESSETH THAT:

WHEREAS, should Under Armour, Inc. or shareholders of Under Armour, Inc. receive any proposal from a third person regarding a possible Change in Control, the Board of Directors of Under Armour, Inc. (the “Board”) believes it is important that the Company be able to rely upon the Executive to continue in his position until after such Change in Control and that Under Armour, Inc. be able to receive and rely upon the Executive’s advice, if requested, as to the best interest of Under Armour, Inc. and its shareholders in connection with any such Change in Control, without concern that the Executive might be distracted or his advice affected by the personal uncertainties and risks created by such a Change in Control.

NOW THEREFORE, in order to provide an incentive to the Executive for the continued dedication of Executive and the availability of his advice and counsel notwithstanding the possibility of a Change in Control, and to encourage Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and Executive hereby agree as follows:

1. <u>Definitions</u>.

(i) “Accrued Obligations” shall mean the sum of the following: (a) the full base salary earned by the Executive through the Termination Date and unpaid as of the Termination Date, calculated at the highest rate of base salary in effect at any time during the twelve (12) months immediately preceding the Termination Date; (b) the amount of any base salary attributable to vacation earned by the Executive but not taken before the Termination Date; (c) any Bonus accrued to the Executive with respect to the calendar year preceding the termination of employment and unpaid as of the Termination Date; (d) a pro-rata Bonus for the year in which the Change in Control occurs, equal to the Bonus times a fraction, the numerator of which is the number of days during the calendar year preceding the Termination Date and the denominator of which is 365; and (e) all other amounts earned by the Executive and unpaid as of the Termination Date.

(ii) “Bonus” shall mean the greater of: (a) the annual average of the Executive’s bonus paid to the Executive with respect to the two (2) calendar years prior to

Executive's termination of employment with the Company or (b) the Executive's target bonus for the year of such termination of employment.

(iii) "Cause" shall mean the occurrence of any of the following: (a) the Executive's material misconduct or neglect in the performance of his duties; (b) the Executive's conviction for, or plea of *nolo contendere* to, any felony, or a misdemeanor (excluding a petty misdemeanor) involving dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (c) the Executive's use of illegal drugs as contemplated by Article 213(A)(13) of the Panamanian Labor Code; (d) the Executive's material breach of the Company's written Code of Conduct, as in effect from time to time; (e) the Executive's commission of any act that results in severe harm to the Company excluding any act taken by the Executive in good faith that he reasonably believed was in the best interests of the Company; (f) the Executive, because of illness or incapacity, is unable, with or without reasonable accommodations, to perform or is prevented from performing the essential functions of Executive's duties for more than one year; or (g) the Executive's material breach of this Agreement, including, but not limited to, a material breach of the Executive's Employment Agreement attached hereto as Attachment A.

(iv) "Change in Control" shall mean the occurrence of any of the following:

a. Any 'person' (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the 'beneficial owner' (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of Under Armour, Inc. representing fifty percent (50%) or more of the total voting power represented by Under Armour, Inc.'s then-outstanding voting securities, provided, however that a Change in Control shall not be deemed to occur if an employee benefit plan (or a trust forming a part thereof) maintained by Under Armour, Inc., and/or Kevin Plank and/or his immediate family members, directly or indirectly, become the beneficial owner, of more than fifty percent (50%) of the then-outstanding voting securities of Under Armour, Inc. after such acquisition;

b. A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. 'Incumbent Directors' shall mean directors who either (A) are directors of Under Armour, Inc. as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to Under Armour, Inc.);

c. The consummation of a merger or consolidation of Under Armour, Inc. with any other corporation, other than a merger or consolidation which would result in (a) the voting securities of Under Armour, Inc. outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of Under Armour, Inc. or such surviving entity outstanding immediately after such merger or consolidation in substantially the same proportion as prior to such merger or consolidation; or (b) the directors of Under Armour, Inc. immediately prior thereto continuing to represent at least fifty percent (50%) of the directors of Under Armour, Inc. or such surviving entity immediately after such merger or consolidation; or

d. The consummation of the sale or disposition by Under Armour, Inc. of all or substantially all of Under Armour, Inc.'s assets.

(v) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(vi) "Contract Period" shall mean the period staring on the date hereof and ending on the second anniversary of the date hereof. The Company, in its sole discretion, shall have the right to extend the Contract Period.

(vii) "Good Reason," shall mean the occurrence of any of the following events: (a) a diminishment in the scope of the Executive's duties or responsibilities with the Company; (b) a reduction in the Executive's current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; (c) a requirement that the Executive relocate more than fifty (50) miles from his primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Executive's duties and responsibilities with the Company; (d) a failure by any successor to the Company to assume this Agreement pursuant to Section 5(a) hereof; or (e) a material breach by the Company of any of the terms of this Agreement.

(viii) "Protection Period" shall mean the twelve (12) month period following a Change in Control.

(ix) "Termination Date" shall mean the effective date as provided hereunder of the termination of Executive's Employment.

(x) "Without Cause" shall mean the termination of the Executive's employment by the Company other than for Cause or death.

2. Application of this Agreement. This Agreement shall apply if and only if: (a) the Executive's employment terminates during the Protection Period and (b) the Change in Control occurs during the Contract Period. This Agreement shall not apply to any termination of the Executive's employment other than what is described in the preceding sentence. Notwithstanding the foregoing, if three (3) months prior to the date on which a Change in Control occurs, the Executive's employment with the Company is terminated by the Company other than by reason of the Executive's death or circumstances that would constitute Cause or the terms and conditions of the Executive's employment are adversely changed in a manner which

would constitute grounds for a termination of employment by the Executive for Good Reason, and it is reasonably demonstrated that such termination of employment or adverse change (i) was at the request of a third party who has taken steps reasonably calculated to effect the Change in Control, or (ii) otherwise arose in connection with or in anticipation of the Change in Control, then for all purposes of this Agreement such termination of employment shall be deemed to have occurred during the Protection Period and shall be considered either termination of the Executive's employment Without Cause by the Company or termination of the Executive's employment by the Executive for Good Reason, as the case may be.

3. Termination of Employment of Executive. The Executive's employment may be terminated by following the procedures specified in this Section 3.

(i) Cause. The Executive may not be terminated for Cause unless and until a notice of intent to terminate the Executive's employment for Cause, specifying the particulars of the conduct of the Executive forming the basis for such termination, is given to the Executive by the Company and, subsequently, a majority of the Board finds, after reasonable notice to the Executive (but in no event less than fifteen (15) days prior notice) and an opportunity for the Executive and his counsel to be heard by the Board, that termination of the Executive's employment for Cause is justified. Termination of the Executive's employment for Cause shall become effective after such finding has been made by the Board and five (5) business days after the Board gives to the Executive notice thereof, specifying in detail the particulars of the conduct of the Executive found by the Board to justify termination for Cause. It shall not constitute Good Reason to the Executive to the extent the Executive is relieved of any duties and responsibilities during the period the Board is considering whether such termination for Cause is justified.

(ii) Termination Without Cause. The Company shall have the right by notice to the Executive of the Company's intention to terminate Executive's employment Without Cause. Termination of Executive's employment by the Company Without Cause shall become effective immediately upon the receipt by the Executive of such notice.

(iii) Voluntary Termination by the Executive. The Executive may terminate his employment with the Company by giving a notice of voluntary termination to the Company, and if such termination is for Good Reason, such notice shall set forth in reasonable detail the acts and circumstances claimed by the Executive to constitute Good Reason. Termination of the Executive's employment by the Executive without Good Reason shall be effective five (5) business days after the Executive gives notice thereof to the Company. The Company shall have twenty (20) days after receipt of such notice from the Executive of claimed Good Reason to cure any Good Reason. If the Company is unable to cure the Good Reason during such cure period, termination of the Executive's employment by the Executive for Good Reason shall be effective five (5) business days after the expiration of such cure period.

(iv) Death. Termination of the Executive's employment for death shall be effective on the date of the Executive's death.

4. Benefits Upon Termination of Employment.

(i) Termination Without Cause or by the Executive for Good Reason. Upon the termination of the employment of Executive Without Cause by the Company or by the Executive for Good Reason, the Company shall pay or provide to the Executive:

(a) a lump sum payment equal to the sum of the following:

1. the Accrued Obligations; and

2. an amount equal to the sum of the annual base salary of the Executive at the highest rate in effect during the Protection Period and the Bonus.

The payment described in this Section 4(i)(a)(1) shall be made by the Company not later than the earlier of the date required by applicable law or five (5) days following the Termination Date. The payment described in Section 4(i)(a)(2) shall be paid in accordance with Section 4(vi). Executive shall not be required to mitigate the amount of the payment provided for in this Section 4(i)(a) by seeking other employment or otherwise. The amount of the payment provided for in this Section 4(i)(a) shall not be reduced by any compensation or other amounts paid to or earned by Executive as the result of employment with another employer after the date on which his employment with the Company terminates or otherwise.

(b) the continuance of the Executive's life, medical, dental, prescription drug and long and short-term disability plans, programs or arrangements, whether group or individual, of the Company in which the Executive was entitled to participate at any time during the twelve (12) month period prior to the Termination Date until the earliest to occur of (1) one (1) year after the Termination Date; (2) the Executive's death (provided that compensation and benefits payable to his beneficiaries shall not terminate upon his death); or (3) with respect to any particular plan, program or arrangement, the date the Executive is afforded a comparable benefit at a comparable cost to the Executive by a subsequent employer.

(ii) Cobra Continuation Coverage. Upon the expiration of the provision of benefits in Section 4(i)(b), the Executive and his dependents shall be entitled to exercise such rights as they may have under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").

(iii) Death. Upon a termination of the Executive's employment on account of the Executive's death, the Company shall pay to his estate or beneficiary, the Accrued Obligations within five (5) days of the Termination Date and the Company shall provide to his estate or beneficiary, such benefits that the Company provides in the event of an employee's death.

(iv) Cause, Voluntary Termination by the Executive. Upon the termination of the Executive's employment by the Company for Cause or by the Executive without Good

Reason, the Company shall pay to the Executive the Accrued Obligations within five (5) days of the Termination Date.

(v) Effect of Stock Options and Other Equity Awards. The terms and conditions of the Executive's award agreements or employment agreement (as applicable to such Executive) shall govern the effect of termination of the Executive's employment on equity awards granted by the Company and held by the Executive as of the Termination Date.

(vi) Conditions to Receiving Benefits. The benefits described in Sections 4(i)(a)(2) and 4(i)(b) shall be subject to the Executive's compliance with the confidentiality, non-competition, and non-solicitation provisions of the Executive's Employment Agreement attached hereto as Attachment A, and the benefits described in Sections 4(i)(a)(2) and 4(i)(b) will be paid within the sixty (60) day period following the Termination Date provided the Executive executes the release attached hereto as Attachment B, and such release becomes effective and irrevocable within such sixty (60) day period and provided, further, that if such sixty (60) day period begins in one calendar year and ends in a second calendar year, the payment will be made in the second calendar year.

(vii) No Further Payments due to Executive. Except as provided in this Section 4, the Company shall have no obligation to make any other payment, in the nature of severance or termination pay.

(viii) Exception to Benefit Entitlements. The Executive shall not receive the payments and benefits under this Agreement if the Executive has executed an individually negotiated employment contract, agreement or offer letter with the Company relating to severance benefits that is in effect on the Termination Date, unless the Executive waives any such severance benefits under such contract, agreement or letter.

(viii) Retirement Payments. No amounts paid pursuant to this Agreement will constitute compensation for any purpose under any retirement plan or other employee benefit plan, program, arrangement or agreement of the Company or any of its affiliates, unless such plan, program, arrangement or agreement specifically so provides.

5. Successors; Binding Agreement.

(a) This Agreement shall be binding upon any successor (whether direct or indirect, by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the business and/or assets of Under Armour, Inc. Additionally, Under Armour, Inc. shall require any such successor expressly to agree to assume and to assume of the obligations of the Company under this Agreement upon or prior to such succession taking place. A copy of such assumption and agreement shall be delivered to the Executive promptly after its execution by the successor.

(b) This Agreement is personal to the Executive and the Executive may not assign or transfer any part of his rights or duties hereunder, or any payments due to the Executive hereunder, to any other person, except that this Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees or beneficiaries. No payment pursuant to any will or the laws of descent and distribution shall be made hereunder unless the Company shall have been furnished with a copy of such will and/or such other evidence as the Board may deem necessary to establish the validity of the payment.

6. Modification; Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by Executive and by an officer of the Company thereunto expressly authorized by the Board. Waiver by any party of any breach of or failure to comply with any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement.

7. Notice. All notices, requests, demands and other communications required or permitted to be given by either party to the other party to this Agreement (including, without limitation, any notice of termination of employment and any notice of an intention to arbitrate) shall be in writing and shall be deemed to have been duly given when delivered personally or received by certified or registered mail, return receipt requested, postage prepaid, at the address of the other party, as follows:

If to the Company, to:	If to the Executive, to:
Under Armour, Inc. Attn: Vice President, Human Resources 1020 Hull Street Baltimore, Maryland 21230	____________________ ____________________ ____________________
With a copy to: Under Armour, Inc. Attn: Legal Department 1020 Hull Street Baltimore, Maryland 21230	With a copy to: ____________________ ____________________ ____________________

Either party hereto may change its address for purposes of this Section 7 by giving fifteen (15) days' prior notice to the other party hereto.

8. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

9. Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of this Agreement.

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

11. Governing Law. This Agreement has been executed and delivered in Panama and shall in all respects be governed by, and construed and enforced in accordance with, the laws of Panama without reference to its principles of conflicts of law.

12. Certain Withholdings. The Company shall withhold from any amounts payable to Executive hereunder all federal, state, city and other taxes and withholdings that the Company determines are required to be withheld pursuant to any applicable law or regulation.

13. Entire Agreement. This Agreement supersedes any and all other oral or written agreements heretofore made relating to amounts payable pursuant to a change in control and constitutes the entire agreement relating to such change in control. Any existing employment agreement is hereby superseded only with regard to amounts payable pursuant to a change in control.

14. Code Section 409A. To the extent that the right to any payment under this Agreement provides for deferred compensation within the meaning of Section 409A of the Code that is not exempt from Code Section 409A as involuntary separation pay or a short-term deferral (or otherwise), a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for any payment or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision, references to a "termination," "termination of employment," or like terms shall mean "separation from service." In addition, notwithstanding any provision to the contrary in this agreement, if Executive is deemed on the date of Executive's "separation from service" (within the meaning of Code Section 409A) to be a "specified employee" (within the meaning of Code Section 409A), then with regard to any payment under this Agreement that is required to be delayed pursuant to Code Section 409A(a)(2)(B), such payment shall not be made prior to the later of (1) June 30, 2012, or (2) the earlier of (a) the expiration of the six (6) month period measured from the date of Executive's "separation from service" and (b) the date of Executive's death. Each payment under this Agreement shall be treated as a separate payment for purposes of Code Section 409A. In addition, to the extent that any reimbursement or in-kind benefit under this Agreement or under any other reimbursement or in-kind benefit plan or arrangement in which Executive participates during the term of Executive's employment under this Agreement or thereafter provides for a "deferral of compensation" within the meaning of Section 409A of the Code, (i) the amount eligible for reimbursement or in-kind benefit in one calendar year may not affect the amount eligible for reimbursement or in-kind benefit in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (ii) the right to reimbursement or an in-kind benefit is not subject to liquidation or exchange for another benefit, and (iii) subject to any shorter time periods provided herein, any such reimbursement of an expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

UNDER ARMOUR, INC.

/s/ John Stanton	/s/ Karl-Heinz Maurath
By: John Stanton	By: Karl-Heinz Maurath
SVP, General Counsel & Corporate Secretary	President, International
Title	Title

ATTACHMENT A

EMPLOYEE CONFIDENTIALITY, NON-COMPETITION, AND NON-SOLICITATION AGREEMENT

[The Form of Attachment A, the Employee Confidentiality, Non-Competition, and Non-Solicitation Agreement by and between Mr. Maurath and the Company, has been separately filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2013, as Exhibit 10.14]

ATTACHMENT B

RELEASE AGREEMENT

I understand and agree completely to the terms set forth in the Under Armour, Inc Change in Control Severance Agreement (the “Agreement”).

I understand that this Release, together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Agreement.

I hereby confirm my obligations under the Company’s Employee Confidentiality, Non-Competition and Non-Solicitation Agreement.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company and its parents, subsidiaries, successors, predecessors and affiliates, and its and their partners, members, directors, officers, employees, stockholders, shareholders, agents, attorneys, predecessors, insurers, affiliates and assigns, from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date I sign this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company or the termination of that employment; (b) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company (other than compensation and benefits accrued before any termination of employment or any rights you may have under stock option grants); (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys’ fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990 (as amended), the federal Age Discrimination in Employment Act (as amended), and the federal Employee Retirement Income Security Act of 1974 (as amended).

I understand that I may consider whether to agree to the terms contained herein for a period of twenty-one days after the date hereof. Accordingly, I will sign and return the acknowledgment copy of this Release to acknowledge my understanding of and agreement with the foregoing. Prior to my signing this Release, I was advised to consult with an attorney.

This Release will become effective, enforceable and irrevocable seven days after the date on which I sign it. During the seven-day period prior to this date, I may revoke this Release to accept the terms hereof by indicating in writing to the Company my intention to revoke. I understand that if I exercise my right to revoke hereunder, I will forfeit my right to receive any of the special benefits offered to me under the Agreement, and to the extent such payments have already been made, I agree that I will immediately reimburse the Company for the amounts of such payment.

____

By:

Date: ______________________________

Exhibit 21.01

Subsidiaries	Incorporation
Under Armour Europe B.V.	The Netherlands
Under Armour Retail, Inc.	Maryland
Global Sourcing Ltd.	Hong Kong
UA International Holdings C.V.	The Netherlands

Exhibit 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-130567, 333-129932 and 333-172423) of Under Armour, Inc. of our report dated February 21, 2014 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Baltimore, Maryland
February 21, 2014

Exhibit 31.01

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin A. Plank, certify that:

1. I have reviewed this annual report on Form 10-K of Under Armour, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2014

/s/ KEVIN A. PLANK

Kevin A. Plank
Chairman of the Board of Directors and
Chief Executive Officer

Exhibit 31.02

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brad Dickerson, certify that:

1. I have reviewed this annual report on Form 10-K of Under Armour, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2014

/s/ BRAD DICKERSON

Brad Dickerson
Chief Financial Officer

Exhibit 32.01

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Under Armour, Inc. (the “Company”) hereby certifies, to such officer's knowledge, that:

(i) the annual report on Form 10-K of the Company for the period ended December 31, 2013 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2014

/s/ KEVIN A. PLANK

Kevin A. Plank

Chairman of the Board of Directors and
Chief Executive Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Under Armour, Inc. and will be retained by Under Armour, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.02

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Under Armour, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the annual report on Form 10-K of the Company for the period ended December 31, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2014

/s/ BRAD DICKERSON

Brad Dickerson

Chief Financial Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Under Armour, Inc. and will be retained by Under Armour, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.