UNDER ARMOUR, INC.

FORM 10-K
(Annual Report)

Filed 02/23/17 for the Period Ending 12/31/16

Address	1020 HULL STREET 3RD FLOOR BALTIMORE, MD 21230
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Sector	Consumer Cyclicals
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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, 2016

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**
Class C 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, 2016 , the last business day of our most recently completed second fiscal quarter, the aggregate market value of the registrant's Class A Common Stock and Class C Common Stock held by non-affiliates was $7,311,048,606 and $6,916,196,221 , respectively.

As of January 31, 2017 , there were 183,837,686 shares of Class A Common Stock, 34,450,000 shares of Class B Convertible Common Stock and 220,242,776 shares of Class C 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 31, 2017 are incorporated by reference in Part III of this Form 10-K.

UNDER ARMOUR, INC.

ANNUAL REPORT ON FORM 10-K
TABLE OF CONTENTS

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 performance apparel and footwear 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 Connected Fitness strategy is focused on connecting with our consumers and increasing awareness and sales of our existing product offerings through our global wholesale and direct to consumer channels. We plan to engage and grow this community by developing innovative applications, services and other digital solutions to impact how athletes and fitness-minded individuals train, perform and live.

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, from product licensing and from digital platform licensing and subscriptions and digital advertising through our Connected Fitness business. 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 and distributors and sales through our direct to consumer sales channels, and license revenue from sales by our third party licensees. 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 our unaffiliated primary manufacturers operating in 18 countries outside of the United States.

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 2016 , sales of apparel, footwear and accessories represented 67% , 21% and 8% of net revenues, respectively. We introduced a new limited line of apparel and footwear product under the UAS™, or Under Armour sportswear label in 2016, and expect to continue to broaden our sportswear and lifestyle product offerings. Licensing arrangements, primarily for the sale of our products, and revenue from our Connected Fitness business represented the remaining 4% of net revenues. Refer to Note 15 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

Our footwear offerings include running, basketball, cleated, slides and performance training, and outdoor footwear. Our footwear is light, breathable and built with performance attributes for athletes. Our footwear is designed with innovative technologies including Anafoam™, UA Clutch Fit ® and Charged Cushioning ®, which provide stabilization, directional cushioning and moisture management engineered to maximize the athlete’s comfort and control.

Accessories

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

Connected Fitness

We offer digital fitness platform licenses and subscriptions, along with digital advertising through our MapMyFitness, MyFitnessPal, Endomondo and UA Record applications.

License

We have agreements with our licensees to develop Under Armour apparel, accessories and equipment. Our product, marketing and sales teams are involved in substantially all steps of the design and go to market process in order to maintain brand standards and consistency. During 2016 , our licensees offered collegiate, National Football League ("NFL) and Major League Baseball ("MLB") apparel and accessories, baby and kids’ apparel, team uniforms, socks, water bottles, eyewear and other specific hard goods equipment that feature performance advantages and functionality similar to our other product offerings.

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 NFL. We are the Official Performance Footwear Supplier of MLB and 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. We are the official headwear and performance apparel provider for the NFL Scouting Combine and the official partner and title sponsor of the NBA Draft Combine, in each case with the right to sell licensed combine training apparel and headwear. In 2016, we entered into an agreement to be the Official On-Field Uniform Supplier, Official Authentic Performance Apparel Partner, and Official Connected Fitness Partner of MLB, beginning with the 2020 season, which will allow us to provide on-field uniforms, apparel, and accessories to all thirty

MLB clubs on an exclusive basis, and, together with our manufacturing partner sell a broad range of MLB licensed merchandise. Internationally, we sponsor and sell our products to several European and Latin American soccer and rugby teams, which helps drive brand awareness in various countries and regions around the world.

We also seek to sponsor events to drive awareness and brand authenticity from a grassroots level. We host combines, camps and clinics for athletes in many sports at regional sites across the country. 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 and mobile media 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 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, Europe, the Middle East and Africa ("EMEA"), Latin America and Asia-Pacific operating segments, and through websites globally. 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 2016 , sales through our wholesale, direct to consumer, licensing and Connected Fitness channels represented 65% , 31% , 2% 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) EMEA, (3) Asia-Pacific, 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. We also operate our Connected Fitness business as a separate segment. Due to the individual materiality of our Asia-Pacific segment, we have separately presented our Asia-Pacific, EMEA and Latin America segments, as of December 31, 2016, and will no longer combine these segments for presentation purposes. Net revenues by segment presented for prior periods has been conformed to the current presentation. The following table presents net revenues by segment for each of the years ending December 31, 2016 , 2015 and 2014 :

(In thousands)	Year ended December 31, 2016 Net Revenues	2016 % of Net Revenues	2015 Net Revenues	2015 % of Net Revenues	2014 Net Revenues	2014 % of Net Revenues
North America	$ 4,005,314	83.0 %	$ 3,455,737	87.2%	$ 2,796,390	90.7%
EMEA	330,584	6.9	203,109	5.1	134,118	4.3
Asia-Pacific	268,607	5.6	144,877	3.7	70,419	2.3
Latin America	141,793	2.9	106,175	2.7	64,234	2.1
Connected Fitness	80,447	1.6	53,415	1.3	19,209	0.6
Intersegment Eliminations	(1,410)	—	—	—	—	—
Total net revenues	$ 4,825,335	100.0 %	$ 3,963,313	100.0%	$ 3,084,370	100.0%

North America

Our North America segment accounted for approximately 83% of our net revenues for 2016 . 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 the United States were $3.8 billion , $3.3 billion and $2.6 billion for the years ended December 31, 2016 , 2015 and 2014 respectively and, with the exception of goodwill and intangible assets disclosed in Note 4 to the Consolidated Financial Statements, the majority of our long-lived assets were located in the United States. Our largest customer, Dick's Sporting Goods, accounted for approximately 10% of our net revenues in 2016 . No other customers accounted for 10% or more of our net revenues.

Our direct to consumer sales are generated through our brand and factory house stores, along with internet websites. As of December 31, 2016 , we had 151 factory house stores in North America primarily located in outlet centers throughout the United States. As of December 31, 2016 , we had 18 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 revenue in North America based on our licensees' collegiate and MLB apparel and accessories, baby and kids' apparel, team uniforms, socks, water bottles, eyewear and inflatable footballs and basketballs and other specific hard goods equipment. 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, Maryland and Tennessee. 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 factories that manufacture our products directly to customer-designated facilities.

International

Approximately 15.4% of our net revenues were generated from our international segments in 2016 . 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 primarily through wholesale customers, website operations, independent distributors and a limited number of stores we operate in certain European countries. We also sell our branded products to various sports clubs and teams in Europe. We generally distribute our products to our retail customers and e-commerce consumers in Europe through a third-party logistics provider. We sell our apparel, footwear and accessories primarily through independent distributors in the Middle East and Africa.

Asia-Pacific

We sell our apparel, footwear and accessories products in China, South Korea, and Australia through stores operated by our distribution and wholesale partners, along with website operations and stores we operate. Prior to late 2016, our products were sold through a license in South Korea. We also sell our products to distributors in New Zealand, Taiwan, Hong Kong and other countries in Southeast Asia where we do not have direct sales operations. We distribute our products in Asia-Pacific primarily through a third-party logistics provider based out of Hong Kong.

We have a license agreement with Dome Corporation, which produces, markets and sells our branded apparel, footwear and accessories in Japan. Our branded products are sold in Japan to large sporting goods retailers, independent specialty stores and professional sports teams, and through licensee-owned retail stores. We hold a cost-based minority investment in Dome.

Latin America

We sell our products in Mexico, Chile and Brazil through wholesale customers, website operations and brand and factory house stores. In these countries we operate through third-party distribution facilities. In other Latin American countries we distribute our products through independent distributors which are sourced through our international distribution hubs in Hong Kong, Jordan and the United States.

Connected Fitness

In 2013, we began offering digital fitness subscriptions and licenses, along with digital advertising through our MapMyFitness platform. In 2014, we introduced the UA Record platform and in 2015, we acquired the Endomondo and MyFitnessPal platforms to create our Connected Fitness business. Approximately 1.6% of our net revenues were generated from our Connected Fitness business in 2016 . We plan to engage and grow this community by developing innovative applications, services and other digital solutions to impact how athletes and fitness-minded individuals train, perform and live.

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 teams. 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 ColdGear® Infrared product, which is a ceramic print technology on the inside of our garments that provides athletes with lightweight warmth, and Speedform ® , a proprietary 3-dimensional molding technology for footwear which delivers superior fit and feel. In 2016, we introduced UA CoolSwitch, a fabric treatment with sweat-activated cooling technology and Threadborne, a soft micro-engineered fabric that provides lightweight directional strength and support at the yarn level.

Sourcing, Manufacturing and Quality Assurance

Many of the specialty fabrics and other raw materials used in our apparel 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 apparel products are sourced by our contracted manufacturers from a limited number of suppliers pre-approved by us. In 2016 , approximately 52% of the fabric used in our apparel products came from five suppliers. These fabric suppliers have primary locations in Taiwan, Malaysia and Mexico . 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. We also use cotton in our apparel products, as blended fabric and also in our CHARGED COTTON® line. Cotton is a commodity that is subject to price fluctuations and supply shortages. Additionally, our footwear uses raw materials that are sourced from a diverse base of third party suppliers. This includes chemicals and petroleum-based components such as rubber that are also subject to price fluctuations and supply shortages.

Substantially all of our products are manufactured by unaffiliated manufacturers. In 2016 , our apparel and accessories products were manufactured by 39 primary contract manufacturers, operating in 18 countries, with approximately 60% of our apparel and accessories products manufactured in Jordan, Vietnam, China and Malaysia. Of our 39 primary contract manufacturers, 10 produced approximately 57% of our apparel and accessories products. In 2016 , our footwear products were manufactured by seven primary contract manufacturers, operating primarily in China, Vietnam and Indonesia. Of our seven primary contract manufacturers, three produced approximately 70% of our footwear products. All manufacturers are evaluated for quality systems, social compliance and financial strength by our internal teams 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 contract 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 subsidiaries in Hong Kong, Panama, Vietnam, Indonesia, China and Taiwan to support our manufacturing, quality assurance and sourcing efforts for our products. We also manufacture a limited number of products primarily for high-profile athletes and teams, on-premises in our quick turn, Special Make-Up Shop located at one of our 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 ARMOURBITE ®, ARMOURSTORM ®, ARMOUR ® FLEECE, and ARMOUR BRA ®. We also own applications to protect new connected fitness branding such as UA RECORD™, UA HEALTHBOX™ and UNDER ARMOUR CONNECTED FITNESS™. We 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. In addition, patents are increasingly important with respect to our innovative products and new businesses and investments, particularly in our Connected Fitness business. As we continue to expand and 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 new products, innovations and designs. We expect the number of applications to increase as our business grows and as we continue to expand our products and 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, 2016 , we had approximately 15,200 employees, including approximately 9,400 in our brand and factory house stores and approximately 2,000 at our distribution facilities. Approximately 6,500 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, the implementation of our marketing and branding strategies and future benefits and opportunities from acquisitions and other significant investments. 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 overall consumer spending or our industry;
- changes to the financial health of our customers;
- our ability to effectively manage our growth and a more complex global business;
- our ability to comply with existing trade and other regulations, and the potential impact of new trade and tax regulations on our profitability;
- our ability to successfully manage or realize expected results from acquisitions and other significant investments or capital expenditures;
- 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, including due to port disruptions;
- 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;
- risks related to foreign currency exchange rate fluctuations;
- our ability to effectively market and maintain a positive brand image;
- the availability, integration and effective operation of information systems and other technology, as well as any potential interruption of such systems or technology;
- risks related to data security or privacy breaches;
- our ability to raise additional capital required to grow our business on terms acceptable to us;
- our potential exposure to litigation and other proceedings; and
- our ability to attract key talent 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, which may slow our growth more than we anticipate. A downturn in the economies in markets in which we sell our products, particularly in North America, may materially harm our sales, profitability and financial condition.

We derive a substantial portion of our sales from large wholesale customers. If the financial condition of our customers declines, our financial condition and results of operations could be adversely impacted.

In 2016 , sales through our wholesale channel represented approximately 65% of our net revenues. We extend credit to our wholesale 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, customers may be more cautious with orders or may slow investments necessary to maintain a high quality in-store experience for consumers, which may result in lower sales of our products. 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 customers. From time to time certain of our customers have experienced financial difficulties. To the extent one or more of our customers experience significant financial difficulty, bankruptcy, insolvency or cease operations, this could have a material 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 2016 , approximately 10% of our net revenues were generated from sales to our largest customer. We currently do not enter into long term sales contracts with this customer 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 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. In addition, our customers continue to experience ongoing industry consolidation. As this consolidation continues, it increases the risk that if any one customer significantly reduces their purchases of our products, we may be unable to find sufficient alternative customers to sustain similar net revenue growth.

We must continue to effectively manage our growth and the increased complexity of a global business or we may not achieve our long-term growth targets and our brand image, net revenues and profitability may decline.

We have expanded our business and operations rapidly since our inception and our net revenues have increased to $4,825.3 million in 2016 from $1,834.9 million in 2012. Our long-term growth strategy depends on our ability to not only maintain strong growth throughout our business, but to also successfully execute on strategic growth initiatives in key areas, such as our international business, footwear and our global direct to consumer sales channel. Our growth in these areas depends on our ability to continue to successfully expand our global network of brand and factory house stores, grow our e-commerce and mobile application offerings throughout the world and continue to successfully increase our product offerings and market share in footwear. Our ability to invest in these growth initiatives in the near-term also depends on our ability to maintain net revenue growth in North America (our largest market), which represented 83% of our total net revenues in 2016 . If we cannot effectively execute our long-term growth strategies while managing costs effectively, our business and results of operations could be negatively impacted.

In addition to successfully executing on our long-term growth strategies, we must also continue to successfully manage the operational difficulties associated with expanding our business to meet increased consumer demand throughout the world. 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 must also continually evaluate the need to expand critical functions in our business, including sales and marketing, product development and distribution functions, our management information systems and other processes and technology. To support these functions, we must hire, train and manage an increasing number of employees, and obtain more space to support our expanding workforce. We may not be successful in undertaking these types of initiatives cost effectively or at all, and could experience serious operating difficulties if we fail to do so. These growth efforts could also increase the strain on our existing resources. If we experience difficulties in supporting the growth of our business, we could experience an erosion of our brand image and a decrease in net revenues and net income.

If we fail to successfully manage or realize expected results from acquisitions and other significant investments, it may have a material adverse effect on our results of operations and financial position.

From time to time we may engage in acquisition opportunities we believe are complementary to our business and brand. For example, as part of our ongoing business strategy we have engaged in acquisitions to grow and enhance our Connected Fitness business. In order to successfully execute this strategy, we must manage the integration of acquired companies and employees successfully. Because our Connected Fitness business is a relatively new line of business for us, these challenges may be more pronounced. Integrating acquisitions can also require significant efforts and resources, which could divert management attention from more profitable business operations.

Failing to successfully integrate acquired entities and businesses or to produce results consistent with financial models used in the analysis of our acquisitions could potentially result in an impairment of goodwill and intangible assets, which could have a material adverse effect on our results of operations and financial position. In addition, we may not be successful in our efforts to continue to grow the number of users, maintain or increase user engagement or ultimately realize expected revenues from our Connected Fitness community. For example, we may not successfully increase sales of our apparel, footwear and accessory products to these users. Any of these developments could have a material adverse effect on our results of operations and financial position.

If we are unable to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products, our net revenues and profitability may be negatively impacted.

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.

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. If we fail to introduce technical innovation in our products, consumer demand for our products could decline. In addition, if we experience problems with the quality of our products, we may incur substantial expense to remedy the problems. Our failure to anticipate and respond timely to changing consumer preferences or 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 or at-once orders 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 continue to grow, our ability to continue to grow our business in line with our expectations could be adversely impacted.

We operate in highly competitive markets 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 pricing.

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 negatively impact our margins and 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 2016 , 10 manufacturers produced approximately 57% of our apparel and accessories products, and three manufacturers produced approximately 70% of our footwear 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 North America. During the year ended December 31, 2016 , 83% of our net revenues were earned in our North America segment. 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 2016 , our products were manufactured by 39 primary manufacturers, operating in 18 countries, with 10 manufacturers accounting for approximately 57% of our apparel and accessories products, and three manufacturers accounting for approximately 70% of our footwear products. Approximately 60% of our apparel and accessories products were manufactured in Jordan, Vietnam, China and Malaysia. 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 credit facility 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 our credit facility. The credit agreement contains negative covenants that, subject to significant exceptions limit our ability, among other things to incur additional indebtedness, make restricted payments, pledge assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. 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. If an event of default occurs, the commitments of the lenders under the credit agreement may be terminated and the maturity of amounts owed may be accelerated.

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. We have utilized cash on hand and cash generated from operations, accessed our credit facility and issued debt securities as sources of liquidity. 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. Our ability to access the credit and capital markets in the future as a source of liquidity, and the borrowing costs associated with such financing, are dependent upon market conditions and our credit rating and outlook. In addition, equity 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 publicly traded 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 selling season, including our higher price cold weather products, along with a larger proportion of higher margin direct to consumer sales. The majority of our net revenues were generated during the last two quarters in each of 2016 , 2015 and 2014 , 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 publicly traded stock to fluctuate significantly.

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

Although we currently generate 80% 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.

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

Our ability to achieve our growth targets could be impacted if negative publicity diminishes the appeal of our brand to consumers. For example, 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, including our code of conduct. We do not control these suppliers, manufacturers or licensees or their labor practices. A violation, or alleged 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 production methods, alleged practices or workplace or related conditions 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 a limited number of locations, our operations could also be interrupted by floods, fires or other natural disasters in these locations, 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 or interruption of that technology could harm our ability to effectively operate our business.

Our business relies on information technology. 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. We also heavily rely on information systems to process financial and accounting information for financial reporting purposes. Any of these information systems could fail or experience a service interruption for a number of reasons, including computer viruses, programming errors, hacking or other unlawful activities, disasters or our failure to properly maintain system redundancy or protect, repair, maintain or upgrade our systems. The failure of our information 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, which could negatively impact our financial results. If we experienced any significant disruption to our financial information systems that we are unable to mitigate, our ability to timely report our financial results could be impacted, which could negatively impact our stock price. We also communicate electronically throughout the world with our employees and with third parties, such as customers, suppliers, vendors and consumers. A service interruption or shutdown could negatively impact our operating activities. Remediation and repair of any failure, problem or breach of our key information systems could require significant capital investments.

In addition, we interact with many of our consumers through both our e-commerce website and our mobile applications. Consumers increasingly utilize these services to purchase our products and to engage with our Connected Fitness community. If we are unable to continue to provide consumers a user-friendly experience and evolve our platform to satisfy consumer preferences, the growth of our e-commerce business and our net revenues may be negatively impacted. The performance of our Connected Fitness business is dependent on reliable performance of its products, applications and services and the underlying technical infrastructure, which incorporate complex software. If this software contains errors, bugs or other vulnerabilities which impede or halt service, this could result in damage to our reputation and brand, loss of users or loss of revenue.

Data security or privacy breaches could damage our reputation, cause us to incur additional expense, expose us to litigation and adversely affect our business.

We collect sensitive and proprietary business information as well as personally identifiable information in connection with digital marketing, digital commerce, our in-store payment processing systems and our Connected Fitness business. In particular, in our Connected Fitness business we collect and store a variety of information regarding our users, and allow users to share their personal information with each other and with third parties. Hackers and data thieves are increasingly sophisticated and operate large scale and complex automated attacks. Any breach of our data security could result in an unauthorized release or transfer of customer, consumer, user or employee information, or the loss of valuable business data or cause a disruption in our business. These events could give rise to unwanted media attention, damage our reputation, damage our customer, consumer or user relationships and result in lost sales, fines or lawsuits. We may also be required to expend significant capital and other resources to protect against or respond to or alleviate problems caused by a security breach.

We must also comply with increasingly complex regulatory standards throughout the world enacted to protect personal information and other data, particularly with respect to our Connected Fitness business. Compliance with existing and proposed laws and regulations can be costly and could negatively impact our profitability. In addition, an inability to maintain compliance with these regulatory standards could subject us to litigation or other regulatory proceedings or cause the size of our Connected Fitness community to decline.

We are in the process of implementing a new operating and information system, which involves risks and uncertainties that could adversely affect our business.

We are in the process of implementing a global operating and financial reporting information technology system as part of a multi-year plan to integrate and upgrade our systems and processes, which began in 2015 and will continue in phases over the next several years. We plan to substantially complete the migration of our North America, EMEA and Connected Fitness operations to this system during 2017, and are in the process of developing an implementation strategy and roll-out plan for our Asia-Pacific and Latin American regions. Implementation of new information systems involves risks and uncertainties. Any disruptions, delays, or deficiencies in the design or implementation of these systems could result in increased costs, disruptions in our ability to effectively source, sell or ship our products, delays in the collection of payment from our customers or adversely affect our ability to timely report our financial results, all of which could materially adversely affect our business, results of operations, and financial condition.

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. Many of the countries in which we do business have or are expected to adopt changes to tax laws as result of the Base Erosion and Profit Shifting final proposals from the Organization for Economic Co-operation and Development and specific country anti-avoidance initiatives. We regularly assess all of these matters to determine the adequacy of our tax provision, which is subject to significant judgment. In addition, significant tax law changes are being evaluated by the Federal Government of the United States, our most significant country of operation. Such tax law changes, if enacted, could materially increase our tax obligations, which would have a material adverse effect on our results of operations.

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 the ongoing expansion of our network of brand and factory house stores and our distribution facilities, the expansion of our corporate headquarters, investments to implement our global operating and financial reporting information technology system, or investments in our Connected Fitness business. These investments require substantial cash investments and management attention. We believe cost effective investments are essential to business growth and profitability. The failure of any significant investment to provide the returns or synergies we expect could adversely affect our financial results. Infrastructure investments may also divert funds from other potential business opportunities.

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, innovation, 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.

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 or providing 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, particularly in our Connected Fitness business. 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 or providing 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.

The trading prices for our Class A and Class C common stock may differ and fluctuate from time to time .

The trading prices of our Class A and Class C common stock may differ and fluctuate from time to time in response to various factors, some of which are beyond our control. These factors may include, among others, overall performance of the equity markets and the economy as a whole, variations in our quarterly results of operations or those of our competitors, our ability to meet our published guidance and securities analyst expectations, or recommendations by securities analysts. In addition, our Class C common stock has traded at a discount to and with less liquidity than our Class A common stock, and there can be no assurance that this will not continue.

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

Our Class A common stock has one vote per share, our Class B common stock has 10 votes per share and our Class C common stock has no voting rights (except in limited circumstances). Our Chairman and Chief Executive Officer, Kevin A. Plank, beneficially owns all outstanding shares of Class B common 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. The Class B common stock automatically converts to Class A common stock when Mr. Plank beneficially owns less than 15.0% of the total number of shares of Class A and Class B common stock outstanding and in other limited circumstances. This concentration of voting control may have various effects including, but not limited to, delaying or preventing a change of control or allowing us to take action that the majority of our shareholders do not otherwise support. In addition, we utilize shares of our Class C common stock to fund employee equity incentive programs and may do so in connection with future stock-based acquisition transactions, which could prolong the duration of Mr. Plank's voting control.

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, 2016 .

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 126 thousand square feet that we are leasing. In 2016, we purchased buildings and parcels of land, including approximately 58 acres of land and 130 thousand square feet of office space, to be utilized to expand our corporate headquarters to accommodate our growth needs. For our European headquarters, we lease an office in Amsterdam, the Netherlands, and we maintain an international management office in Panama. Additionally, we lease space in Austin, Texas, Denver, Colorado, San Francisco, California and Copenhagen, Denmark for our Connected Fitness businesses.

We lease our primary distribution facilities, which are located in Glen Burnie, Maryland, Mount Juliet, Tennessee and Rialto, California. Our Glen Burnie facilities include a total of 830 thousand square feet, with options to renew various portions of the facilities through September 2021. Our Mount Juliet facility is a 1.0 million square foot facility, with options to renew the lease term through December 2041. Our Rialto facility is a 1.2 million square foot facility with a lease term through May 2023. In 2016 we entered into a lease for a new 1.3 million square foot distribution facility being developed for us in Baltimore, Maryland, which we expect to utilize beginning in 2018. The lease for this property includes options to renew through 2053. We believe our distribution facilities and space available through our third-party logistics providers will be adequate to meet our short term needs.

In addition, as of December 31, 2016 , we leased 241 brand and factory house stores located primarily in the United States, Brazil, Canada, China, Chile and Mexico with lease end dates in 2017 through 2033 . 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. See Note 6 to our Consolidated Financial Statements for information on certain legal proceedings, which is incorporated by reference herein.

Executive Officers of the Registrant

Our executive officers are:

Name	Age	Position
Kevin A. Plank	44	Chief Executive Officer and Chairman of the Board
David E. Bergman	44	Chief Financial Officer
Colin Browne	53	President of Global Sourcing
Kerry D. Chandler	52	Chief Human Resources Officer
Paul Fipps	44	Chief Information Officer and Executive Vice President, Global Operations
Kip J. Fulks	44	Chief Product Officer
Jason LaRose	43	President of North America
Michael Lee	46	Chief Digital Officer
Karl-Heinz Maurath	55	Chief Revenue Officer
John Stanton	56	Senior Vice President General Counsel and Corporate Secretary

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.

David E. Bergman was appointed as the acting Chief Financial Officer in February 2017. Mr. Bergman joined the Company in 2005 and has served in various Finance and Accounting leadership roles for the Company, including Corporate Controller from early 2006 to October 2014, Vice President of Finance and Corporate Controller from November 2014 to January 2016, Senior Vice President, Corporate Finance from February 2016 to January 2017. Prior to joining the Company, Mr. Bergman worked as a C.P.A. within the audit and assurance practices at Ernst & Young LLP and Arthur Andersen LLP.

Colin Browne has been President of Global Sourcing since September 2016. Prior to joining our Company, he served as Vice President and Managing Director for VF Corporation, leading its sourcing and product supply organization in Asia and Africa from November 2013 to August 2016 and as Vice President of Footwear Sourcing from November 2011 to October 2013. Prior thereto, Mr. Browne served as Executive Vice President of Footwear and Accessories for Li and Fung Group LTD from September 2010 to November 2011 and Chief Executive Officer, Asia for Pentland Brands PLC from April 2006 to January 2010. Mr. Browne has over 25 years of experience leading sourcing efforts for large brands.

Kerry D. Chandler has been Chief Human Resources Officer since January 2015. Prior to joining our Company, she served as Global Head of Human Resources for Christie's International from February 2014 to November 2014. Prior thereto, Ms. Chandler served as the Executive Vice President of Human Resources for the National Basketball Association from January 2011 to January 2014 and Senior Vice President of Human Resources from October 2007 to December 2010. Ms. Chandler also held executive positions in human resources for the Walt Disney Company, including Senior Vice President of Human Resources for ESPN. Prior to that, Ms. Chandler also held various senior management positions in Human Resources for IBM, and Motorola, Inc. and she began her career at the McDonnell Douglas Corporation.

Paul Fipps has been Chief Information Officer since March 2015 and Executive Vice President of Global Operations since September 2016. Prior to that, he served as Senior Vice President of Global Operations from January 2014 to February 2015. Prior to joining our Company, he served as Chief Information Officer and Corporate Vice President of Business Services at The Charmer Sunbelt Group (CSG), a leading distributor of fine wines, spirits, beer, bottled water and other beverages from May 2009 to December 2013, as Vice President of Business Services from January 2007 to April 2009 and in other leadership positions for CSG from 1998 to 2007.

Kip J. Fulks has been Chief Product Officer since August 2016 with oversight of category management, marketing, product, design, merchandising, innovation and sourcing . Prior to that, he served as Chief Marketing Officer from November 2015 to July 2016, President of Footwear and Innovation from March 2015 to October 2015, Chief Operating Officer from September 2011 to February 2015 and as President of Product from October 2013 to November 2014. Prior thereto, Mr. Fulks served in various senior management positions in Product, Outdoor, Sourcing, Quality Assurance and Product Development from 1997 to 2011.

Jason LaRose has been President of North America since October 2016. Prior to that, he served as Senior Vice President of Digital Revenue from April 2015 to September 2016 and Senior Vice President of Global E-Commerce from October 2013 to March 2015. Prior to joining our Company, he served as Senior Vice President of E-Commerce for Express, Inc. from September 2011 to September 2013. Prior thereto, Mr. LaRose served as Vice President of Multi-Channel and International Business for Sears Holding Corporation from January 2007 to September 2011. Mr. LaRose also spent five years at McKinsey & Company where he was an Associate Principal in both the Retail and Consumer Goods practices.

Michael Lee has been Chief Digital Officer since July 2016, with primary responsibility for the overall strategic direction of Under Armour's Connected Fitness business and prior to that served as Senior Vice President of Digital from March 2015 to June 2016. Mr. Lee joined our Company in March 2015 when Under Armour acquired MyFitnessPal. Mr. Lee co-founded MyFitnessPal in September 2005 and built it to the world's largest health and nutrition community. Prior to founding MyFitnessPal and throughout his 20-year tenure in the technology industry, Mr. Lee has held leadership positions at several other top start-ups in Silicon Valley, including Palm, Handspring, Beyond.com and Regis McKenna.

Karl-Heinz (Charlie) Maurath has been Chief Revenue Officer since November 2015. Prior thereto he served as President of International from September 2012 to October 2015. 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 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 trial court ruled that there were currently no grounds upon which to indict Mr. Maurath, and in December 2016, the case was dismissed. The dismissal has been appealed. The Company believes this in no way impacts Mr. Maurath's integrity or ability to serve as an executive officer.

John Stanton has been Senior Vice President, General Counsel since March 2013, and Corporate Secretary since February 2008. Prior thereto, he served as Vice President, Corporate Governance and Compliance from October 2007 to February 2013 and Deputy General Counsel from February 2006 to September 2007. Prior to joining our Company, he served in various legal roles at MBNA Corporation from 1993 to 2005, including as Senior Executive Vice President, Corporate Governance and Assistant Secretary. He began his legal career at the law firm Venable, LLP.

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 and Class C Common Stock are traded on the New York Stock Exchange ("NYSE") under the symbols "UAA" and "UA", respectively. As of January 31, 2017, there were 1,408 record holders of our Class A Common Stock, 4 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, and 1,208 record holders of our Class C Common Stock.

Our Class A Common Stock was listed on the NYSE under the symbol "UA" until December 6, 2016 and under the symbol "UAA" since December 7, 2016. Prior to November 18, 2005, there was no public market for our Class A Common Stock. The following table sets forth by quarter the high and low sale prices of our Class A Common Stock on the NYSE during 2016 and 2015 .

	High	Low
2016		
First Quarter (January 1 – March 31)	$ 43.42	$ 31.62
Second Quarter (April 1 – June 30)	47.95	35.35
Third Quarter (July 1 – September 30)	44.68	37.23
Fourth Quarter (October 1 – December 31)	39.20	29.00
2015		
First Quarter (January 1 – March 31)	$ 41.33	$ 31.89
Second Quarter (April 1 – June 30)	44.08	38.08
Third Quarter (July 1 – September 30)	52.94	40.06
Fourth Quarter (October 1 – December 31)	52.37	38.89

Our Class C Common Stock was listed on the NYSE under the symbol "UA.C" since its initial issuance on April 8, 2016 and until December 6, 2016 and under the symbol "UA" since December 7, 2016. The following table sets forth by quarter the high and low sale prices of our Class C Common Stock on the NYSE during 2016 .

	High	Low
2016		
First Quarter (January 1 – March 31)	$ —	$ —
Second Quarter (April 1 – June 30)	46.20	31.31
Third Quarter (July 1 – September 30)	42.94	33.16
Fourth Quarter (October 1 – December 31)	34.29	23.51

Stock Split

On March 16, 2016, the Board of Directors approved the issuance of the Company's new Class C non-voting common stock, referred to as the Class C stock. The Class C stock was issued through a stock dividend on a one-for-one basis to all existing holders of the Company's Class A and Class B common stock. The shares of Class C stock were distributed on April 7, 2016, to stockholders of record of Class A and Class B common stock as of March 28, 2016. Stockholders' equity and all references to share and per share amounts in the accompanying consolidated financial statements have been retroactively adjusted to reflect this one-for-one stock dividend.

Unregistered Sales of Equity Securities

From October 1, 2016 through December 31, 2016, we entered into contractual arrangements to issue 300,211 deferred stock units automatically exchangeable for shares of Class C Common Stock on a one-for-one basis to one or more of our marketing partners in connection with their entering into endorsement and other marketing services agreements with us. These offers of our securities were made in reliance upon Section 4(2) under the Securities Act and did not involve any public offering. We did not receive any cash consideration in connection with these arrangements.

Dividends

No cash dividends were declared or paid during 2016 or 2015 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 5 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	Class of Common Stock	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	Class A	5,385,553	$ 4.92	9,930,954
Equity compensation plans approved by security holders	Class C	6,546,531	$ 4.71	23,703,858
Equity compensation plans not approved by security holders	Class A	2,103,365	$ 4.66	—
Equity compensation plans not approved by security holders	Class C	2,418,503	$ 4.59	—

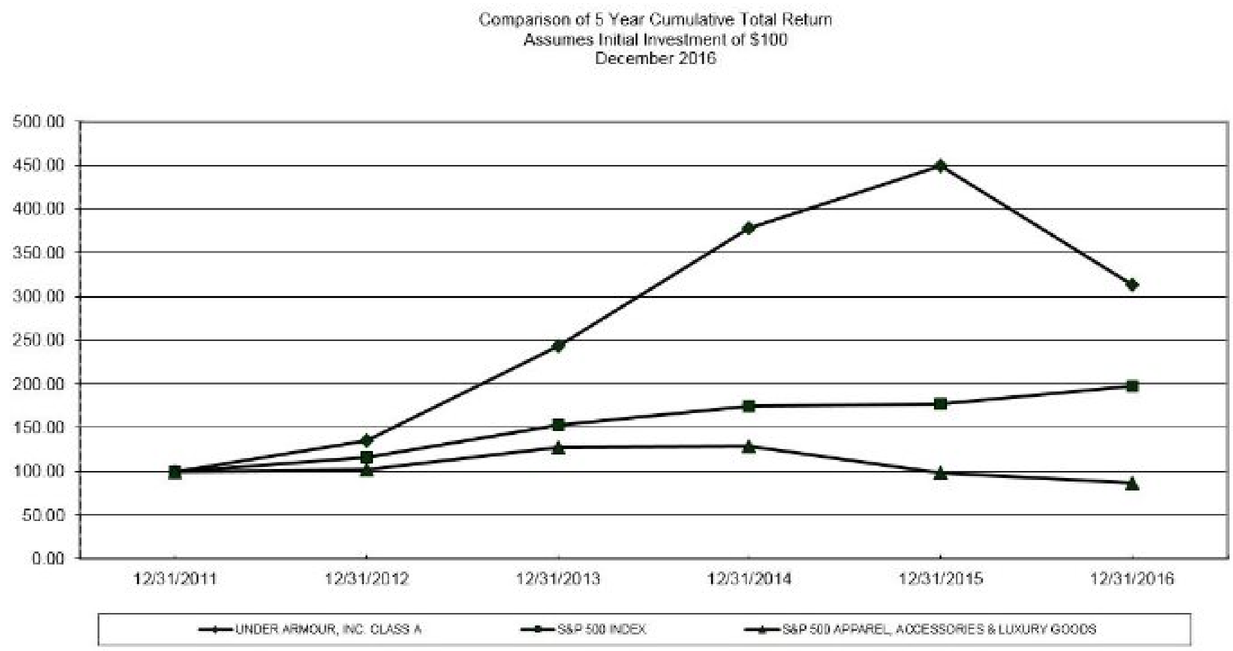
The number of securities to be issued upon exercise of outstanding options, warrants and rights issued under equity compensation plans approved by security holders includes 3.3 million Class A and 5.0 million Class C restricted stock units and deferred stock units issued to employees, non-employees and 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 7.2 million shares of our Class A Common Stock and 22.0 million shares of our Class C Common Stock under our Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan (“2005 Stock Plan”). The number of securities remaining available for future issuance under our Employee Stock Purchase Plan includes 2.7 million of our Class A Common Stock and 1.7 million shares of our Class C Common Stock. 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 and C Common Stock and other equity awards. Refer to Note 11 to the Consolidated Financial Statements for information required by this Item regarding the material features of each plan.

The number of securities issued upon exercise of outstanding options, warrants and rights issued under equity compensation plans not approved by security holders includes 1.92 million Class A and 1.93 million Class C fully vested and non-forfeitable warrants granted in 2006 to NFL Properties LLC as partial consideration for footwear promotional rights, and 183.4 thousand shares of our Class A Common Stock and 484.9 thousand shares of our Class C Common Stock issued in connection with the delivery of shares pursuant to deferred stock units granted to certain of our marketing partners. These deferred stock units are not included in the weighted average exercise price calculation above.

Refer to Note 11 to the Consolidated Financial Statements for a further discussion on the warrants. The deferred stock units are issued to certain of our marketing partners in connection with their entering into endorsement and other marketing services agreements with us. The terms of each agreement set forth the number of deferred stock units to be granted and the delivery dates for the shares, which range from a 1 to 10 year period, depending on the contract. The deferred stock units are non-forfeitable.

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 S&P 500 Index and S&P 500 Apparel, Accessories and Luxury Goods Index from December 31, 2011 through December 31, 2016. The graph assumes an initial investment of $100 in Under Armour and each index as of December 31, 2011 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.



	12/31/2011		12/31/2012		12/31/2013		12/31/2014		12/31/2015		12/31/2016
Under Armour, Inc.	$	100.00	$	135.17	$	243.26	$378.43	$	449.19	$	313.38
S&P 500	$	100.00	$	116.00	$	153.57	$	174.60	$	177.01	$	198.18
S&P 500 Apparel, Accessories & Luxury Goods	$	100.00	$	102.58	$	128.15	$	129.42	$	98.65	$	87.51

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)	2016	2015	2014	2013	2012
Net revenues	$ 4,825,335	$ 3,963,313	$ 3,084,370	$ 2,332,051	$ 1,834,921
Cost of goods sold	2,584,724	2,057,766	1,572,164	1,195,381	955,624
Gross profit	2,240,611	1,905,547	1,512,206	1,136,670	879,297
Selling, general and administrative expenses	1,823,140	1,497,000	1,158,251	871,572	670,602
Income from operations	417,471	408,547	353,955	265,098	208,695
Interest expense, net	(26,434)	(14,628)	(5,335)	(2,933)	(5,183)
Other expense, net	(2,755)	(7,234)	(6,410)	(1,172)	(73)
Income before income taxes	388,282	386,685	342,210	260,993	203,439
Provision for income taxes	131,303	154,112	134,168	98,663	74,661
Net income	256,979	232,573	208,042	162,330	128,778
Adjustment payment to Class C	59,000	—	—	—	—
Net income available to all stockholders	$ 197,979	$ 232,573	$ 208,042	$ 162,330	$ 128,778
Net income available per common share					
Basic net income per share of Class A and B common stock	$ 0.45	$ 0.54	$ 0.49	$ 0.39	$ 0.31
Basic net income per share of Class C common stock	$ 0.72	$ 0.54	$ 0.49	$ 0.39	$ 0.31
Diluted net income per share of Class A and B common stock	$ 0.45	$ 0.53	$ 0.47	$ 0.38	$ 0.30
Diluted net income per share of Class C common stock	$ 0.71	$ 0.53	$ 0.47	$ 0.38	$ 0.30
Weighted average common shares outstanding Class A and B common stock					
Basic	217,707	215,498	213,227	210,696	208,686
Diluted	221,944	220,868	219,380	215,958	212,760
Weighted average common shares outstanding Class C common stock					
Basic	218,623	215,498	213,227	210,696	208,686
Diluted	222,904	220,868	219,380	215,958	212,760
Dividends declared	$ 59,000	$ —	$ —	$ —	$ —

Our net revenues for the full year 2016 were $4,825.3 million , which reflects a revision from the $4,828.2 million reported in our earnings release, filed January 31, 2017 , on Form 8-K. This revision reflects a $2.9 million adjustment related to a return credit for footwear that was identified in connection with the closing of our January 2017 books and records, following the earnings release. As a result, other items on our Consolidated Financial Statements have been appropriately adjusted from the amounts provided in the earnings release, including a reduction of our full year 2016 gross profit and income from operations by $2.9 million , and a reduction of net income by $1.7 million .

	At December 31,				
(In thousands)	2016	2015	2014	2013	2012
Cash and cash equivalents	$ 250,470	$ 129,852	$ 593,175	$ 347,489	$ 341,841
Working capital (1)	1,279,337	1,019,953	1,127,772	702,181	651,370
Inventories	917,491	783,031	536,714	469,006	319,286
Total assets	3,644,331	2,865,970	2,092,428	1,576,369	1,155,052
Total debt, including current maturities	817,388	666,070	281,546	151,551	59,858
Total stockholders' equity	$ 2,030,900	$ 1,668,222	$ 1,350,300	$ 1,053,354	$ 816,922

(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. The Under Armour Connected Fitness platform powers the world's largest digital health and fitness community and our strategy is focused on engaging with these consumers and increasing awareness and sales of our products. We plan to grow this community by developing innovative applications, services and other digital solutions to impact how athletes and fitness-minded individuals train, perform and live.

Our net revenues grew to $4,825.3 million in 2016 from $1,834.9 million in 2012 . 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 and engaging with consumers through our Connected Fitness business.

Financial highlights for full year 2016 include:

- Net revenues increased 22% compared to 2015 .
- Wholesale and Direct-to-Consumer revenues increased 19% and 27% , respectively.
- Apparel revenue increased 15% compared to the prior year, with footwear and accessories revenue increasing 49% and 17% , respectively.
- Revenue in our North America segment grew 16% . Revenue in our Asia-Pacific, EMEA and Latin America segments grew 85% , 63% and 34% , respectively, with 51% growth in our Connected Fitness segment.
- Selling, general and administrative expense increased 22% when compared to 2015 .
- Gross margin decreased 170 basis points when compared to 2015 .

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 Europe, Latin America, and Asia-Pacific. In addition, a third party licensee sells our products in Japan.

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 the fourth quarter of 2016, our growth was challenged due to the disruption of the North American retail environment. In addition, we expect our operating income in 2017 to decline compared to 2016. As such, we are in the process of evaluating our cost structure, and are making strategic resource allocation and prioritization decisions during 2017. These initiatives could impact our results of operations. 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 net sales, license revenues and Connected Fitness revenues. Net sales comprise sales from our primary product categories, which are apparel, footwear and accessories. Our license revenues primarily consist of fees paid to us by our licensees in exchange for the use of our trademarks on their products. Our Connected Fitness revenues consist of digital advertising, digital fitness platform licenses and subscriptions from our Connected Fitness business.

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. A limited portion of cost of goods sold is associated with license and Connected Fitness revenues, primarily website hosting costs.

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 $89.9 million , $63.7 million and $55.3 million for the years ended December 31, 2016 , 2015 and 2014 , respectively.

Our selling, general and administrative expenses consist of costs related to marketing, selling, product innovation and supply chain and corporate services. Beginning in 2015, we consolidated our selling, general and administrative expenses into two primary categories: marketing and other. The other category is the sum of our previously outlined selling, product innovation and supply chain and corporate services categories. 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.

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:

(In thousands)	Year Ended December 31, 2016	2015	2014
Net revenues	$ 4,825,335	$ 3,963,313	$ 3,084,370
Cost of goods sold	2,584,724	2,057,766	1,572,164
Gross profit	2,240,611	1,905,547	1,512,206
Selling, general and administrative expenses	1,823,140	1,497,000	1,158,251
Income from operations	417,471	408,547	353,955
Interest expense, net	(26,434)	(14,628)	(5,335)
Other expense, net	(2,755)	(7,234)	(6,410)
Income before income taxes	388,282	386,685	342,210
Provision for income taxes	131,303	154,112	134,168
Net income	$ 256,979	$ 232,573	$ 208,042
Adjustment payment to Class C capital stockholders	$ 59,000	$ —	$ —
Net income available to all stockholders	$ 197,979	$ 232,573	$ 208,042

(As a percentage of net revenues)	Year Ended December 31, 2016	2015	2014
Net revenues	100.0 %	100.0 %	100.0 %
Cost of goods sold	53.6	51.9	51.0
Gross profit	46.4	48.1	49.0
Selling, general and administrative expenses	37.8	37.8	37.5
Income from operations	8.6	10.3	11.5
Interest expense, net	(0.5)	(0.4)	(0.2)
Other expense, net	(0.1)	(0.2)	(0.2)
Income before income taxes	8.0	9.7	11.1
Provision for income taxes	2.7	3.8	4.4
Net income	5.3 %	5.9 %	6.7 %
Adjustment payment to Class C capital stockholders	1.2 %	— %	— %
Net income available to all stockholders	4.1 %	5.9 %	6.7 %

Our net revenues for the full year 2016 were $4,825.3 million , which reflects a revision from the $4,828.2 million reported in our earnings release, filed January 31, 2017 , on Form 8-K. This revision reflects a $2.9 million adjustment related to a return credit for footwear that was identified in connection with the closing of our January 2017 books and records, following the earnings release. As a result, other items on our Consolidated Financial Statements have been appropriately adjusted from the amounts provided in the earnings release, including a reduction of our full year 2016 gross profit and income from operations by $2.9 million , and a reduction of net income by $1.7 million .

Consolidated Results of Operations

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Net revenues increased $862.0 million , or 21.8% , to $4,825.3 million in 2016 from $3,963.3 million in 2015 . Net revenues by product category are summarized below:

	Year Ended December 31,			
(In thousands)	2016	2015	$ Change	% Change
Apparel	$ 3,229,142	$ 2,801,062	$ 428,080	15.3 %
Footwear	1,010,693	677,744	332,949	49.1
Accessories	406,614	346,885	59,729	17.2
Total net sales	4,646,449	3,825,691	820,758	21.5
License	99,849	84,207	15,642	18.6
Connected Fitness	80,447	53,415	27,032	50.6
Intersegment Eliminations	(1,410)	—	(1,410)	(100.0)
Total net revenues	$ 4,825,335	$ 3,963,313	$ 862,022	21.8 %

The increase in net sales was driven primarily by:

- Apparel unit sales growth and new offerings in multiple lines led by training, golf and basketball; and
- Footwear unit sales growth, led by running and basketball and the expansion of our footwear offerings internationally.

License revenues increase d $15.6 million , or 18.6% , to $99.8 million in 2016 from $84.2 million in 2015 . This increase in license revenues was driven primarily by increased distribution of our licensed products in North America and Japan.

Connected Fitness revenue increase d $27.0 million , or 50.6% , to $80.4 million in 2016 from $53.4 million in 2015 primarily driven by increased advertising and subscribers on our fitness applications and higher sales of our licensed products.

Gross profit increase d $335.1 million to $2,240.6 million in 2016 from $1,905.5 million in 2015 . Gross profit as a percentage of net revenues, or gross margin, decrease d 170 basis points to 46.4% in 2016 compared to 48.1% in 2015 . The decrease in gross margin percentage was primarily driven by the following:

- approximate 120 basis point decrease due to increased liquidation and discounting, which we expect to continue through 2017 on a more limited basis;
- approximate 70 basis point decrease driven by negative sales mix primarily driven by the continued strength of our accelerated footwear growth, which we expect to continue through 2017 on a more limited basis; and
- approximate 40 basis point decrease due to strengthening of the U.S. dollar negatively impacting our gross margins within our business outside the United States, which we expect to continue through 2017 on a more limited basis.

The above decreases were partially offset by:

- approximate 30 basis point increase driven primarily by favorable product input costs in our North America and international businesses, which we expect to continue through 2017; and
- approximate 40 basis point increase driven primarily by lower air freight costs, which we do not expect to continue through 2017.

Selling, general and administrative expenses increased $326.1 million to $1,823.1 million in 2016 from $1,497.0 million in 2015 . As a percentage of net revenues, selling, general and administrative expenses remained consistent at 37.8% in 2016 and in 2015 . Selling, general and administrative expense was impacted by the following:

- Marketing costs increased $59.7 million to $477.5 million in 2016 from $ 417.8 million in 2015 . This increase was primarily due to key North American retail marketing campaigns, our investments in sponsorships and increased marketing in connection with the growth of our international business. This increase was offset by lower incentive compensation expense for marketing employees. As a percentage of net revenues, marketing costs decreased to 9.9% in 2016 from 10.5% in 2015 .

- Other costs increased $266.4 million to $1,345.6 million in 2016 from $1,079.2 million in 2015 . This increase was primarily due to $17.0 million in expenses primarily related to the liquidation of The Sports Authority, comprised of $15.2 million in bad debt expense and $1.8 million of in-store fixture impairment. In addition, this increase was driven by higher personnel and other costs incurred for the continued expansion of our direct to consumer distribution channel, including increased investment for our factory house and brand house stores. This increase was offset by lower incentive compensation expense. As a percentage of net revenues, other costs increased to 27.9% in 2016 from 27.2% in 2015 .

Income from operations increase d $8.9 million , or 2.2% , to $417.5 million in 2016 from $ 408.5 million in 2015 . Income from operations as a percentage of net revenues decreased to 8.6% in 2016 from 10.3% in 2015 .

Interest expense, net increase d $11.8 million to $ 26.4 million in 2016 from $ 14.6 million in 2015 . This increase was primarily due to interest on the net increase of $284.2 million in total debt outstanding.

Other expense, net decreased $4.4 million to $2.8 million in 2016 from $7.2 million in 2015 . This decrease was due to higher net gains on the combined foreign currency exchange rate changes on transactions denominated in foreign currencies and our derivative financial instruments as compared to the prior period.

Provision for income taxes decreased $22.8 million to $131.3 million in 2016 from $154.1 million in 2015 . Our effective tax rate was 33.8% in 2016 compared to 39.9% in 2015 . Our effective tax rate for 2016 was lower than the effective tax rate for 2015 primarily due to increased international profitability and a tax benefit related to our prior period acquisitions. We expect a full year 2017 effective tax rate of approximately 32% to 34%. Due to the magnitude of discrete items, we expect a negative effective tax rate of approximately (6.0)% to (8.0)% in the first half of 2017, before normalizing in the third and fourth quarters. In addition, due to our required adoption of Accounting Standards Update ("ASU") 2016-09, our interim and full year tax rates may be impacted by significant employee stock option exercises, which we are unable to predict. See Note 2 to our Consolidated Financial Statements for a discussion of ASU 2016-09.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net revenues increased $878.9 million, or 28.5%, to $3,963.3 million in 2015 from $3,084.4 million in 2014. Net revenues by product category are summarized below:

	Year Ended December 31,			
(In thousands)	2015	2014	$ Change	% Change
Apparel	$ 2,801,062	$ 2,291,520	$ 509,542	22.2%
Footwear	677,744	430,987	246,757	57.3
Accessories	346,885	275,409	71,476	26.0
Total net sales	3,825,691	2,997,916	827,775	27.6
License revenues	84,207	67,229	16,978	25.3
Connected Fitness	53,415	19,225	34,190	177.8
Total net revenues	$ 3,963,313	$ 3,084,370	$ 878,943	28.5%

The increase in net sales was driven primarily by:

- Apparel unit sales growth and new offerings in multiple lines led by training, golf and running; and
- Footwear unit sales growth, led by running and basketball and the expansion of our footwear offerings internationally.

License revenues increased $17.0 million, or 25.3%, to $84.2 million in 2015 from $67.2 million in 2014. This increase in license revenues was driven primarily by increased distribution of our licensed products in North America and Japan.

Connected Fitness revenue increased $34.2 million, or 177.8%, to $53.4 million in 2015 from $19.2 million in 2014 primarily driven by our Connected Fitness acquisitions in the first quarter of 2015 and revenue growth in our existing Connected Fitness business.

Gross profit increased $393.3 million to $1,905.5 million in 2015 from $1,512.2 million in 2014. Gross profit as a percentage of net revenues, or gross margin, decreased 90 basis points to 48.1% in 2015 compared to 49.0% in 2014. The decrease in gross margin percentage was primarily driven by the following:

- approximate 70 basis point decrease due to strengthening of the U.S. dollar negatively impacting our gross margins within our businesses outside the United States;

- approximate 30 basis point decrease driven by higher inbound airfreight costs necessary to service our customers;
- approximate 30 basis point decrease driven by sales mix in North America; and
- approximate 20 basis point decrease driven by higher liquidation in both footwear and apparel.

The above increases were partially offset by:

- approximate 60 basis point increase driven primarily by favorable product input costs in our North America and international businesses.

Selling, general and administrative expenses increased $338.7 million to $1,497.0 million in 2015 from $1,158.3 million in 2014. As a percentage of net revenues, selling, general and administrative expenses increased to 37.8% in 2015 from 37.5% in 2014. These changes were primarily attributable to the following:

- Marketing costs increased $84.8 million to $417.8 million in 2015 from $333.0 million in 2014. This increase was primarily due to key marketing campaigns and investments in sponsorships. As a percentage of net revenues, marketing costs decreased to 10.5% in 2015 from 10.8% in 2014.
- Other costs increased $253.9 million to $1,079.2 million in 2015 from $825.3 million in 2014. This increase was primarily due to higher personnel and other costs incurred for the continued expansion of our direct to consumer distribution channel, including increased investments for our brand house stores. This increase is also due to additional investments in our Connected Fitness business. As a percentage of net revenues, other costs increased to 27.2% in 2015 from 26.8% in 2014.

Income from operations increased $54.5 million, or 15.4%, to $408.5 million in 2015 from $354.0 million in 2014. Income from operations as a percentage of net revenues decreased to 10.3% in 2015 from 11.5% in 2014.

Interest expense, net increased $9.3 million to $14.6 million in 2015 from $5.3 million in 2014. This increase was primarily due to higher term loan and revolving credit facility borrowings during 2015 primarily used to finance our two Connected Fitness acquisitions.

Other expense, net increased $0.8 million to $7.2 million in 2015 from $6.4 million in 2014. This increase was due to higher net losses on the combined foreign currency exchange rate changes on transactions denominated in foreign currencies and our foreign currency derivative financial instruments in 2015.

Provision for income taxes increased $19.9 million to $154.1 million in 2015 from $134.2 million in 2014. Our effective tax rate was 39.9% in 2015 compared to 39.2% in 2014. Our effective tax rate for 2015 was higher than the effective tax rate for 2014 primarily due to increased non-deductible costs incurred in connection with our Connected Fitness acquisitions in 2015.

Table of Contents

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 our other segments. Intersegment revenue is generated by Connected Fitness which runs advertising campaigns for other segments. Due to the individual materiality of our Asia-Pacific segment, we have separately presented our Asia-Pacific, EMEA and Latin America segments, as of December 31, 2016, and will no longer combine these segments for presentation purposes. Net revenues and operating income by segment presented for prior periods has been conformed to the current presentation. During 2017, we plan to separately disclose our unallocated corporate costs. We believe this presentation will provide the users of our financial statements with increased transparency and comparability of our operating results.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Net revenues by segment are summarized below:

	Year Ended December 31,			
(In thousands)	2016	2015	$ Change	% Change
North America	$ 4,005,314	$ 3,455,737	$ 549,577	15.9 %
EMEA	330,584	203,109	127,475	62.8
Asia-Pacific	268,607	144,877	123,730	85.4
Latin America	141,793	106,175	35,618	33.5
Connected Fitness	80,447	53,415	27,032	50.6
Intersegment Eliminations	(1,410)	—	(1,410)	(100.0)
Total net revenues	$ 4,825,335	$ 3,963,313	$ 862,022	21.8 %

The increase in total net revenues was driven by the following:

- Net revenues in our North America operating segment increased $549.6 million to $4,005.3 million in 2016 from $3,455.7 million in 2015 primarily due to the items discussed above in the Consolidated Results of Operations.
- Net revenues in our EMEA operating segment increased $127.5 million to $330.6 million in 2016 from $203.1 million in 2015 primarily due to unit sales growth to wholesale partners in Germany and the United Kingdom.
- Net revenues in our Asia-Pacific operating segment increased $123.7 million to $268.6 million in 2016 from $144.9 million in 2015 primarily due to an our first e-commerce site in our direct to consumer channel and an increase in mono-branded partner stores which are included in our wholesale channel.
- Net revenues in our Latin America operating segment increased $35.6 million to $141.8 million in 2016 from $106.2 million in 2015 primarily due an increase in company operated stores in our direct to consumer channel.
- Net revenues in our Connected Fitness operating segment increased $27.0 million to $80.4 million in 2016 from $53.4 million in 2015 primarily driven by increased advertising and subscribers on our fitness applications and higher sales of our licensed products.

Operating income (loss) by segment is summarized below:

	Year Ended December 31,			
(In thousands)	2016	2015	$ Change	% Change
North America	$ 408,424	$ 460,961	$ (52,537)	(11.4)%
EMEA	11,420	3,122	8,298	265.8
Asia-Pacific	68,338	36,358	31,980	88.0
Latin America	(33,891)	(30,593)	(3,298)	10.8
Connected Fitness	(36,820)	(61,301)	24,481	39.9
Total operating income	$ 417,471	$ 408,547	$ 8,924	2.2 %

The increase in total operating income was driven by the following:

- Operating income in our North America operating segment decreased $52.5 million to $408.4 million in 2016 from $461.0 million in 2015 primarily due to decreases in gross margin discussed above in the Consolidated Results of Operations and $17.0 million in expenses related to the liquidation of The Sports Authority, comprised of $15.2 million in bad debt expense and $1.8 million of in-store fixture impairment. In addition, this decrease reflects the movement of $11.1 million in expenses resulting from a strategic shift in headcount supporting our global business from our Connected Fitness operating segment to North America. This decrease is partially offset by the increases in revenue discussed above in the Consolidated Results of Operations.

- Operating income in our EMEA operating segment increased $8.3 million to $11.4 million in 2016 from $3.1 million in 2015 primarily due to sales growth discussed above and reductions in incentive compensation. This increase was offset by investments in sports marketing and infrastructure for future growth.

- Operating income in our Asia-Pacific operating segment increased $31.9 million to $68.3 million in 2016 from $36.4 million in 2015 primarily due to sales growth discussed above and reductions in incentive compensation. This increase was offset by investments in our direct-to-consumer business and entry into new territories.

- Operating loss in our Latin America operating segment increased $3.3 million to $33.9 million in 2016 from $30.6 million in 2015 primarily due to increased investments to support growth in the region and the economic challenges in Brazil during the period. This increase in operating loss was offset by sales growth discussed above and reductions in incentive compensation.

- Operating loss in our Connected Fitness segment decreased $24.5 million to $36.8 million in 2016 from $61.3 million in 2015 primarily driven by sales growth discussed above.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net revenues by segment are summarized below:

	Year Ended December 31,			
(In thousands)	**2015**	**2014**	**$ Change**	**% Change**
North America	$ 3,455,737	$ 2,796,390	$ 659,347	23.6%
EMEA	203,109	134,118	68,991	51.4
Asia-Pacific	144,877	70,419	74,458	105.7
Latin America	106,175	64,234	41,941	65.3
Connected Fitness	53,415	19,209	34,206	178.1
Total net revenues	$ 3,963,313	$ 3,084,370	$ 878,943	28.5%

The increase in total net revenues was driven by the following:

- Net revenues in our North America operating segment increased $659.3 million to $3,455.7 million in 2015 from $2,796.4 million in 2014 primarily due to the items discussed above in the Consolidated Results of Operations.

- Net revenues in our EMEA operating segment increased $69.0 million to $203.1 million in 2015 from $134.1 million in 2014 primarily due to unit sales growth to wholesale partners in Germany and the United Kingdom.

- Net revenues in our Asia-Pacific operating segment increased $74.5 million to $144.9 million in 2015 from $70.4 million in 2014 primarily due to an increase in mono-branded partner stores which are included in our wholesale channel.

- Net revenues in our Latin America operating segment increased $42.0 million to $106.2 million in 2015 from $64.2 million in 2014 primarily due to unit sales growth to our wholesale partners in Chile and Brazil.

- Net revenues in our Connected Fitness operating segment increased $34.2 million to $53.4 million in 2015 from $19.2 million in 2014 primarily due to revenues generated from our two Connected Fitness acquisitions in 2015 and growth in our existing Connected Fitness business.

Operating income (loss) by segment is summarized below:

(In thousands)	2015	2014	$ Change	% Change
	Year Ended December 31,			
North America	$ 460,961	$ 372,347	$ 88,614	23.8 %
EMEA	3,122	(11,763)	14,885	126.5
Asia-Pacific	36,358	21,858	14,500	66.3
Latin America	(30,593)	(15,423)	(15,170)	(98.4)
Connected Fitness	(61,301)	(13,064)	(48,237)	(369.2)
Total operating income	$ 408,547	$ 353,955	$ 54,592	15.4 %

The increase in total operating income was driven by the following:

- Operating income in our North America operating segment increased $88.6 million to $461.0 million in 2015 from $372.4 million in 2014 primarily due to the items discussed above in the Consolidated Results of Operations.
- Operating income in our EMEA operating segment increased $14.9 million to $3.1 million in 2015 from a loss of $11.8 million in 2014 primarily due to sales growth discussed above in the Consolidated Results of Operations.
- Operating income in our Asia-Pacific operating segment increased $14.5 million to $36.4 million in 2015 from $21.9 million in 2014 primarily due to sales growth discussed above in the Consolidated Results of Operations.
- Operating loss in our Latin America operating segment increased $15.2 million to $30.6 million in 2015 from $15.4 million in 2014 primarily due to increased investments to support growth in the region and the economic challenges in Brazil during the period. This increase in operating loss was offset by sales growth discussed above.
- Operating loss in our Connected Fitness segment increased $48.2 million to $61.3 million in 2015 from $13.1 million in 2014 primarily due to investments to support growth in our Connected Fitness business, including the impact of our two Connected Fitness acquisitions in 2015. These acquisitions contributed $23.6 million to the operating loss for the Connected Fitness segment in 2015.

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. Seasonality could have an impact on the timing of accruals if the sales in the last two quarters of the year do not materialize. 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 (unaudited)							
(In thousands)	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
Net revenues	$804,941	$783,577	$1,204,109	$1,170,686	$1,047,702	$1,000,783	$1,471,573	$1,305,277
Gross profit	377,664	379,053	587,160	561,670	480,636	477,647	698,624	583,704
Marketing SG&A expenses	87,977	70,854	99,756	74,462	122,483	107,835	139,517	107,665
Other SG&A expenses	185,857	194,404	219,438	225,503	323,270	350,434	359,797	312,139
Income from operations	27,667	31,901	171,397	177,582	34,883	19,378	199,310	163,900
(As a percentage of annual totals)								
Net revenues	20.3%	19.8%	30.4%	29.5%	21.7%	20.7%	30.5%	27.1%
Gross profit	19.8%	19.9%	30.8%	29.5%	21.5%	21.3%	31.2%	26.1%
Marketing SG&A expenses	26.4%	21.3%	29.9%	22.4%	25.7%	22.6%	29.2%	22.5%
Other SG&A expenses	22.5%	23.6%	26.6%	27.3%	24.0%	26.0%	26.7%	23.2%
Income from operations	6.8%	7.8%	42.0%	43.5%	8.4%	4.6%	47.7%	39.3%

During the fourth quarter of 2016, as a change in estimate, we reversed $48.0 million of incentive compensation accruals.

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, borrowings available under our credit and long term debt facilities and the issuance of debt securities. 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.

We believe our cash and cash equivalents on hand, cash from operations, borrowings available to us under our credit agreement and other financing instruments and our ability to access the capital markets are adequate to meet our liquidity needs and capital expenditure requirements for at least the next twelve months. 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 on terms acceptable to us or at all.

At December 31, 2016 , $122.9 million , or approximately 49.1% , of cash and cash equivalents was held by our foreign subsidiaries where a repatriation of those funds to the United States would likely result in an additional tax expense. However, based on the capital and liquidity needs of our foreign operations, as well as the status of current tax law, we intend to indefinitely reinvest these funds outside the United States. In addition, our United States operations do not require the repatriation of these funds to meet our currently projected liquidity needs. Should we require additional capital in the United States, we may elect to repatriate indefinitely reinvested foreign funds or raise capital in the United States. If we were to repatriate indefinitely reinvested foreign funds, we would be required to accrue and pay additional U.S. taxes less applicable foreign tax credits. Determining the tax liability that would arise if these earnings were repatriated is not practical.

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:

(In thousands)	Year Ended December 31, 2016	2015	2014
Net cash provided by (used in):			
Operating activities	$ 304,487	$ (44,104)	$ 219,033
Investing activities	(381,139)	(847,475)	(152,312)
Financing activities	205,995	440,078	182,306
Effect of exchange rate changes on cash and cash equivalents	(8,725)	(11,822)	(3,341)
Net increase (decrease) in cash and cash equivalents	$ 120,618	$ (463,323)	$ 245,686

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 flows provided by operating activities increased $348.6 million to $304.5 million in 2016 from $44.1 million of cash used in operating activities in 2015 . The increase in cash from operating activities was due to increased net cash flows from operating assets and liabilities of $323.1 million , an increase in net income of $24.4 million year over year and an increase in adjustments to net income for non-cash items of $1.1 million year over year. The increase in cash outflows related to changes in operating assets and liabilities period over period was primarily driven by the following:

- an increase in accounts payable of $225.0 million in 2016 as compared to 2015 , primarily due to the timing of inventory payments as well as significant increases in inventory in-transit in the current period, and
- a decrease in inventory investments of $130.5 million in 2016 as compared to 2015 , primarily due to early deliveries of product to meet key seasonal floor set dates in the prior period, as well as strategic investments in auto-replenishment products in 2015 ; partially offset by
- a larger increase in accounts receivable of $58.0 million in 2016 as compared to 2015 , primarily due to the timing of shipments and a higher proportion of sales to our international customers with longer payment terms compared to the prior year.

Cash flows provided by operating activities decreased $263.1 million to $44.1 million of cash used by operating activities in 2015 from $219.0 million of cash provided by operating activities in 2014. The decrease in cash from operating activities was due to decreased net cash flows from operating assets and liabilities of $370.1 million, partially offset by adjustments to net income for non-cash items, which increased $82.5 million, and an increase in net income of $24.5 million year over year. The decrease in cash outflows related to changes in operating assets and liabilities period over period was primarily driven by the following:

- an increase in inventory investments of $193.9 million primarily due to early deliveries of product to meet key seasonal floor set dates, as well as strategic investments in auto-replenishment products, and
- a larger increase in accounts receivable of $90.8 million in 2015 as compared to 2014, primarily due to the timing of shipments.

Investing Activities

Cash used in investing activities decreased $466.4 million to $381.1 million in 2016 from $ 847.5 million in 2015 , primarily due to the impact of our Connected Fitness acquisitions of MyFitnessPal and Endomondo which occurred during the first quarter of 2015 .

Cash used in investing activities increased $695.2 million to $847.5 million in 2015 from $152.3 million in 2014, primarily due to our Connected Fitness acquisitions of MyFitnessPal and Endomondo during the first quarter of 2015 and increased capital expenditures to improve and expand our corporate headquarters and invest in our new and expanding SAP platform in 2015.

Total capital expenditures were $405.5 million, $325.5 million and $145.4 million in 2016 , 2015 and 2014 , respectively. Capital expenditures for 2017 are expected to be approximately $400.0 million, comprised primarily of investments in our global offices around the world including our headquarters in Baltimore, our distribution centers, our SAP platform, and global Direct-to-Consumer.

Financing Activities

Cash provided by financing activities decreased $234.1 million to $ 206.0 million in 2016 from $ 440.1 million in 2015 . This decrease was primarily due to higher repayments on our revolving credit facility in the current period compared to the prior period, partially offset by the issuance of senior notes in 2016 .

Cash provided by financing activities increased $257.8 million to $440.1 million in 2015 from $182.3 million in 2014. This increase was primarily due to our amended credit agreement that provided an additional $650.0 million in term loan and revolving credit facility proceeds in 2015 offset by payments of $261.3 million.

Credit Facility

We are party to a credit agreement that provides revolving commitments for up to $1.25 billion of borrowings, as well as term loan commitments, in each case maturing in January 2021. As of December 31, 2016 there was no outstanding balance under the revolving credit facility and $186.3 million of term loan borrowings remained outstanding.

At our request and the lender's consent, revolving and or term loan borrowings may be increased by up to $300.0 million in aggregate, subject to certain conditions as set forth in the credit agreement, as amended. Incremental borrowings are uncommitted and the availability thereof, will depend on market conditions at the time we seek to incur such borrowings.

The borrowings under the revolving credit facility have maturities of less than one year. Up to $50.0 million of the facility may be used for the issuance of letters of credit. There were $2.6 million of letters of credit outstanding as of December 31, 2016 .

The credit agreement contains negative covenants that, subject to significant exceptions, limit our ability to, among other things, incur additional indebtedness, make restricted payments, pledge our assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. We are also required to maintain a ratio of consolidated EBITDA, as defined in the credit agreement, to consolidated interest expense of not less than 3.50 to 1.00 and are not permitted to allow the ratio of consolidated total indebtedness to consolidated EBITDA to be greater than 3.25 to 1.00 ("consolidated leverage ratio"). As of December 31, 2016 , we were in compliance with these ratios. In addition, the credit agreement contains events of default that are customary for a facility of this nature, and includes a cross default provision whereby an event of default under other material indebtedness, as defined in the credit agreement, will be considered an event of default under the credit agreement.

Borrowings under the credit agreement bear interest at a rate per annum equal to, at our option, either (a) an alternate base rate, or (b) a rate based on the rates applicable for deposits in the interbank market for U.S. Dollars or the applicable currency in which the loans are made (“adjusted LIBOR”), plus in each case an applicable margin. The applicable margin for loans will be adjusted by reference to a grid (the “Pricing Grid”) based on the consolidated leverage ratio and ranges between 1.00% to 1.25% for adjusted LIBOR loans and 0.00% to 0.25% for alternate base rate loans. The weighted average interest rate under the outstanding term loans and revolving credit facility borrowings was 1.6% and 1.3% during the years ended December 31, 2016 and 2015 , respectively. We pay a commitment fee on the average daily unused amount of the revolving credit facility and certain fees with respect to letters of credit. As of December 31, 2016 , the commitment fee was 15.0 basis points. Since inception, we have incurred and deferred $3.9 million in financing costs in connection with the credit agreement.

3.250% Senior Notes

In June 2016, we issued $600.0 million aggregate principal amount of 3.250% senior unsecured notes due June 15, 2026 (the "Notes"). The proceeds were used to pay down amounts outstanding under the revolving credit facility. Interest is payable semi-annually on June 15 and December 15 beginning December 15, 2016. Prior to March 15, 2026 (three months prior to the maturity date of the Notes), we may redeem some or all of the Notes at any time or from time to time at a redemption price equal to the greater of 100% of the principal amount of the Notes to be redeemed or a "make-whole" amount applicable to such Notes as described in the indenture governing the Notes, plus accrued and unpaid interest to, but excluding, the redemption date. On or after March 15, 2026 (three months prior to the maturity date of the Notes), we may redeem some or all of the Notes at any time or from time to time at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The indenture governing the Notes contains covenants, including limitations that restrict our ability and the ability of certain of our subsidiaries to create or incur secured indebtedness and enter into sale and leaseback transactions and our ability to consolidate, merge or transfer all or substantially all of our properties or assets to another person, in each case subject to material exceptions described in the indenture. We incurred and deferred $5.3 million in financing costs in connection with the Notes.

Other Long Term Debt

In December 2012, we 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. The loan includes covenants and events of default substantially consistent with our credit agreement discussed above. The loan also requires prior approval of the lender for certain matters related to the property, including transfers of any interest in the property. As of December 31, 2016 and 2015 , the outstanding balance on the loan was $42.0 million and $44.0 million , respectively. The weighted average interest rate on the loan was 2.0% and 1.7% for the years ended December 31, 2016 and 2015 , respectively.

Interest expense, net was $26.4 million , $14.6 million , and $5.3 million for the years ended December 31, 2016 , 2015 and 2014 , respectively. Interest expense includes the amortization of deferred financing costs, bank fees, capital and built-to-suit lease interest and interest expense under the credit and other long term debt facilities. Amortization of deferred financing costs was $1.2 million , $0.8 million , and $0.6 million for the years ended December 31, 2016 , 2015 and 2014 , respectively.

We monitor the financial health and stability of our lenders under the credit and other 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.

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 leases. The leases expire at various dates through 2033, excluding extensions at our option, and include 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, 2016. The operating leases generally contain renewal provisions for varying periods of time. Our significant contractual obligations and commitments as of December 31, 2016 as well as significant agreements entered into during the period after December 31, 2016 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)	$ 1,031,737	$ 52,211	$ 138,547	$ 153,229	$ 687,750
Lease obligations (2)	1,422,426	114,857	263,544	255,845	788,180
Product purchase obligations (3)	684,511	684,262	249	—	—
Sponsorships and other (4)	1,355,605	176,138	309,948	243,024	626,495
Total	$ 4,494,279	$ 1,027,468	$ 712,288	$ 652,098	$ 2,102,425

(1) Includes estimated interest payments based on applicable fixed and currently effective floating interest rates as of December 31, 2016 , timing of scheduled payments, and the term of the debt obligations.

(2) Includes the minimum payments for lease obligations. The 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 $13.0 million for the year ended December 31, 2016 .

(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, 2016 .

(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 sponsorship agreements. Additionally, these amounts include minimum guaranteed royalty payments to endorsers and licensors based upon a predetermined percent of sales of particular products.

The table above excludes a liability of $69.5 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 9 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.

Our significant accounting policies are described in Note 2 of the audited consolidated financial statements. The SEC suggests companies provide additional disclosure on those accounting policies considered most critical. The SEC considers an accounting policy to be critical if it is important to our financial condition and results of operations and requires significant judgments and estimates on the part of management in its application. Our estimates are often based on complex judgments, probabilities and assumptions that management believes to be reasonable, but that are inherently uncertain and unpredictable. It is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts. There were no significant changes to our critical accounting policies during the year ended December 31, 2016 .

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 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, 2016 and 2015 , there were $146.2 million and $94.5 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, 2016 and 2015 , the allowance for doubtful accounts was $11.3 million and $5.9 million , respectively.

Inventory Valuation and Reserves

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. 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 that 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, or if goodwill is allocated to a reporting unit for the first time, we perform the two-step goodwill impairment test. The first step, identifying a potential impairment, compares the fair value of the reporting unit with its carrying amount. We calculate fair value using the discounted cash flows model, which indicates the fair value of the reporting unit based on the present value of the cash flows that we expect the reporting unit to generate in the future. Our significant estimates in the discounted cash flows model include: our weighted average cost of capital, long-term rate of growth and profitability of the reporting unit's business, and working capital effects. If the carrying amount exceeds its fair value, the second step will be performed. The second step, measuring the impairment loss, compares the implied fair value of the goodwill with the carrying amount of the goodwill. Any excess of the goodwill carrying amount over the applied fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value. We perform our annual impairment tests in the fourth quarter of each fiscal year. As of December 31, 2016, no impairment of goodwill was identified and the fair value of each reporting unit substantially exceeded its carrying value. The Connected Fitness valuation is dependent upon revenue growth assumptions. If the performance of this reporting unit does not meet expectations it could have a material impact on the fair value of the reporting unit.

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.

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, 2016 , we had $64.5 million of unrecognized compensation expense expected to be recognized over a weighted average period of 1.7 years. This unrecognized compensation expense does not include any expense related to performance-based restricted stock units and stock options for which the performance targets have not been achieved as of December 31, 2016 .

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. The achievement of certain operating income targets related to the performance-based restricted stock units and stock options granted in 2016 were not deemed probable as of December 31, 2016 . Additional stock-based compensation of up to $20.0 million would have been recorded from grant date through 2016 for these performance-based restricted stock units and stock options had the full achievement of all operating targets been deemed probable; however, currently we do not believe that these targets will be met. 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 11 to the Consolidated Financial Statements for a further discussion on stock-based compensation.

Recently Issued Accounting Standards

Refer to Note 2 to the notes to our financial statements included in this Form 10-K for our assessment of recently issued accounting standards.

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 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 and inventory purchases denominated in currencies other than the functional currency of the purchasing entity. 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 contracts to reduce the risk from exchange rate fluctuations primarily on intercompany transactions and projected inventory purchases for our international subsidiaries. As we expand our international business, we anticipate expanding our current hedging program to include additional currency pairs and instruments. We do not enter into derivative financial instruments for speculative or trading purposes.

As of December 31, 2016 , the aggregate notional value of our outstanding foreign currency contracts was $845.1 million , which was comprised of Canadian Dollar/U.S. Dollar, Euro/U.S. Dollar, Mexican Peso/U.S. Dollar, Yen/Euro, Mexican Peso/Euro and Pound Sterling/Euro currency pairs with contract maturities of one to eleven months. The majority of our foreign currency contracts are not designated as cash flow hedges, and accordingly, changes in their fair value are recorded in earnings. During 2014, we began entering into foreign currency contracts designated as cash flow hedges. For foreign currency contracts designated as cash flow hedges, changes in fair value, excluding any ineffective portion, is recorded in other comprehensive income until net income is affected by the variability in cash flows of the hedged transaction. The effective portion is generally released to net income after the maturity of the related derivative and is classified in the same manner as the underlying exposure. During the years ended December 31, 2016 and 2015 , we reclassified $0.3 million and $3.5 million from other comprehensive income to cost of goods sold related to foreign currency contracts designated as cash flow hedges, respectively. The fair values of the Company's foreign currency contracts were assets of $15.2 million and $3.8 million as of December 31, 2016 and 2015 , respectively, and were included in prepaid expenses and other current assets on the consolidated balance sheet. Refer to Note 8 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 contracts:

	Year Ended December 31,		
(In thousands)	2016	2015	2014
Unrealized foreign currency exchange rate gains (losses)	$ (12,627)	$ (33,359)	$ (11,739)
Realized foreign currency exchange rate gains (losses)	(6,906)	7,643	2,247
Unrealized derivative gains	729	388	1
Realized derivative gains	15,192	16,404	3,081

We enter into foreign currency 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 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 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

I n 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. We utilize interest rate swap contracts to convert a portion of variable rate debt to fixed rate debt. The contracts pay fixed and receive variable rates of interest. The interest rate swap contracts are accounted for as cash flow hedges 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, 2016 , the aggregate notional value of our outstanding interest rate swap contracts was $153.1 million . During the years ended December 31, 2016 and 2015 , we recorded a $2.0 million and $2.7 million increase in interest expense, respectively, representing the effective portion of the contracts reclassified from accumulated other comprehensive income. The fair value of the interest rate swap contracts was a liability of $0.4 million and $1.5 million as of December 31, 2016 and 2015 , respectively, and was included in other long term liabilities on the consolidated balance sheet.

Credit Risk

W e 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, 2016 . See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates - Allowance for Doubtful Accounts."

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 2013. 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, 2016 .

The effectiveness of our internal control over financial reporting as of December 31, 2016 , 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/ DAVID E. BERGMAN **David E. Bergman**	Chief Financial Officer

Dated: February 23, 2017

Report of Independent Registered Public Accounting Firm

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

In our opinion, the accompanying 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, 2016 and 2015 , and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 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, 2016 , based on criteria established in *Internal Control - Integrated Framework 2013* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). 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 23, 2017

Under Armour, Inc. and Subsidiaries

Consolidated Balance Sheets
(In thousands, except share data)

	December 31, 2016	December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	$ 250,470	$ 129,852
Accounts receivable, net	622,685	433,638
Inventories	917,491	783,031
Prepaid expenses and other current assets	174,507	152,242
Total current assets	1,965,153	1,498,763
Property and equipment, net	804,211	538,531
Goodwill	563,591	585,181
Intangible assets, net	64,310	75,686
Deferred income taxes	136,862	92,157
Other long term assets	110,204	75,652
Total assets	$ 3,644,331	$ 2,865,970
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 409,679	$ 200,460
Accrued expenses	208,750	192,935
Current maturities of long term debt	27,000	42,000
Other current liabilities	40,387	43,415
Total current liabilities	685,816	478,810
Long term debt, net of current maturities	790,388	624,070
Other long term liabilities	137,227	94,868
Total liabilities	1,613,431	1,197,748
Commitments and contingencies (see Note 6)		
Stockholders' equity		
Class A Common Stock, $0.0003 1/3 par value; 400,000,000 shares authorized as of December 31, 2016, and 2015; 183,814,911 shares issued and outstanding as of December 31, 2016, and 181,629,641 shares issued and outstanding as of December 31, 2015.	61	61
Class B Convertible Common Stock, $0.0003 1/3 par value; 34,450,000 shares authorized, issued and outstanding as of December 31, 2016 and 2015.	11	11
Class C Common Stock, $0.0003 1/3 par value; 400,000,000 shares authorized as of December 31, 2016 and 2015; 220,174,048 shares issued and outstanding as of December 31, 2016, and 216,079,641 shares issued and outstanding as of December 31, 2015.	73	72
Additional paid-in capital	823,484	636,558
Retained earnings	1,259,414	1,076,533
Accumulated other comprehensive loss	(52,143)	(45,013)
Total stockholders' equity	2,030,900	1,668,222
Total liabilities and stockholders' equity	$ 3,644,331	$ 2,865,970

See accompanying notes.

Under Armour, Inc. and Subsidiaries

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

	Year Ended December 31,		
	2016	2015	2014
Net revenues	$ 4,825,335	$ 3,963,313	$ 3,084,370
Cost of goods sold	2,584,724	2,057,766	1,572,164
Gross profit	2,240,611	1,905,547	1,512,206
Selling, general and administrative expenses	1,823,140	1,497,000	1,158,251
Income from operations	417,471	408,547	353,955
Interest expense, net	(26,434)	(14,628)	(5,335)
Other expense, net	(2,755)	(7,234)	(6,410)
Income before income taxes	388,282	386,685	342,210
Provision for income taxes	131,303	154,112	134,168
Net income	256,979	232,573	208,042
Adjustment payment to Class C capital stockholders	59,000	—	—
Net income available to all stockholders	197,979	232,573	208,042
Basic net income per share of Class A and B common stock	$ 0.45	$ 0.54	$ 0.49
Basic net income per share of Class C common stock	$ 0.72	$ 0.54	$ 0.49
Diluted net income per share of Class A and B common stock	$ 0.45	$ 0.53	$ 0.47
Diluted net income per share of Class C common stock	$ 0.71	$ 0.53	$ 0.47
Weighted average common shares outstanding Class A and B common stock			
Basic	217,707	215,498	213,227
Diluted	221,944	220,868	219,380
Weighted average common shares outstanding Class C common stock			
Basic	218,623	215,498	213,227
Diluted	222,904	220,868	219,380

See accompanying notes.

Table of Contents

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

	Year Ended December 31,		
	2016	2015	2014
Net income	$ 256,979	$ 232,573	$ 208,042
Other comprehensive income (loss):			
Foreign currency translation adjustment	(13,798)	(31,816)	(16,743)
Unrealized gain (loss) on cash flow hedge, net of tax of $3,346, $415 and $(408) for the years ended December 31, 2016, 2015 and 2014, respectively.	9,084	1,611	(259)
Gain (loss) on intra-entity foreign currency transactions	(2,416)	—	—
Total other comprehensive income (loss)	(7,130)	(30,205)	(17,002)
Comprehensive income	$ 249,849	$ 202,368	$ 191,040

See accompanying notes.

Table of Contents

Under Armour, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity
(In thousands)

	Class A Common Stock		Class B Convertible Common Stock		Class C Common Stock		Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2013	171,629	$ 57	40,000	$ 13	211,629	70	$ 397,178	$ 653,842	$ 2,194	$ 1,053,354
Exercise of stock options	1,454	1	—	—	1,454	1	11,257	—	—	11,259
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(95)	—	—	—	(95)	—	—	(5,197)	—	(5,197)
Issuance of Class A Common Stock, net of forfeitures	908	—	—	—	908	—	12,067	—	—	12,067
Class B Convertible Common Stock converted to Class A Common Stock	3,400	1	(3,400)	(1)	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	50,812	—	—	50,812
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	—	—	36,965	—	—	36,965
Comprehensive income	—	—	—	—	—	—	—	208,042	(17,002)	191,040
Balance as of December 31, 2014	177,296	59	36,600	12	213,896	71	508,279	856,687	(14,808)	1,350,300
Exercise of stock options	360	—	—	—	360	—	2,852	—	—	2,852
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(172)	—	—	—	(172)	—	—	(12,727)	—	(12,727)
Issuance of Class A Common Stock, net of forfeitures	1,996	1	—	—	1,996	1	19,134	—	—	19,136
Class B Convertible Common Stock converted to Class A Common Stock	2,150	1	(2,150)	(1)	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	60,376	—	—	60,376
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	—	—	45,917	—	—	45,917
Comprehensive income	—	—	—	—	—	—	—	232,573	(30,205)	202,368
Balance as of December 31, 2015	181,630	61	34,450	11	216,080	72	636,558	1,076,533	(45,013)	1,668,222

	Class A Common Stock		Class B Convertible Common Stock		Class C Common Stock		Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2015	181,630	61	34,450	11	216,080	72	636,558	1,076,533	(45,013)	1,668,222
Exercise of stock options	792	—	—	—	971	—	6,203	—	—	6,203
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(199)	—	—	—	(276)	—	—	(15,098)	—	(15,098)
Issuance of Class A Common Stock, net of forfeitures	1,592	—	—	—	—	—	7,884	—	—	7,884
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	1,852	1	25,834	—	—	25,835
Issuance of Class C dividend	—	—	—	—	1,547	—	56,073	(59,000)	—	(2,927)
Stock-based compensation expense	—	—	—	—	—	—	46,149	—	—	46,149
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	—	—	44,783	—	—	44,783
Comprehensive income (loss)	—	—	—	—	—	—	—	256,979	(7,130)	249,849
Balance as of December 31, 2016	183,815	$ 61	34,450	$ 11	220,174	$ 73	$ 823,484	$ 1,259,414	$ (52,143)	$ 2,030,900

See accompanying notes.

Table of Contents

Under Armour, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2016	2015	2014
Cash flows from operating activities			
Net income	$ 256,979	$ 232,573	$ 208,042
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation and amortization	144,770	100,940	72,093
Unrealized foreign currency exchange rate losses	12,627	33,359	11,739
Loss on disposal of property and equipment	1,580	549	261
Stock-based compensation	46,149	60,376	50,812
Deferred income taxes	(43,004)	(4,426)	(17,584)
Changes in reserves and allowances	70,188	40,391	31,350
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(249,853)	(191,876)	(101,057)
Inventories	(148,055)	(278,524)	(84,658)
Prepaid expenses and other assets	(25,284)	(76,476)	(33,345)
Accounts payable	202,446	(22,583)	49,137
Accrued expenses and other liabilities	52,656	64,126	28,856
Income taxes payable and receivable	(16,712)	(2,533)	3,387
Net cash provided by (used in) operating activities	304,487	(44,104)	219,033
Cash flows from investing activities			
Purchases of property and equipment	(316,458)	(298,928)	(140,528)
Purchases of property and equipment from related parties	(70,288)	—	—
Purchase of businesses, net of cash acquired	—	(539,460)	(10,924)
Purchases of available-for-sale securities	(24,230)	(103,144)	—
Sales of available-for-sale securities	30,712	96,610	—
Purchases of other assets	(875)	(2,553)	(860)
Net cash used in investing activities	(381,139)	(847,475)	(152,312)
Cash flows from financing activities			
Proceeds from long term debt and revolving credit facility	1,327,601	650,000	250,000
Payments on long term debt and revolving credit facility	(1,170,750)	(265,202)	(118,722)
Excess tax benefits from stock-based compensation arrangements	44,783	45,917	36,965
Proceeds from exercise of stock options and other stock issuances	15,485	10,310	15,776
Payments of debt financing costs	(6,692)	(947)	(1,713)
Cash dividends paid	(2,927)	—	—
Contingent consideration payments for acquisitions	(1,505)	—	—
Net cash provided by financing activities	205,995	440,078	182,306
Effect of exchange rate changes on cash and cash equivalents	(8,725)	(11,822)	(3,341)
Net increase (decrease) in cash and cash equivalents	120,618	(463,323)	245,686
Cash and cash equivalents			
Beginning of period	129,852	593,175	347,489
End of period	$ 250,470	$ 129,852	$ 593,175
Non-cash investing and financing activities			
Change in accrual for property and equipment	$ 16,973	$ 17,758	$ 4,922
Non-cash dividends	(56,073)	—	—
Non-cash acquisition of business	—	—	11,233
Property and equipment acquired under build-to-suit leases	—	5,631	—
Other supplemental information			
Cash paid for income taxes	135,959	99,708	103,284
Cash paid for interest, net of capitalized interest	21,412	11,176	4,146

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. The Under Armour Connected Fitness ™ platform powers the world's largest digital health and fitness community. The Company uses this platform to engage its consumers and increase awareness and sales of its products.

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 January 5, 2015, the Company acquired 100% of the outstanding equity of Endomondo ApS ("Endomondo"), a Denmark-based digital connected fitness company. On March 17, 2015, the Company acquired 100% of the outstanding equity of MyFitnessPal, Inc. ("MFP"), a digital nutrition and connected fitness company. Both companies were acquired to expand the Under Armour Connected Fitness community. The purchase price allocation for each acquisition is reflected in the consolidated balance sheet as of December 31, 2015.

On March 16, 2016, the Board of Directors approved the issuance of the Company's new Class C non-voting common stock, referred to as the Class C stock. The Class C stock was issued through a stock dividend on a one-for-one basis to all existing holders of the Company's Class A and Class B common stock. The shares of Class C stock were distributed on April 7, 2016, to stockholders of record of Class A and Class B common stock as of March 28, 2016. Stockholders' equity and all references to share and per share amounts in the accompanying consolidated financial statements have been retroactively adjusted to reflect this one-for-one stock dividend.

On June 3, 2016, the Board of Directors approved the payment of a $59.0 million dividend to the holders of the Company's Class C stock in connection with shareholder litigation related to the creation of the Class C stock. The Company's Board of Directors approved the payment of this dividend in the form of additional shares of Class C stock, with cash in lieu of any fractional shares. This dividend was distributed on June 29, 2016, in the form of 1,470,256 shares of Class C stock and $2.9 million in cash.

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, 2016 , 2015 and 2014 was interest income of $257.7 thousand , $164.0 thousand and $192.0 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 Company's largest customer in North America accounted for 16% and 19% of accounts receivable as of December 31, 2016 and December 31, 2015 , respectively. The Company's largest customer accounted for 10% , 12% and 14% of net revenues for the years ended December 31, 2016 , 2015 and 2014 , respectively.

Allowance for Doubtful Accounts

The Company make s ongoing estimates relating to the collectability of accounts receivable and maintain s 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 consider s 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 determine s 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, 2016 and 2015 , the allowance for doubtful accounts was $11.3 million and $5.9 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 value s 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 determine s that the estimated market value of its inventory is less than the carrying value of such inventory, it record s 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 consider s 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 believe s 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 recognize s 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 $1.8 million and $1.0 million as of December 31, 2016 and 2015 , 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, or if goodwill is allocated to a reporting unit for the first time, the Company performs the two-step goodwill impairment test. The first step, identifying a potential impairment, compares the fair value of the reporting unit with its carrying amount. The Company calculates fair value using the discounted cash flows model, which indicates the fair value of the reporting unit based on the present value of the cash flows that the Company expects the reporting unit to generate in the future. The Company's significant estimates in the discounted cash flows model include: the Company's weighted average cost of capital, long-term rate of growth and profitability of the reporting unit's business, and working capital effects. If the carrying amount exceeds its fair value, the second step will be performed. The second step, measuring the impairment loss, compares the implied fair value of the goodwill with the carrying amount of the goodwill. Any excess of the goodwill carrying amount over the applied fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value.The Company performs its annual impairment tests in the fourth quarter of each fiscal year. As of December 31, 2016, no impairment of goodwill was identified and the fair value of each reporting unit substantially exceeded its carrying value. The Connected Fitness valuation is dependent upon revenue growth assumptions. If the performance of this reporting unit does not meet expectations it could have a material impact on the fair value of the reporting unit.

The Company continually evaluate s 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 review s 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.

Accrued Expenses

At December 31, 2016 , accrued expenses primarily included $ 60.8 million and $ 24.7 million of accrued compensation and benefits and marketing expenses, respectively. At December 31, 2015 , accrued expenses primarily included $ 63.8 million and $ 17.8 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 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 majority of the Company's foreign currency 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. During 2014, the Company began entering into foreign currency contracts designated as cash flow hedges, and consequently, changes in fair value, excluding any ineffective portion, are recorded in other comprehensive income until net income is affected by the variability in cash flows of the hedged transaction. The effective portion is generally released to net income after the maturity of the related derivative and is classified in the same manner as the underlying exposure. Additionally, 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, 2016 and 2015 , there were $146.2 million and $94.5 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 $ 477.5 million , $ 417.8 million and $ 333.0 million for the years ended December 31, 2016 , 2015 and 2014 , respectively. At December 31, 2016 and 2015 , prepaid advertising costs were $ 32.0 million and $ 37.5 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 $ 89.9 million , $ 63.7 million and $ 55.3 million for the years ended December 31, 2016 , 2015 and 2014 , 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, 2016 and 2015 , the carrying value of the Company’s investment was $ 11.7 million and $ 12.0

million , respectively, and was included in other long term assets on the consolidated balance sheets. 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, 2016 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 10 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 and Class C Common Stock upon exercise of stock options, grant of restricted stock or share unit conversion. Refer to Note 11 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. As of December 31, 2016, the fair value of the Company's Senior Notes is $568.1 million . The fair value of the Company's other 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 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 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 May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ("ASU") 2014-09, which supersedes the most current revenue recognition requirements. This ASU requires entities to recognize revenue in a way that depicts the transfer of goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled to in exchange for those goods or services. In 2016, the FASB issued ASUs 2016-08, 2016-10, 2016-11 and 2016-12, which provide supplemental adoption guidance and clarification to ASU 2014-09. These ASUs will be effective for annual and interim periods beginning after December 15, 2017 with early adoption for annual and interim periods beginning after December 15, 2016 permitted and should be applied retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The Company currently anticipates adopting the guidance in this new ASU effective January 1, 2018. This ASU permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the modified retrospective method). The Company has not yet determined its adoption method. The Company has identified a committee, agreed on a methodology for review of its revenue arrangements and initiated the review process for adoption of this ASU, and is evaluating the impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, which amends the existing guidance for leases and will require recognition of operating leases with lease terms of more than twelve months and all financing leases on the balance sheet. For these leases, companies will record assets for the rights and liabilities for the obligations that are created by the leases. This ASU will require disclosures that provide qualitative and quantitative information for the lease assets and liabilities recorded in the financial statements. This ASU is effective for fiscal years beginning after December 15, 2018. The Company is currently evaluating this ASU to determine the impact of its adoption on its consolidated financial statements. The Company currently anticipates adopting the new standard effective January 1, 2019. The Company has formed a committee and initiated the review process for adoption of this ASU. While the Company is still in the process of completing its analysis on the complete impact this ASU will have on its consolidated financial statements and related disclosures, it expects the ASU to have a material impact on its consolidated balance sheet for recognition of lease-related assets and liabilities.

In March 2016, the FASB issued ASU 2016-09, which effects all entities that issue share-based payment awards to their employees. The amendments in this ASU cover such areas as the recognition of excess tax benefits and deficiencies, the classification of those excess tax benefits on the statement of cash flows, an accounting policy election for forfeitures, the amount an employer can withhold to cover income taxes and still qualify for equity classification and the classification of those taxes paid on the statement of cash flows. This ASU is effective for annual and interim periods beginning after December 15, 2016. This guidance can be applied either prospectively, retrospectively or using a modified retrospective transition method. Early adoption is permitted. The Company will not early adopt this ASU. The adoption of this guidance may have a material impact on the Company's effective tax rate and income tax expense, depending in part on whether significant employee stock option exercises occur.

In August 2016, the FASB issued ASU 2016-15, which eliminates the diversity in practice related to the classification of certain cash receipts and payments in the statement of cash flows, by adding or clarifying guidance on eight specific cash flow issues. This ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company does not believe this ASU will have a material impact on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, which will require an entity to recognize the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. This ASU is effective for annual and interim periods beginning after December 15, 2017, with early adoption permitted in the first interim period of 2017. Upon adoption, any deferred charge established upon an intra-company transfer would be recorded as a cumulative-effect adjustment to retained earnings. At December 31, 2016, the Company had a deferred charge of $26.0 million with $1.8 million and $24.2 million recorded within Prepaid expenses and Other long term assets, respectively. The Company plans to adopt this ASU during the interim period ending March 31, 2017.

Recently Adopted Accounting Standards

In April 2015, the FASB issued ASU 2015-03, which requires costs incurred to issue debt to be presented in the balance sheet as a direct deduction from the carrying value of the debt. This ASU is effective for annual and interim reporting periods beginning after December 15, 2015, with early adoption permitted. The Company adopted the provisions of this ASU in the first quarter of 2016, and reclassified approximately $2.9 million from "Other long term assets" to "Long term debt, net of current maturities" as of December 31, 2015.

Table of Contents

3 . Property and Equipment, Net

Property and equipment consisted of the following:

	December 31,	
(In thousands)	2016	2015
Leasehold and tenant improvements	$ 326,617	$ 214,834
Furniture, fixtures and displays	168,720	132,736
Buildings	47,216	47,137
Software	151,059	99,309
Office equipment	75,196	50,399
Plant equipment	124,140	118,138
Land	83,574	17,628
Construction in progress	204,362	147,581
Other	20,383	4,002
Subtotal property and equipment	1,201,267	831,764
Accumulated depreciation	(397,056)	(293,233)
Property and equipment, net	$ 804,211	$ 538,531

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 $130.7 million , $86.3 million and $63.1 million for the years ended December 31, 2016 , 2015 and 2014 , respectively.

4 . 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:

	North America	EMEA	Asia-Pacific	Latin America	Connected Fitness	Total
Balance as of December 31, 2015	$ 316,852	$ 109,890	$ 79,963	$ 51,116	$ 27,360	$ 585,181
Effect of currency translation adjustment	471	(10,645)	(2,377)	(8,680)	(359)	(21,590)
Balance as of December 31, 2016	$ 317,323	$ 99,245	$ 77,586	$ 42,436	$ 27,001	$ 563,591

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

		December 31, 2016			December 31, 2015		
(In thousands)	Useful Lives from Date of Acquisitions (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:							
User base	10	$ 47,653	$ (8,733)	$ 38,920	$ 47,922	$ (3,965)	$ 43,957
Technology	5-7	19,612	(8,221)	11,391	19,739	(5,041)	14,698
Customer relationships	2-3	9,527	(9,527)	—	10,738	(8,354)	2,384
Trade name	4-5	7,653	(4,816)	2,837	7,663	(3,036)	4,627
Nutrition database	10	4,500	(806)	3,694	4,500	(356)	4,144
Lease-related intangible assets	1-15	3,896	(3,075)	821	3,896	(2,919)	977
Other	5-10	1,373	(666)	707	1,385	(444)	941
Total		$ 94,214	$ (35,844)	$ 58,370	$ 95,843	$ (24,115)	$ 71,728
Indefinite-lived intangible assets				5,940			3,958
Intangible assets, net				$ 64,310			$ 75,686

Amortization expense, which is included in selling, general and administrative expenses, was $13.0 million , $13.9 million and $8.5 million for the years ended December 31, 2016 , 2015 and 2014 , respectively. The following is the estimated amortization expense for the Company's intangible assets as of December 31, 2016 :

(In thousands)		
2017	$	10,509
2018		9,346
2019		9,240
2020		7,201
2021		5,318
2022 and thereafter		16,756
Amortization expense of intangible assets	$	58,370

At December 31, 2016 , 2015 and 2014 , the Company determined that its goodwill and indefinite-lived intangible assets were not impaired.

5 . Credit Facility and Other Long Term Debt

Credit Facility

The Company is party to a credit agreement that provides revolving commitments for up to $1.25 billion of borrowings, as well as term loan commitments, in each case maturing in January 2021 . As of December 31, 2016 there was no outstanding balance under the revolving credit facility and $186.3 million of term loan borrowings remained outstanding.

At the Company's request and the lender's consent, revolving and or term loan borrowings may be increased by up to $300.0 million in aggregate, subject to certain conditions as set forth in the credit agreement, as amended. Incremental borrowings are uncommitted and the availability thereof, will depend on market conditions at the time the Company seek s to incur such borrowings.

The borrowings under the revolving credit facility have maturities of less than one year. Up to $50.0 million of the facility may be used for the issuance of letters of credit. There were $2.6 million of letters of credit outstanding as of December 31, 2016 .

The credit agreement contains negative covenants that, subject to significant exceptions, limit the ability of the Company and its subsidiaries to, among other things, incur additional indebtedness, make restricted payments, pledge their assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. The Company is also required to maintain a ratio of consolidated EBITDA, as defined in the credit agreement, to consolidated interest expense of not less than 3.50 to 1.00 and is not permitted to allow the ratio of consolidated total indebtedness to consolidated EBITDA to be greater than 3.25 to 1.00 ("consolidated leverage ratio"). As of December 31, 2016 , the Company was in compliance with these ratios. In addition, the credit agreement contains events of default that are customary for a facility of this nature, and includes a cross default provision whereby an event of default under other material indebtedness, as defined in the credit agreement, will be considered an event of default under the credit agreement.

Borrowings under the credit agreement bear interest at a rate per annum equal to, at the Company's option, either (a) an alternate base rate, or (b) a rate based on the rates applicable for deposits in the interbank market for U.S. Dollars or the applicable currency in which the loans are made ("adjusted LIBOR"), plus in each case an applicable margin. The applicable margin for loans will be adjusted by reference to a grid (the "Pricing Grid") based on the consolidated leverage ratio and ranges between 1.00% to 1.25% for adjusted LIBOR loans and 0.00% to 0.25% for alternate base rate loans. The weighted average interest rate under the outstanding term loans and revolving credit facility borrowings was 1.6% and 1.3% during the years ended December 31, 2016 and 2015 , respectively. The Company pays a commitment fee on the average daily unused amount of the revolving credit facility and certain fees with respect to letters of credit. As of December 31, 2016 , the commitment fee was 15.0 basis points. Since inception, the Company incurred and deferred $3.9 million in financing costs in connection with the credit agreement.

3.250% Senior Notes

In June 2016, the Company issued $600.0 million aggregate principal amount of 3.250% senior unsecured notes due June 15, 2026 (the "Notes"). The proceeds were used to pay down amounts outstanding under the revolving credit facility. Interest is payable semi-annually on June 15 and December 15 beginning December 15, 2016. Prior to March 15, 2026 (three months prior to the maturity date of the Notes), the Company may redeem some or all of the Notes at any time or from time to time at a redemption price equal to the greater of 100% of the principal amount of the Notes to be redeemed or a “make-whole” amount applicable to such Notes as described in the indenture governing the Notes, plus accrued and unpaid interest to, but excluding, the redemption date. On or after March 15, 2026 (three months prior to the maturity date of the Notes), the Company may redeem some or all of the Notes at any time or from time to time at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The indenture governing the Notes contains covenants, including limitations that restrict the Company’s ability and the ability of certain of its subsidiaries to create or incur secured indebtedness and enter into sale and leaseback transactions and the Company’s ability to consolidate, merge or transfer all or substantially all of its properties or assets to another person, in each case subject to material exceptions described in the indenture. The Company incurred and deferred $5.3 million in financing costs in connection with the Notes.

Other Long Term Debt

In December 2012, the Company 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 loan includes covenants and events of default substantially consistent with the Company's credit agreement discussed above. The loan also requires prior approval of the lender for certain matters related to the property, including transfers of any interest in the property. As of December 31, 2016 and 2015 , the outstanding balance on the loan was $42.0 million and $44.0 million , respectively. The weighted average interest rate on the loan was 2.0% and 1.7% for the years ended December 31, 2016 and 2015 , respectively.

The following are the scheduled maturities of long term debt as of December 31, 2016 :

(In thousands)		
2017	$	27,000
2018		27,000
2019		63,000
2020		25,000
2021		86,250
2022 and thereafter		600,000
Total scheduled maturities of long term debt	$	828,250
Current maturities of long term debt	$	27,000

Interest expense, net was $26.4 million , $14.6 million , and $5.3 million for the years ended December 31, 2016 , 2015 and 2014 , respectively. Interest expense includes the amortization of deferred financing costs, bank fees, capital and built-to-suit lease interest and interest expense under the credit and other long term debt facilities. Amortization of deferred financing costs was $1.2 million , $0.8 million , and $0.6 million for the years ended December 31, 2016 , 2015 and 2014 , respectively.

The Company monitor s the financial health and stability of its lenders under the credit and other 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.

6 . 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 2033 , 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, 2016 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, 2016 as well as significant operating lease agreements entered into during the period after December 31, 2016 through the date of this report:

(In thousands)		
2017	$	114,857
2018		127,504
2019		136,040
2020		133,092
2021		122,753
2022 and thereafter		788,180
Total future minimum lease payments	$	1,422,426

Included in selling, general and administrative expense was rent expense of $109.0 million , $83.0 million and $59.0 million for the years ended December 31, 2016 , 2015 and 2014 , respectively, under non-cancelable operating lease agreements. Included in these amounts was contingent rent expense of $13.0 million , $11.0 million and $11.0 million for the years ended December 31, 2016 , 2015 and 2014 , respectively.

Sports Marketing and Other 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, 2016 , as well as significant sponsorship and other marketing agreements entered into during the period after December 31, 2016 through the date of this report:

(In thousands)		
2017	$	176,138
2018		166,961
2019		142,987
2020		124,856
2021		118,168
2022 and thereafter		626,495
Total future minimum sponsorship and other payments	$	1,355,605

The amounts listed above are the minimum compensation obligations and guaranteed royalty fees 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

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.

From time to time, the Company is involved in litigation and other proceedings, including matters related to commercial and intellectual property disputes, as well as trade, regulatory and other claims related to its business. Other than as described below, 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.

On February 10, 2017, a shareholder filed a securities case in the United States District Court for the District of Maryland (the "Court") against the Company, the Company's Chief Executive Officer and the Company's former Chief Financial Officer (*Brian Breece v. Under Armour, Inc.*). On February 16, 2017, a second shareholder filed a securities case in the Court against the same defendants (*Jodie Hopkins v. Under Armour, Inc.*). The plaintiff in each case purports to represent a class of shareholders for the period between April 21, 2016 and January 30, 2017, inclusive. The complaints allege violations of Section 10(b) (and Rule 10b-5) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 20(a) control person liability under the Exchange Act against the officers named in the complaints. In general, the allegations in each case concern disclosures and statements made by defendants regarding the Company's expected revenue growth during that time period. The Company has not yet been served with the complaint in either matter. The Company believes that the claims are without merit and, once served, intends to defend each lawsuit vigorously. However, because of the inherent uncertainty as to the outcome of this proceeding, the Company is unable at this time to estimate the possible impact of the outcome of these proceedings.

7 . Stockholders' Equity

The Company's Class A Common Stock and Class B Convertible Common Stock have an authorized number of shares at December 31, 2016 of 400.0 million shares and 34.5 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 or upon the other events specified in the Class C Charter. 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.

In June 2015, the Company's Board of Directors (the "Board") approved Articles Supplementary to the Company's charter which designated 400.0 million shares of common stock as a new class of common stock, referred to as the Class C common stock, par value $0.0003 1/3 per share. The Articles Supplementary became effective on June 15, 2015. In April 2016, the Company issued shares of Class C common stock as a dividend to the Company's holders of Class A and Class B common stock on a one-for-one basis. The terms of the Class C common stock are substantially identical to those of the Company's Class A common stock, except that the Class C common stock has no voting rights (except in limited circumstances), will automatically convert into Class A common stock under certain circumstances and includes provisions intended to ensure equal treatment of Class C common stock and Class B common stock in certain corporate transactions, such as mergers, consolidations, statutory share exchanges, conversions or negotiated tender offers, and including consideration incidental to these transactions.

8 . 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, 2016			December 31, 2015		
(In thousands)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Available-for-sale securities	$ —	$ —	$ —	$ 6,534	$ —	$ —
Derivative foreign currency contracts (see Note 13)	—	15,238	—	—	3,811	—
Interest rate swap contracts (see Note 13)	—	(420)	—	—	(1,486)	—
TOLI policies held by the Rabbi Trust (see Note 12)	—	4,880	—	—	4,456	—
Deferred Compensation Plan obligations (see Note 12)	—	(7,023)	—	—	(5,072)	—

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 Company purchases marketable securities that are designated as available-for-sale. The foreign currency 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 market exchange rate. The interest rate swap contracts represent gains and losses on the derivative contracts, 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.

As of December 31, 2016, the fair value of the Company's Senior Notes is $568.1 million . The carrying value of the Company's other long term debt approximated its fair value as of December 31, 2016 and 2015 . The fair value of long-term debt is estimated based upon quoted prices for similar instruments or quoted prices for identical instruments in inactive markets (Level 2).

9 . Provision for Income Taxes

Income before income taxes is as follows:

	Year Ended December 31,		
(In thousands)	2016	2015	2014
Income before income taxes:			
United States	$ 251,321	$ 272,739	$ 269,503
Foreign	136,961	113,946	72,707
Total	$ 388,282	$ 386,685	$ 342,210

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

	Year Ended December 31,		
(In thousands)	2016	2015	2014
Current			
Federal	$ 116,637	$ 102,317	$ 110,439
State	29,989	27,500	24,419
Other foreign countries	32,394	28,336	16,489
	179,020	158,153	151,347
Deferred			
Federal	(35,748)	707	(15,368)
State	(10,658)	(5,703)	(4,073)
Other foreign countries	(1,311)	955	2,262
	(47,717)	(4,041)	(17,179)
Provision for income taxes	$ 131,303	$ 154,112	$ 134,168

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

	Year Ended December 31,		
	2016	2015	2014
U.S. federal statutory income tax rate	35.0 %	35.0 %	35.0 %
State taxes, net of federal tax impact	2.4	3.2	3.8
Unrecognized tax benefits	1.1	3.4	1.9
Permanent tax benefits/nondeductible expenses	(1.3)	2.2	1.0
Foreign rate differential	(6.6)	(5.5)	(4.5)
Foreign valuation allowance	2.3	2.7	2.5
Other	0.9	(1.1)	(0.5)
Effective income tax rate	33.8 %	39.9 %	39.2 %

The decrease in the 2016 full year effective income tax rate, as compared to 2015 , is primarily attributable to increased international profitability and a tax benefit related to the Company's prior period acquisitions.

Deferred tax assets and liabilities consisted of the following:

	December 31,	
(In thousands)	2016	2015
Deferred tax asset		
Allowance for doubtful accounts and sales return reserves	$ 53,811	$ 33,821
Reserves and accrued liabilities (1)	38,819	24,967
Stock-based compensation	32,910	40,406
Foreign net operating loss carry-forwards	26,964	19,600
Tax basis inventory adjustment	25,776	10,019
Deferred rent	21,168	13,991
Inventory obsolescence reserves	15,479	11,956
Foreign tax credit carry-forwards	8,664	6,151
State tax credits, net of federal impact	7,408	4,966
U.S. net operating loss carry forward	3,032	9,217
Other	3,107	2,080
Total deferred tax assets	237,138	177,174
Less: valuation allowance	(37,969)	(24,043)
Total net deferred tax assets	199,169	153,131
Deferred tax liability		
Property, plant and equipment	(45,178)	(31,069)
Prepaid expenses	(8,628)	(8,766)
Intangible assets (1)	(6,815)	(20,381)
Other	(2,506)	(1,688)
Total deferred tax liabilities	(63,127)	(61,904)
Total deferred tax assets, net	$ 136,042	$ 91,227

(1) Certain December 31, 2015 amounts have been reclassified from “Other” amounts presented in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015 to conform to the current period’s presentation.

As of December 31, 2016 , the Company had $27.0 million in deferred tax assets associated with approximately $95.8 million in foreign net operating loss carryforwards which will begin to expire in 1 to 5 years. As of December 31, 2016 , 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 full valuation allowance of $10.1 million was recorded against the Company's net deferred tax assets in 2016 .

As of December 31, 2016 , the Company had $8.7 million in deferred tax assets associated with foreign tax credits. As of December 31, 2016 the Company believes that the foreign taxes paid would not be creditable against its future income taxes. Therefore, a full valuation allowance was recorded against the Company's net deferred tax assets.

As of December 31, 2016 , approximately $122.9 million of cash and cash equivalents was held by the Company's non-U.S. subsidiaries whose cumulative undistributed earnings total $418.1 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.

The Company utilizes the “with and without” method for intraperiod allocation of income tax provisions. Certain tax benefits associated with the Company’s stock-based compensation arrangements are recorded directly to Stockholders’ equity including benefit from excess tax deductions.

As of December 31, 2016 and 2015 , the total liability for unrecognized tax benefits, including related interest and penalties, was approximately $70.4 million and $46.9 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, 2016 , 2015 and 2014 .

Table of Contents

(In thousands)	Year Ended December 31, 2016	2015	2014
Beginning of year	$ 42,611	$ 28,353	$ 21,712
Increases as a result of tax positions taken in a prior period	661	203	250
Decreases as a result of tax positions taken in a prior period	—	—	—
Increases as a result of tax positions taken during the current period	26,482	14,382	8,947
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	(5,395)	(327)	(2,556)
End of year	$ 64,359	$ 42,611	$ 28,353

As of December 31, 2016 , $42.4 million of unrecognized tax benefits, excluding interest and penalties, would impact the Company's effective tax rate if recognized.

As of December 31, 2016 , 2015 and 2014 , the liability for unrecognized tax benefits included $6.1 million , $4.3 million and $3.0 million , respectively, for the accrual of interest and penalties. For each of the years ended December 31, 2016 , 2015 and 2014 , the Company recorded $3.1 million , $1.7 million and $1.2 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 Company is currently under audit by the Internal Revenue Service for the 2012 and 2013 tax years. The majority of the Company's returns for years before 2012 are no longer subject to U.S. federal, state and local or foreign income tax examinations by tax authorities.

The total amount of unrecognized tax benefits relating to the Company's tax positions is subject to change based on future events including, but not limited to, the settlements of ongoing tax audits and assessments and the expiration of applicable statutes of limitations. Although the outcomes and timing of such events are highly uncertain, the Company does not anticipate that the balance of gross unrecognized tax benefits, excluding interest and penalties, will change significantly during the next twelve months. However, changes in the occurrence, expected outcomes, and timing of such events could cause the Company's current estimate to change materially in the future.

Table of Contents

10 . 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:

	Year Ended December 31,		
(In thousands, except per share amounts)	2016	2015	2014
Numerator			
Net income	$ 256,979	$ 232,573	$ 208,042
Adjustment payment to Class C capital stockholders	59,000	—	—
Net income available to all stockholders	$ 197,979	$ 232,573	$ 208,042
Denominator - Class A and B shares			
Weighted average common shares outstanding	217,707	215,498	213,227
Effect of dilutive securities	4,237	5,370	6,153
Weighted average common shares and dilutive securities outstanding	221,944	220,868	219,380
Earnings per share Class A and B —basic	$ 0.45	$ 0.54	$ 0.49
Earnings per share Class A and B—diluted	$ 0.45	$ 0.53	$ 0.47
Denominator - Class C shares			
Weighted average common shares outstanding	218,623	215,498	213,227
Effect of dilutive securities	4,281	5,370	6,153
Weighted average common shares and dilutive securities outstanding	222,904	220,868	219,380
Earnings per share Class C — basic	$ 0.72	$ 0.54	$ 0.49
Earnings per share Class C — diluted	$ 0.71	$ 0.53	$ 0.47

Effects of potentially dilutive securities are presented only in periods in which they are dilutive. Stock options, restricted stock units and warrants representing 114.0 thousand , 770.0 thousand and 22.6 thousand shares of Class A common stock outstanding for the years ended December 31, 2016 , 2015 and 2014 , respectively, were excluded from the computation of diluted earnings per share because their effect would be anti-dilutive. Stock options, restricted stock units and warrants representing 691.6 thousand , 770.0 thousand and 22.6 thousand shares of Class C common stock outstanding for the years ended December 31, 2016 , 2015 and 2014 , respectively, were excluded from the computation of diluted earnings per share because their effect would be anti-dilutive.

11 . Stock-Based Compensation

Stock Compensation Plans

The Under Armour, Inc. Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (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 five 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 2025. As of December 31, 2016 , 7.2 million Class A shares and 22.0 million Class C shares are available for future grants of awards under the 2005 Plan.

Total stock-based compensation expense for the years ended December 31, 2016 , 2015 and 2014 was $ 46.1 million , $ 60.4 million and $ 50.8 million , respectively. As of December 31, 2016 , the Company had $ 64.5 million of unrecognized compensation expense expected to be recognized over a weighted average period of 1.7 years. This unrecognized compensation expense does not include any expense related to performance-based restricted stock units and stock options for which the performance targets have not been deemed probable as of December 31, 2016 . Refer to "Stock Options" and "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 and Class C 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, 2016 , 2.7 million Class A shares and 1.7 million Class C shares are available for future purchases under the ESPP. During the years ended December 31, 2016 , 2015 and 2014 , 290.8 thousand , 103.3 thousand and 87.6 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 $100.0 thousand 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 $125.0 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, 2016 and 2015 was $ 14.87 and $ 27.21 , respectively. There were no stock options granted during the year ended December 31, 2014 . 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,		
	2016	2015	2014
Risk-free interest rate	1.4%	1.8%	—%
Average expected life in years	6.50	6.00	0
Expected volatility	39.5%	44.3%	—%
Expected dividend yield	—%	—%	—%

A summary of the Company’s stock options as of December 31, 2016 , 2015 and 2014 , and changes during the years then ended is presented below:

(In thousands, except per share amounts)	Year Ended December 31, 2016		2015		2014	
	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	6,008	$ 7.26	5,622	$ 4.14	8,544	$ 4.06
Granted, at fair market value	335	36.05	1,158	20.15	—	—
Exercised	(1,763)	3.52	(720)	3.96	(2,908)	3.87
Expired	—	—	—	—	—	—
Forfeited	(315)	26.26	(52)	2.27	(14)	8.23
Outstanding, end of year	4,265	$ 9.63	6,008	$ 7.26	5,622	$ 4.14
Options exercisable, end of year	3,385	$ 4.30	4,892	$ 4.13	5,414	$ 3.94

Included in the table above are 0.3 million and 0.6 million performance-based stock options awarded to certain executives and key employees under the 2005 Plan during the years ended December 31, 2016 and 2015 , respectively. The performance-based stock options awarded in 2016 and 2015 have weighted average fair values of $14.87 and $18.03 , respectively, and have vesting that is tied to the achievement of certain combined annual operating income targets.

The intrinsic value of stock options exercised during the years ended December 31, 2016 , 2015 and 2014 was $63.9 million , $27.5 million and $73.0 million , respectively.

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2016 :

(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
4,265	$ 9.63	4.27	$ 81,740	3,385	$ 4.30	3.20	$ 77,545

Restricted Stock and Restricted Stock Units

A summary of the Company's restricted stock and restricted stock units as of December 31, 2016 , 2015 and 2014 , and changes during the years then ended is presented below:

	Year Ended December 31,					
	2016		2015		2014	
(In thousands, except per share amounts)	Number of Restricted Shares	Weighted Average Grant Date Fair Value	Number of Restricted Shares	Weighted Average Fair Value	Number of Restricted Shares	Weighted Average Fair Value
Outstanding, beginning of year	6,760	$ 23.23	9,020	$ 15.21	10,488	$ 11.10
Granted	4,002	35.20	2,030	38.36	2,122	27.09
Forfeited	(935)	30.35	(652)	24.29	(1,916)	10.49
Vested	(3,056)	16.25	(3,638)	11.61	(1,674)	9.75
Outstanding, end of year	6,771	$ 19.68	6,760	$ 23.23	9,020	$ 15.21

Included in the table above are 2.5 million , 1.7 million and 2.0 million performance-based restricted stock units awarded to certain executives and key employees under the 2005 Plan during the years ended December 31, 2016 , 2015 and 2014 , respectively. The performance-based restricted stock units awarded in 2016 , 2015 and 2014 have weighted average fair values of $35.71 , $37.87 and $27.12 , respectively, and have vesting that is tied to the achievement of certain combined annual operating income targets.

During the year ended December 31, 2016 , the Company deemed the achievement of certain operating income targets improbable for the performance-based stock options and restricted stock units granted in 2015 and 2016, and recorded reversals of expense of $3.6 million and $8.0 million , respectively, for the three months ended December 31, 2016. During the year ended December 31, 2015, the Company deemed the achievement of certain operating income targets probable for the performance-based stock options and restricted stock units granted in 2015 and 2014, and recorded $33.2 million for these awards, including a cumulative adjustment of $10.0 million during the three months ended September 30, 2015. During the year ended December 31, 2014, the Company deemed the achievement of certain operating income targets probable for the performance-based restricted stock units granted in 2014, 2013 and 2012, and recorded $38.4 million for a portion of these awards, including cumulative adjustments of $6.6 million during the three months ended March 31, 2014 and $3.8 million during the three months ended December 31, 2014. 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 any remaining performance targets related to these performance-based stock options and 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 $ 20.0 million would have been recorded through December 31, 2016 for all performance-based stock options and restricted stock units granted in 2016 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 1.92 million shares of the Company's Class A Common Stock and 1.93 million shares of the Company's Class C Common Stock to NFL Properties as partial consideration for footwear promotional rights which were recorded as an intangible asset. The warrants have a term of 12 years from the date of issuance and an exercise price of $4.66 per Class A share and $4.59 per Class C share. As of December 31, 2016 , all outstanding warrants were exercisable, and no warrants were exercised.

12 . 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 $9.0 million , $7.0 million and $4.9 million for the years ended December 31, 2016 , 2015 and 2014 , respectively. Shares of the Company's Class A Common Stock and Class C common stock are not investment options 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, 2016 and 2015 , the Deferred Compensation Plan obligations were $7.0 million and $5.1 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, 2016 and 2015 , the assets held in the Rabbi Trust were TOLI policies with cash-surrender values of $4.9 million and $4.5 million , respectively. These assets are consolidated and are included in other long term assets on the consolidated balance sheet. Refer to Note 8 for a discussion of the fair value measurements of the assets held in the Rabbi Trust and the Deferred Compensation Plan obligations.

13 . 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 and inventory purchases denominated in currencies other than the functional currency of the purchasing entity. From time to time, the Company may elect to enter into foreign currency contracts to reduce the risk associated with foreign currency exchange rate fluctuations on intercompany transactions and projected inventory purchases for its international subsidiaries.

As of December 31, 2016 , the aggregate notional value of the Company's outstanding foreign currency contracts was $ 845.1 million , which was comprised of Canadian Dollar/U.S. Dollar, Euro/U.S. Dollar, Yen/Euro, Mexican Peso/Euro and Pound Sterling/Euro currency pairs with contract maturities ranging from one to eleven months. A portion of the Company's foreign currency contracts are not designated as cash flow hedges, and accordingly, changes in their fair value are recorded in earnings. During 2014, the Company began entering into foreign currency contracts designated as cash flow hedges. For foreign currency contracts designated as cash flow hedges, changes in fair value, excluding any ineffective portion, are recorded in other comprehensive income until net income is affected by the variability in cash flows of the hedged transaction. The effective portion is generally released to net income after the maturity of the related derivative and is classified in the same manner as the underlying exposure. During the years ended December 31, 2016 and 2015 , the Company reclassified $0.3 million and $3.5 million from other comprehensive income to cost of goods sold related to foreign currency contracts designated as cash flow hedges, respectively. The fair values of the Company's foreign currency contracts were assets of $ 15.2 million and $3.8 million as of December 31, 2016 and 2015 , respectively, and were included in prepaid expenses and other current assets on the consolidated balance sheet. Refer to Note 8 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 contracts:

	Year Ended December 31,		
(In thousands)	2016	2015	2014
Unrealized foreign currency exchange rate gains (losses)	$ (12,627)	$ (33,359)	$ (11,739)
Realized foreign currency exchange rate gains (losses)	(6,906)	7,643	2,247
Unrealized derivative gains	729	388	1
Realized derivative gains	15,192	16,404	3,081

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. The Company utilizes interest rate swap contracts to convert a portion of variable rate debt to fixed rate debt. The contracts pay fixed and receive variable rates of interest. The interest rate swap contracts are accounted for as cash flow hedges and accordingly, the effective portion of the changes in their fair value are recorded in other comprehensive income and reclassified into interest expense over the life of the underlying debt obligation. Refer to Note 5 for a discussion of long term debt.

As of December 31, 2016 , the notional value of our outstanding interest rate swap contracts was $153.1 million . During the years ended December 31, 2016 and 2015 , the Company recorded a $2.0 million and $2.7 million increase in interest expense, respectively, representing the effective portion of the contracts reclassified from accumulated other comprehensive income. The fair value of the interest rate swap contracts was a liability of $0.4 million and $1.5 million as of December 31, 2016 and 2015 , respectively, and were 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 derivative contracts. However, the Company monitors the credit quality of these financial institutions and considers the risk of counterparty default to be minimal.

14 . Related Party Transactions

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 $2.0 million , $2.0 million , and $1.8 million in lease payments to the entity for its use of the aircraft during the years ended December 31, 2016 , 2015 and 2014 , respectively. No amounts were payable to this related party as of December 31, 2016 and 2015 . The Company determined the lease payments were at fair market lease rates.

In June 2016, the Company purchased parcels of land from an entity controlled by the Company's CEO, to be utilized to expand the Company's corporate headquarters to accommodate its growth needs. The purchase price for these parcels totaled $70.3 million . The Company determined that the purchase price for the land represented the fair market value of the parcels and approximated the cost to the seller to purchase and develop the parcels, including costs related to the termination of a lease encumbering the parcels.

In connection with the purchase of these parcels, in September 2016, the parties entered into an agreement pursuant to which the parties will share the burden of any special taxes arising due to infrastructure projects in the surrounding area. The allocation to the Company is based on the expected benefits to the Company's parcels from these projects. No obligations were owed by either party under this agreement as of December 31, 2016.

15 . 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-Pacific. Each geographic segment operates exclusively in one industry: the development, marketing and distribution of branded performance apparel, footwear and accessories. Beginning in the first quarter of 2015, the CODM began receiving discrete financial information for the Company's Connected Fitness business.

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. Intercompany balances were eliminated for separate disclosure. The majority of corporate service costs within North America have not been allocated to the Company's other segments. As the Company continues to grow its business outside of North America, a larger portion of its corporate overhead costs have begun to support global functions. Due to the individual materiality of our Asia-Pacific segment, the Company has separately presented its Asia-Pacific, EMEA and Latin America segments, as of December 31, 2016 and will no longer combine these segments for presentation purposes. Net revenues and operating income by segment presented for prior periods has been conformed to the current presentation. Total expenditures for additions to long-lived assets are not disclosed as this information is not regularly provided to the CODM.

During 2017, the Company plans to separately disclose its unallocated corporate costs. The Company believes this presentation will provide the users of its financial statements with increased transparency and comparability of its operating results.

(In thousands)	2016	2015	2014
	Year Ended December 31,		
Net revenues			
North America	$ 4,005,314	$ 3,455,737	$ 2,796,390
EMEA	330,584	203,109	134,118
Asia-Pacific	268,607	144,877	70,419
Latin America	141,793	106,175	64,234
Connected Fitness	80,447	53,415	19,209
Intersegment Eliminations	(1,410)	—	—
Total net revenues	$ 4,825,335	$ 3,963,313	$ 3,084,370

(In thousands)	2016	2015	2014
	Year Ended December 31,		
Operating income (loss)			
North America	$ 408,424	$ 460,961	$ 372,347
EMEA	11,420	3,122	(11,763)
Asia-Pacific	68,338	36,358	21,858
Latin America	(33,891)	(30,593)	(15,423)
Connected Fitness	(36,820)	(61,301)	(13,064)
Total operating income	417,471	408,547	353,955
Interest expense, net	(26,434)	(14,628)	(5,335)
Other expense, net	(2,755)	(7,234)	(6,410)
Income before income taxes	$ 388,282	$ 386,685	$ 342,210

Net revenues by product category are as follows:

(In thousands)	2016	2015	2014
	Year Ended December 31,		
Apparel	$ 3,229,142	$ 2,801,062	$ 2,291,520
Footwear	1,010,693	677,744	430,987
Accessories	406,614	346,885	275,409
Total net sales	4,646,449	3,825,691	2,997,916
Licensing revenues	99,849	84,207	67,229
Connected Fitness	80,447	53,415	19,225
Intersegment Eliminations	(1,410)	—	—
Total net revenues	$ 4,825,335	$ 3,963,313	$ 3,084,370

With the exception of goodwill and intangible assets disclosed in Note 4, as of December 31, 2016 and 2015 , the majority of the Company's long-lived assets were located in the United States. Net revenues in the United States were $3,843.7 million , $3,317.0 million , and $2,639.5 million for the years ended December 31, 2016 , 2015 and 2014 , respectively.

16 . Unaudited Quarterly Financial Data

(In thousands)		Quarter Ended (unaudited) March 31,	June 30,	September 30,	December 31,	Year Ended December 31,
2016						
Net revenues		$ 1,047,702	$ 1,000,783	$ 1,471,573	$ 1,305,277	$ 4,825,335
Gross profit		480,636	477,647	698,624	583,704	2,240,611
Income from operations		34,883	19,378	199,310	163,900	417,471
Net income		19,180	6,344	128,225	103,230	256,979
Adjustment payment to Class C capital stockholders	59,000,000	—	59,000	—	—	59,000
Net income available to all stockholders	199,660,000	$ 19,180	$ (52,656)	$ 128,225	$ 103,230	$ 197,979
Basic net income (loss) per share of Class A and B common stock		$ 0.04	$ (0.12)	$ 0.29	$ 0.24	$ 0.45
Basic net income per share of Class C common stock		$ 0.04	$ 0.15	$ 0.29	$ 0.24	$ 0.72
Diluted net income (loss) per share of Class A and B common stock		$ 0.04	$ (0.12)	$ 0.29	$ 0.23	$ 0.45
Diluted net income per share of Class C common stock		$ 0.04	$ 0.15	$ 0.29	$ 0.23	$ 0.71
2015						
Net revenues		$ 804,941	$ 783,577	$ 1,204,109	$ 1,170,686	$ 3,963,313
Gross profit		377,664	379,053	587,160	561,670	1,905,547
Income from operations		27,667	31,901	171,397	177,582	408,547
Net income		11,728	14,766	100,477	105,602	232,573
Basic net income per share of Class A and B common stock		$ 0.03	$ 0.03	$ 0.23	$ 0.24	$ 0.54
Basic net income per share of Class C common stock		$ 0.03	$ 0.03	$ 0.23	$ 0.24	$ 0.54
Diluted net income per share of Class A and B common stock		$ 0.03	$ 0.03	$ 0.23	$ 0.24	$ 0.53
Diluted net income per share of Class C common stock		$ 0.03	$ 0.03	$ 0.23	$ 0.24	$ 0.53

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, 2016 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, 2016 , 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.

Global Operating and Financial Reporting System Implementation

We are in the process of implementing a global operating and financial reporting information technology system, SAP Fashion Management Solution ("FMS"), as part of a multi-year plan to integrate and upgrade our systems and processes, which began during 2015 and will continue in phases over the next several years. We plan to substantially complete the migration of our North America, EMEA and Connected Fitness operations to FMS during 2017, and are in the process of developing an implementation strategy and roll-out plan for our Asia-Pacific and Latin America operations.

As the phased implementation of this system occurs, we will experience certain changes to our processes and procedures which, in turn, result in changes to our internal control over financial reporting. While we expect FMS to strengthen our internal financial controls by automating certain manual processes and standardizing business processes and reporting across our organization, management will continue to evaluate and monitor our internal controls as each of the affected areas evolve. For a discussion of risks related to the implementation of new systems, see Item 1A - "Risk Factors - Risks Related to Our Business - Risks and uncertainties associated with the implementation of information systems may negatively impact our business."

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 2017 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 and business conduct 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 and business conduct is available on our website: www.uabiz.com/investors.cfm. We are required to disclose any change to, or waiver from, our code of ethics and business policy 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 2017 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 2017 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 2017 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 2017 Proxy Statement under the heading “INDEPENDENT AUDITORS.”

Table of Contents

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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

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

Table of Contents

3. Exhibits

The following exhibits are incorporated by reference or filed herewith. References to any Form 10-K of the Company below are to the Annual Report on Form 10-K for the related fiscal year. For example, references to the Company’s 2015 Form 10-K are to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Exhibit No.	
3.01	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.01 of the Company’s Quarterly Report on Form 10-Q for the quarterly period ending March 31, 2016).
3.02	Articles Supplementary setting forth the terms of the Class C Common Stock, dated June 15, 2015 (incorporated by reference to Appendix F to the Preliminary Proxy Statement filed by the Company on June 15, 2015).
3.03	Second Amended and Restated By-Laws (incorporated by reference to Exhibit 3.02 of the Company’s Current Report on 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 Company’s Current Report on Form 8-K filed August 7, 2006).
4.02	Indenture, dated as of June 13, 2016, between the Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company’s Current Report on Form 8-K filed on June 13, 2016).
4.03	First Supplemental Indenture, dated as of June 13, 2016, relating to the 3.250% Senior Notes due 2026, between the Company and Wilmington Trust, National Association, as trustee, and the Form of 3.250% Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 of the Company’s Current Report on Form 8-K filed on June 13, 2016).
4.04	Terms of Settlement of *In re: Under Armour Shareholder Litigation* , Case No, 24-C-15-00324 (incorporated by reference from Exhibit 4.2 of the Company's Registration Statement on Form 8-A filed on March 21, 2016).
10.01	Credit Agreement, dated May 29, 2014, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as Syndication Agent, Bank of America, N.A. SunTrust Bank and Wells Fargo Bank, National Association as Co-Documentation Agents and the other lenders and arrangers party thereto (the “Credit Agreement”) (incorporated by reference to Exhibit 10.01 of the Company’s Current Report on Form 8-K filed June 2, 2014), Amendment No. 1 thereto, dated as of March 17, 2015 (incorporated by reference to Exhibit 10.01 of the Company’s Current Report on Form 8-K filed March 17, 2015), Amendment No. 2 thereto, dated as of January 22, 2016 (incorporated by reference to Exhibit 10.01 of the Company’s Current Report on Form 8-K filed January 22, 2016), and Amendment No. 3 thereto, dated as of June 7, 2016 (incorporated by reference to Exhibit 10.01 of the Company’s Quarterly Report on Form 10-Q filed on August 3, 2016).
10.02	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).*
10.03	Under Armour, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.15 of the Company’s 2007 Form 10-K), Amendment One to this plan (incorporated by reference to Exhibit 10.14 of the Company’s 2010 Form 10-K) and Amendment Two to this plan (filed herewith).*
10.04	Form of Change in Control Severance Agreement.*
10.05	Under Armour, Inc. Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan, as amended (incorporated by reference to Exhibit 4.5 of the Company’s Registration Statement on Form S-8 (Registration No. 333-210844) filed on April 20, 2016).*
10.06	Forms of Non-Qualified Stock Option Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan between the Company and Kevin Plank.*
10.07	Form of Restricted Stock Unit Grant Agreement under the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan (filed herewith and incorporated by reference to Exhibit 10.07 of the Company’s 2015 Form 10-K and Exhibit 10.08 of the Company’s 2014 Form 10-K).*
10.08	Form of Performance-Based Stock Option Grant Agreement under the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan between the Company and Kevin Plank (filed herewith, and Forms of Performance-Based Stock Option Grant Agreements incorporated by reference to Exhibit 10.08 of the Company’s 2015 Form 10-K and 10.09 of the Company’s 2014 Form 10-K).*

Exhibit No.	
10.09	Forms of Performance-Based Restricted Stock Unit Grant Agreement under the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan (filed herewith and incorporated by reference to Exhibit 10.10 of the Company’s 2015 Form 10-K, Exhibit 10.11 of the Company’s 2014 Form 10-K, Exhibit 10.12 of the Company’s 2013 Form 10-K and Exhibit 10.12 of the Company's 2012 Form 10-K) and Supplement to Restricted Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.01 of the Company’s Form 10-Q for the quarterly period ended September 30, 2014).*
10.10	Forms of Performance-Based Restricted Stock Unit Grant Agreement for International Employees under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibit 10.11 of the Company’s 2015 Form 10-K, Exhibit 10.12 of the Company’s 2014 Form 10-K and Exhibit 10.13 of the Company’s 2013 Form 10-K).*
10.11	Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives and the Company.*
10.12	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).*
10.13	Under Armour, Inc. 2015 Non-Employee Director Compensation Plan (incorporated by reference to Exhibit 10.15 of the Company’s 2014 Form 10-K), 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).*
10.14	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), Amendment One to this plan (incorporated by reference to Exhibit 10.23 of the Company’s 2010 Form 10-K) and Amendment Two to this plan (incorporated by reference to Exhibit 10.02 of the Company’s Form 10-Q for the quarterly period ended June 30, 2016).*
10.15	Confidentiality, Non-Competition and Non-Solicitation Agreement, dated June 15, 2015, between the Company and Kevin Plank (incorporated by reference to Appendix E to the Preliminary Proxy Statement filed by Under Armour, Inc. on June 15, 2015), and the First Amendment thereto, dated April 7, 2016 (incorporated by reference to Exhibit 10.03 of the Company’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016).
10.16	Employment Agreement by and between Michael Lee and the Company, including the Exhibit thereto, the Employee Confidential Information and Invention Assignment Agreement by and between Michael Lee and the Company, dated February 3, 2015.*
12.01	Statement re: computation of ratio of earnings to fixed charges.
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.
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

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

Table of Contents

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 23, 2017

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/ DAVID E. BERGMAN David E. Bergman	Chief Financial Officer (principal accounting and financial officer)
/s/ BYRON K. ADAMS, JR. Byron K. Adams, Jr.	Director
/s/ GEORGE W. BODENHEIMER George W. Bodenheimer	Director
/s/ DOUGLAS E. COLTHARP Douglas E. Coltharp	Director
/s/ ANTHONY W. DEERING Anthony W. Deering	Director
/s/ KAREN W. KATZ Karen W. Katz	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

Dated: February 23, 2017

Table of Contents

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, 2016	$ 5,930	$ 23,575	$ (18,164)	$ 11,341
For the year ended December 31, 2015	3,693	2,951	(714)	5,930
For the year ended December 31, 2014	2,938	1,028	(273)	3,693
Sales returns and allowances				
For the year ended December 31, 2016	$ 72,615	$ 179,445	$ (130,774)	$ 121,286
For the year ended December 31, 2015	52,973	145,828	(126,186)	72,615
For the year ended December 31, 2014	34,102	156,791	(137,920)	52,973
Deferred tax asset valuation allowance				
For the year ended December 31, 2016	$ 24,043	$ 13,951	$ (25)	$ 37,969
For the year ended December 31, 2015	15,550	8,493	—	24,043
For the year ended December 31, 2014	8,091	7,581	(122)	15,550

Exhibit 10.03

Amendment Two to the Under Armour, Inc. Deferred Compensation Plan

WHEREAS, the Company has established the Under Armour, Inc. Deferred Compensation Plan, originally effective June 1, 2007, and amended effective December 22, 2010 (the "Plan");

WHEREAS, the Committee has authority under Article 11.2 of the Plan to amend the Plan;

WHEREAS, the Company desires to amend the Plan to clarify its provisions related to the initial enrollment of newly eligible Employees and the re-enrollment of formerly eligible Employees who again become eligible;

NOW, THEREFORE, pursuant to the power of amendment set forth in the Plan, the Plan is hereby amended as follows effective January 1, 2017:

1. Article 2 Section 2 Enrollment Requirements is deleted in its entirety and replaced with the following:

   2.2 Enrollment Requirements . As a condition to participation in the Plan, each selected Employee shall complete, execute and return to the Administrator a Plan Agreement, an Election Form(s) and a Beneficiary Designation Form within the enrollment period specified by the Administrator. In addition, the Administrator shall establish from time to time such other enrollment requirements as it determines in its sole discretion are necessary.

2. Article 2 Section 3 Commencement of Participation is deleted in its entirety and replaced with the following:

   2.3 Commencement of Participation . Provided a selected Employee has met all enrollment requirements set forth in this Plan and required by the Administrator, including returning all required documents to the Administrator within the specified time period in accordance with Section 2.2, that individual shall commence participation in the Plan on the first day of the Plan Year immediately following the Employee's timely completion of all enrollment requirements (or as soon as administratively practicable thereafter as the Administrator may determine). The preceding notwithstanding, if the Compensation Committee exercises its discretion in accordance with Section 3.3(a) to allow a newly-eligible Employee (or an Employee who becomes eligible after having been ineligible for at least twenty-four (24) months) to make a deferral election within thirty (30) days after he or she first becomes (or again becomes) an eligible Employee, and that Employee has met all enrollment requirements set forth in the Plan and required by the Administrator, including executing and returning to the Administrator an Election Form and all other required documents, within such thirty (30) day period, that Employee shall commence (or recommence) participation in the Plan on the first day of the month immediately after the Employee's timely completion of all enrollment requirements (or as soon as administratively practicable thereafter as the Administrator may determine). If that Employee fails to meet all such requirements within such thirty (30) day period, that Employee shall commence participation in the Plan on the first day of the Plan Year immediately following the Employee's timely completion of all enrollment requirements (or as soon as administratively practicable thereafter as the Administrator may determine).

3. Article 3 Section 3 (a), Paragraph three shall be amended by substituting “Compensation Committee” for “Administrator.”

Except as hereinabove amended and modified, the Plan shall remain in full force and effect.

Exhibit 10.04

UNDER ARMOUR.

CHANGE IN CONTROL SEVERANCE AGREEMENT

This CHANGE IN CONTROL SEVERANCE AGREEMENT (this “Agreement”) is made as of the _________ day of __________, 20__, 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. Definitions .

(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 material breach of the Company's written Code of Conduct, as in effect from time to time; (d) 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 (e) 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 starting on the date hereof and ending on December 31, 20___. 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: Sarah Prost, Vice President,	______________________
Human Resources	______________________
1020 Hull Street	
Baltimore, Maryland 21230	
With a copy to:	With a copy to:
Under Armour, Inc.	
Attn: John Stanton, General Counsel	______________________
1020 Hull Street	______________________
Baltimore, Maryland 21230	______________________

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 10-K for the year ended December 31, 2016, as Exhibit 10.11]

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:

SECOND AMENDED AND RESTATED 2005 OMNIBUS LONG-TERM INCENTIVE PLAN

TIME BASED OPTION GRANT AGREEMENT

THIS AGREEMENT, made as of this ____ day of ____________________, 2017, (the " Agreement ") between UNDER ARMOUR, INC. (the " Company ") and Kevin Plank (the " Grantee ").

WHEREAS, the Company has adopted the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (the " Plan "), which has been 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 Options to purchase shares of the Company's Class C Shares (" Class C Stock ");

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

1. Grant of Options . Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee a non-qualified stock option (the "Option") with respect to ________ shares of the Company's Class C Stock.

2. Grant Date . The Grant Date of the Option hereby granted is ____________, 2017.

3. 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.

4. Option Price . The exercise price per share of Class C Stock underlying the Option granted hereby is $______________.

5. Vesting of Awards. (a) Except as provided in Sections 5(b) or 8 below, the Option shall vest in ___ equal annual installments on each February 15th beginning February 15, 2018; provided that (i) the Grantee remains continuously employed by the Company through each such applicable vesting date, and (ii) the Grantee has duly executed this Agreement prior to the first such vesting date.

(b) Notwithstanding Section 5(a), in the event that the Grantee's employment is terminated in the event of the Grantee's death or Disability at any time, all unvested Options shall immediately vest on such date of termination.

6. Change in Control .

(a) In the event of a Change in Control in which the Options will not be continued, assumed or substituted with Substitute Awards (as defined below), all of the Options will vest on the day immediately prior to the date of the Change in Control.

(b) In the event of a Change in Control in which the Options will be continued, assumed or substituted with Substitute Awards, any Substitute Awards shall vest on the dates set forth in Section 5(a) or 5(b) of this Agreement.

(c) If the Options are substituted with Substitute Awards as set forth in Section 6(b) above, 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 shall immediately vest upon such termination or resignation; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment, or (ii) the date of Grantee's death.

(d) 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 attached hereto as Attachment A. 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 Options at the time of the Change in Control and provides vesting and other material terms that are at least as favorable to Grantee as the vesting and other material terms applicable to the Options.

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

7. Term. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, all unexercised portions of the Option shall terminate, and all rights to purchase shares of Class C Stock thereunder shall cease, upon the expiration of ten years from the Grant Date.

8. Termination of Service.

(a) Termination of Service for Cause. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, all unexercised portions of the Option, whether vested or unvested, will terminate and be forfeited upon a termination of the Grantee's Service for Cause (as defined above).

(b) Termination of Service other than for Cause, Death or Disability. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, the vested portion of the Option shall terminate thirty (30) days following the termination of the Grantee's Service for any other reason other than for Cause, death or Disability.

(c) Post Termination Exercise. The Grantee (or the Grantee's guardian, legal representative, executor, personal representative or the person to whom the Option shall have been transferred by will or the laws of descent and distribution, as the case may be) may exercise all or any part of the vested portion of the Option during such post termination of employment period, but not later than the end of the term of the Option. Any portion of the Option which is unvested as of the date of termination of service shall immediately terminate.

9. 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.

10. Transferability of Options. During the lifetime of the Grantee, only the Grantee or a Family Member who received all or part of the Option, not for value, (or, in the event of legal incapacity or incompetence, the Grantee's guardian or legal representative) may exercise the Option. The Option shall not be assignable or transferable by the Grantee other than to a Family Member, not for value, or by will or the laws of descent and distribution.

11. Manner of Exercise. The vested portion of the Option may be exercised, in whole or in part, by delivering written notice to the Stock Option Administrator designated by the Company. Such notice may be in electronic or other form as used by the Stock Option Administrator in its ordinary course of business and as may be amended from time to time, and shall:

(a) state the election to exercise the Option and the number of shares in respect of which it is being exercised;

(b) be accompanied by (i) cash, check, bank draft or money order in the amount of the Option Price payable to the order of the Stock Option Administrator designated by the Company; or (ii) certificates for shares of the Company's Class C Stock (together with duly executed stock powers) or other written authorization as may be required by the Company to transfer shares of such Class C Stock to the Company, with an aggregate value equal to the Option Price of the Class C Stock being acquired; or (iii) a combination of the consideration described in clauses (i) and (ii). Grantee may transfer Class C Stock to pay the Option Price for Class C Stock being acquired pursuant to clauses (ii) and (iii) above only if such transferred Class C Stock (x) was acquired by the Grantee in open market transactions, (y) has been owned by Grantee for longer than six months, and (z) the Grantee is not subject to any other restrictions on transferring Company securities pursuant to Company policy or federal law.

In addition to the exercise methods described above and subject to other restrictions which may apply, the Grantee may exercise the Option through a procedure known as a "cashless exercise," whereby the Grantee delivers to the Stock Option Administrator designated by the Company an irrevocable notice of exercise in exchange for the Company issuing shares of the Company's Class C Stock subject to the Option to a broker previously designated or approved by the Company, versus payment of the Option Price by the broker to the Company, to the extent permitted by the Committee or the Company and subject to such rules and procedures as the Committee or the Company may determine. Grantee may elect to satisfy any tax withholding obligations due upon exercise of the Option, in whole or in part, by delivering to the Company shares of Class C Stock otherwise deliverable upon exercise of the Option as provided under the Plan.

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. 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 Options 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.

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 Options 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

____

A ttachment A

[Attachment A, the Confidentiality, Non-Competition and Non-Solicitation Agreement by and between the Company and Kevin Plank, has been separately filed as Appendix E to the Preliminary Proxy Statement filed by the Company on June 15, 2015, and the Amendment thereto has been separately filed as Exhibit 10.03 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016.]

Exhibit 10.07

TIME BASED RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS AGREEMENT, made as of this ____ day of ____________________, 20__, (the " Agreement ") between UNDER ARMOUR, INC. (the " Company ") and ______________________________ (the " Grantee ").

WHEREAS, the Company has adopted the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan, as amended (the " Plan "), which has been 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 the Company's Class C Shares (" Class C Stock ");

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 the Company's Class C Stock (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 ____________, _____.

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 .

(a) The Restricted Stock Units shall vest in ____ equal annual installments on each _______________ beginning ________________, _________; provided that (i) the Grantee remains continuously employed by the Company through each such applicable vesting date, and (ii) the Grantee has duly executed this Agreement prior to the first such vesting date.

(b) Notwithstanding Section 5(a), in the event that the Grantee's employment is terminated upon the occurrence of an event specified in sub-clauses (i) or (ii) below, the Restricted Stock Units shall vest on the dates specified below:

i. In the event 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; and

ii. In the event of the Grantee's Retirement, all of the Restricted Stock Units shall immediately vest on such date of termination; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment or (ii) the date of Grantee's death.

(c) As used in this Section 5, the following terms have the following meanings:

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 A. 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. " Retirement " shall mean the Grantee's voluntary termination from employment after attainment of age 60 with at least 10 years of continuous service (or after other significant service to the Company, as determined to be satisfied by the Chief Executive Officer and Chief Financial Officer of the Company in writing); provided, however, that the termination was not occasioned by a discharge for Cause.

(d) On the first business day after each vesting date described in Sections 5(a) or 5(b), as applicable, the Company shall deliver to Grantee the shares of the Company's Class C Stock to which his or her vested Restricted Stock Units relate; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment or (ii) the date of Grantee's death.

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), all of the Restricted Stock Units not otherwise forfeited shall vest immediately on the day immediately prior to the date of the Change in Control.

(b) In the event of a Change in Control following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, any Substitute Awards shall vest on the dates set forth in Section 5(a) or 5(b) of this Agreement.

(c) If the Restricted Stock Units are substituted with Substitute Awards as set forth in subclause (b) 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 (as defined above) or resigns for Good Reason, the Substitute Awards shall immediately vest upon such termination or resignation.

(d) On the first business day after each vesting date set forth in Sections 6(a), (b) or (c), as applicable, the Company shall deliver to Grantee the shares of stock to which the Restricted Stock Units or Substitute Awards relate; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment, or (ii) the date of Grantee's death.

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

i. " 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.

ii. 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.

iii. " 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. 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. The Grantee authorizes the Company at its discretion to satisfy its withholding obligations, if any, 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; or

(b) withholding from proceeds of the sale of shares of Class C 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 Class C 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.

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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.

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 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, 2016, as Exhibit 10.11]

SECOND AMENDED AND RESTATED 2005 OMNIBUS
LONG-TERM INCENTIVE PLAN

PERFORMANCE BASED OPTION GRANT AGREEMENT

THIS AGREEMENT, made as of this ____ day of ____________________, 2017, (the " Agreement ") between UNDER ARMOUR, INC. (the " Company ") and Kevin Plank (the " Grantee ").

WHEREAS, the Company has adopted the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (the " Plan "), which has been 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 Options to purchase shares of the Company's Class C Shares (" Class C Stock ");

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

1. Grant of Options . Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee a non-qualified stock option with respect to ________ shares of the Company's Class C Stock (collectively, the "Option" or "Options"). The actual number of options earned will be 0% to 200% of this target number of Options depending on the achievement of applicable performance metrics as provided herein.

2. Grant Date . The Grant Date of the Option hereby granted is ____________, 2017.

3. 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.

4. Option Price . The exercise price per share of Class C Stock underlying the Option granted hereby is $______________.

5. Calculation of Earned Options . Grantee is eligible to earn between 0% and 200% of the Options, with 100% representing the "Target" amount of Options, and 200% representing the "Stretch" amount of Options. The number of Options ultimately earned will depend on the extent to which the applicable performance metrics, Operating Income and Net Revenue, are satisfied during the Performance Period. The Options will be earned based upon the Company's level of Operating Income and Net Revenue achieved during the Performance Period as determined in accordance with Exhibit 1 (the " Earned Options "). The Earned Options will vest only to the extent the Grantee also satisfies the employment service requirements set forth in Section 6 below. Any Options granted to the Grantee that are determined not to be Earned Options will be forfeited as of the date of the Compensation Committee Certification. Exhibit 1 is attached to this Agreement and incorporated herein and made a part hereof as if stated herein.

6. Vesting of Awards.

(a) Vesting . Except as provided in Sections 6(b) or 9 below, the Grantee will vest with respect to 50% of the Earned Options on February 15, 2019 (or if later, the date of the Compensation Committee Certification) and 50% of the Earned Options on February 15, 2020, provided (i) the Grantee remains employed by the Company on each such vesting date, and (ii) the Grantee has duly executed this Agreement prior to the first such vesting date. Any portion of the Options granted to a Grantee that are determined not to be Earned Options shall be forfeited as of the date of the Compensation Committee Certification. Except as provided in Section 6(b), all unvested Earned Options will be automatically forfeited if the Grantee terminates employment for any reason prior to the vesting dates set forth in this Section 6(a).

(b) Special Vesting Upon Death, Disability and Retirement : Notwithstanding Section 6(a), in the event that the Grantee's employment with Company is terminated upon the occurrence of an event specified in sub-clauses (i) or (ii) below, the Options or Earned Options, as applicable, shall vest on the dates specified below:

(i) In the event the Grantee's death or Disability occurs prior to the Compensation Committee Certification, 100% of the Options will vest on such date of termination, and the Options shall terminate one hundred eighty (180) days following such termination of employment;

(ii) In the event the Grantee's death or Disability occurs following the Compensation Committee Certification, 100% of the Earned Options shall immediately vest on such date of termination, and the Options shall terminate one hundred eighty (180) days following such termination of employment;

(c) As used in this Section 6, the following terms have the following meanings:

i. " Compensation Committee Certification " shall mean the certification in writing by the Compensation Committee of the Board with respect the Company's Operating Income and Net Revenue performance for the Performance Period, which certification determines the number of Earned Options that are eligible to vest pursuant to Section 6. Upon such certification, any Options that are determined not to be Earned Options shall be immediately forfeited.

ii. " Net Revenue " shall mean net revenues as such term is calculated and reported in the Company's audited financial statements prepared in accordance with generally accepted accounting principles. The Compensation Committee's evaluation of Net Revenue shall exclude the impact of any generally accepted accounting principle changes implemented after the date hereof.

iii. " 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. The Compensation Committee's evaluation of Operating Income shall exclude the impact of any generally accepted accounting principle changes implemented after the date hereof. In addition, in accordance with Section 17.3.4 of the Plan, the following impacts of acquisitions shall be excluded from the Compensation Committee's evaluation of the Operating Income: (A) goodwill impairment charges related to any acquired entity or business, (B) non-capitalized deal costs related to any acquisition completed during the Performance Period, and (C) the amortization of intangible assets acquired in any acquisition completed during the Performance Period. Further, in accordance with Section 17.3.4 of the Plan, the following items shall be excluded in the Compensation

Committee's evaluation of the Operating Income: (A) any costs, expenses or losses incurred by the Company during the Performance Period as a result of any particular litigation, claim, judgment or settlement (a " Litigation Matter ") to the extent such costs, expenses or losses related to the particular Litigation Matter exceed $1.0 million, (B) any foreign exchange losses incurred by the Company during the Performance Period arising from the impact of foreign currency translation (such losses, " Translation Costs ") but only to the extent that the Translation Costs result from foreign currency translation rates differing from those utilized by the Company at the time the Operating Income thresholds are established for purposes of this Agreement, and are greater than the Translation Costs that would have resulted under such currency translation rates, (C) any impairment charges related to the write-down of the Company's accounts receivable asset due to the bankruptcy of a customer of the Company to the extent such impairment charges exceed $1.0 million, and (D) any restructuring program charges incurred by the Company during the Performance Period, and any asset write-downs implemented in connection therewith.

(iv) " Performance Period " shall mean the Company's fiscal years 2017 and 2018.

7. Change in Control .

(a) In the event of a Change in Control in which the Options will not be continued, assumed or substituted with Substitute Awards (as defined below), (i) if the Change in Control occurs after the Compensation Committee Certification, 100% of the Earned Options shall vest on the day immediately prior to the date of the Change in Control, and (ii) if the Change in Control occurs prior to the Compensation Committee Certification, 100% of the Options will vest on the day immediately prior to the date of the Change in Control.

(b) In the event of a Change in Control in which the Options will be continued, assumed or substituted with Substitute Awards, (i) if the Change in Control occurs prior to Compensation Committee Certification, the number of such Substitute Awards shall be equivalent to 100% of the Options, and shall vest in the percentages and on the dates set forth in Section 6(a) or 6(b) of this Agreement, and (ii) if the Change in Control occurs after the Compensation Committee Certification, the number of such Substitute Awards shall be equivalent to 100% of the Earned Options determined under Section 5, and shall vest in the percentages and on the dates set forth in Section 6(a) or 6(b) of this Agreement

(c) If the Options are substituted with Substitute Awards as set forth in Section 7(b) above, 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 shall immediately vest upon such termination or resignation; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment, or (ii) the date of Grantee's death.

(d) The following definitions shall apply to this Section 7:

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 attached hereto as Attachment A. 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 Options at the time of the Change in Control and provides vesting and other material terms that are at least as favorable to Grantee as the vesting and other material terms applicable to the Options.

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

8. Term. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, all unexercised portions of the Option shall terminate, and all rights to purchase shares of Class C Stock thereunder shall cease, upon the expiration of ten years from the Grant Date.

9. Termination of Service.

(a) Termination of Service for Cause. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, all unexercised portions of the Option, whether vested or unvested, will terminate and be forfeited upon a termination of the Grantee's Service for Cause (as defined above).

(b) Termination of Service other than for Cause, Death or Disability. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, the vested portion of the Option shall terminate thirty (30) days following the termination of the Grantee's Service for any other reason other than for Cause, death or Disability.

(c) Post Termination Exercise. The Grantee (or the Grantee's guardian, legal representative, executor, personal representative or the person to whom the Option shall have been transferred by will or the laws of descent and distribution, as the case may be) may exercise all or any part of the vested portion of the Option during such post termination of employment period, but not later than the end of the term of the Option. Any portion of the Option which is unvested as of the date of termination of service shall immediately terminate.

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. Transferability of Options. During the lifetime of the Grantee, only the Grantee or a Family Member who received all or part of the Option, not for value, (or, in the event of legal incapacity or incompetence, the Grantee's guardian or legal representative) may exercise the Option. The Option shall not be assignable or transferable by the Grantee other than to a Family Member, not for value, or by will or the laws of descent and distribution.

12. Manner of Exercise. The vested portion of the Option may be exercised, in whole or in part, by delivering written notice to the Stock Option Administrator designated by the Company. Such notice may be in electronic or other form as used by the Stock Option Administrator in its ordinary course of business and as may be amended from time to time, and shall:

(a) state the election to exercise the Option and the number of shares in respect of which it is being exercised;

(b) be accompanied by (i) cash, check, bank draft or money order in the amount of the Option Price payable to the order of the Stock Option Administrator designated by the Company; or (ii) certificates for shares of the Company's Class C Stock (together with duly executed stock powers) or other written authorization as may be required by the Company to transfer shares of such Class C Stock to the Company, with an aggregate value equal to the Option Price of the Class C Stock being acquired; or (iii) a combination of the consideration described in clauses (i) and (ii). Grantee may transfer Class C Stock to pay the Option Price for Class C Stock being acquired pursuant to clauses (ii) and (iii) above only if such transferred Class C Stock (x) was acquired by the Grantee in open market transactions, (y) has been owned by Grantee for longer than six months, and (z) the Grantee is not subject to any other restrictions on transferring Company securities pursuant to Company policy or federal law.

In addition to the exercise methods described above and subject to other restrictions which may apply, the Grantee may exercise the Option through a procedure known as a "cashless exercise," whereby the Grantee delivers to the Stock Option Administrator designated by the Company an irrevocable notice of exercise in exchange for the Company issuing shares of the Company's Class C Stock subject to the Option to a broker previously designated or approved by the Company, versus payment of the Option Price by the broker to the Company, to the extent permitted by the Committee or the Company and subject to such rules and procedures as the Committee or the Company may determine. Grantee may elect to satisfy any tax withholding obligations due upon exercise of the Option, in whole or in part, by delivering to the Company shares of Class C Stock otherwise deliverable upon exercise of the Option as provided under the Plan.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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 Options 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.

18. 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.

19. 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 Options 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

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EXHIBIT 1
PERFORMANCE METRICS SCHEDULE

			2-Year Operating Income Goal					
			BELOW TARGET			***TARGET***	***STRETCH OPPORTUNITY***	
			Less than $__	***$__ to less than $__***	***$__ to less than $__***	***$__ to less than $__***	***$__ to less than $__***	***$__ or greater***
2-Year Net Revenue Goal	***BELOW TARGET***	***Less than $__***	0%	25%	37.5%	50%	75%	100%
		$__ to less than $__	25%	**50%**	62.5%	75%	100%	125%
		$__ to less than $__	37.5%	62.5%	75%	87.5%	112.5%	137.5%
	TARGET	***$__ to less than $__***	50%	75%	87.5%	**100%**	125%	150%
	STRETCH OPPORTUNITY	***$__ billion to less than $__ billion***	75%	100%	112.5%	125%	150%	175%
		$__ billion or greater	100%	125%	137.5%	150%	175%	**200%**

Example 1: Grantee is awarded 10,000 Options. For the Performance Period, the Company achieves Net Revenues of $___ billion and Operating Income of $___ million. Based on the above chart, Grantee will earn 8,750 Earned Options (10,000 x 87.5%).*

Example 2: Grantee is awarded 10,000 Options. For the Performance Period, the Company achieves Net Revenues of $___ billion and Operating Income of $___ million. Based on the above chart, Grantee will earn 11,250 Earned Options (10,000 x 112.5%).*

*Examples are provides solely for illustrative purposes. Actual performance is uncertain.

A ttachment A

[Attachment A, the Confidentiality, Non-Competition and Non-Solicitation Agreement by and between the Company and Kevin Plank, has been separately filed as Appendix E to the Preliminary Proxy Statement filed by the Company on June 15, 2015, and the Amendment thereto has been separately filed as Exhibit 10.03 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016.]

Exhibit 10.09

**SECOND AMENDED AND RESTATED 2005 OMNIBUS
LONG-TERM INCENTIVE PLAN**

PERFORMANCE BASED RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS AGREEMENT, made as of this ____ day of ____________________, 2017, (the " Agreement ") between UNDER ARMOUR, INC. (the " Company ") and ______________________________ (the " Grantee ").

WHEREAS, the Company has adopted the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan, as amended (the " Plan "), which has been 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 the Company's Class C Shares (" Class C Stock ");

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 the Company's Class C Stock (collectively, the " Restricted Stock Units "). The actual number of shares earned will be 0% to 200% of this target number of Restricted Stock Units depending on the achievement of applicable performance metrics as provided herein. 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 ____________, 2017.

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. Calculation of Earned Restricted Stock Units. Grantee is eligible to earn between 0% and 200% of the Restricted Stock Units, with 100% representing the "Target" amount of Restricted Stock Units, and 200% representing the "Stretch" amount of Restricted Stock Units. The number of Restricted Stock Units ultimately earned will depend on the extent to which the applicable performance metrics, Operating Income and Net Revenue, are satisfied during the Performance Period. The Restricted Stock Units will be earned based upon the Company's level of Operating Income and Net Revenue achieved during the Performance Period as determined in accordance with Exhibit 1 (the " Earned RSUs "). The Earned RSUs will vest only to the extent the Grantee also satisfies the employment service requirements set forth in Section 6 below. Any Restricted Stock Units granted to the Grantee that are determined not to be Earned RSUs will be forfeited

as of the date of the Compensation Committee Certification. Exhibit 1 is attached to this Agreement and incorporated herein and made a part hereof as if stated herein.

6. Vesting and Settlement of Awards.

(a) Vesting. Except as provided in Section 6(b) below, the Grantee will vest with respect to 50% of the Earned RSUs on February 15, 2019 (or if later, the date of the Compensation Committee Certification) and 50% of the Earned RSUs on February 15, 2020, provided (i) the Grantee remains employed by the Company on each such vesting date, and (ii) the Grantee has duly executed this Agreement prior to the first such vesting date. Any portion of the Restricted Stock Units granted to a Grantee that are determined not to be Earned RSUs shall be forfeited as of the date of the Compensation Committee Certification. Except as provided in Section 6(b), all unvested Earned RSUs will be automatically forfeited if the Grantee terminates employment for any reason prior to the vesting dates set forth in this Section 6(a).

(b) Special Vesting Upon Death, Disability and Retirement: Notwithstanding Section 6(a), in the event that the Grantee's employment with Company is terminated upon the occurrence of an event specified in sub-clauses (i) through (iv) below, the Restricted Stock Units or Earned RSUs, as applicable, shall vest on the dates specified below:

(i) In the event the Grantee's death or Disability occurs prior to the Compensation Committee Certification, 100% of the Restricted Stock Units will vest on such date of termination;

(ii) In the event the Grantee's death or Disability occurs following the Compensation Committee Certification, 100% of the Earned RSUs shall immediately vest on such date of termination;

(iii) In the event the Grantee's Retirement occurs prior to the Compensation Committee Certification, all of the Restricted Stock Units shall expire and immediately be forfeited as of such date of termination; and

(iv) In the event the Grantee's Retirement occurs following the Compensation Committee Certification, 100% of the Earned RSUs shall immediately vest on such date of termination.

(c) Settlement of Awards: On the first business day after each vesting date described in Sections 6(a) or 6(b), as applicable, the Company shall deliver to Grantee the shares of the Company's Class C Stock to which his or her vested Restricted Stock Units or Earned RSUs, as applicable, relate; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment or (ii) the date of Grantee's death.

(d) As used in this Section 6, the following terms have the following meanings:

(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 A. 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) " Compensation Committee Certification " shall mean the certification in writing by the Compensation Committee of the Board with respect the Company's Operating Income and Net Revenue performance for the Performance Period, which certification determines the number of Earned RSUs that are eligible to vest pursuant to Section 6. Upon such certification, any Restricted Stock Units that are determined not to be Earned RSUs shall be immediately forfeited.

(iii) " Net Revenue " shall mean net revenues as such term is calculated and reported in the Company's audited financial statements prepared in accordance with generally accepted accounting principles. The Compensation Committee's evaluation of Net Revenue shall exclude the impact of any generally accepted accounting principle changes implemented after the date hereof.

(iv) " 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. The Compensation Committee's evaluation of Operating Income shall exclude the impact of any generally accepted accounting principle changes implemented after the date hereof. In addition, in accordance with Section 17.3.4 of the Plan, the following impacts of acquisitions shall be excluded from the Compensation Committee's evaluation of the Operating Income: (A) goodwill impairment charges related to any acquired entity or business, (B) non-capitalized deal costs related to any acquisition completed during the Performance Period, and (C) the amortization of intangible assets acquired in any acquisition completed during the Performance Period. Further, in accordance with Section 17.3.4 of the Plan, the following items shall be excluded in the Compensation Committee's evaluation of the Operating Income: (A) any costs, expenses or losses incurred by the Company during the Performance Period as a result of any particular litigation, claim, judgment or settlement (a " Litigation Matter ") to the extent such costs, expenses or losses related to the particular Litigation Matter exceed $1.0 million, (B) any foreign exchange losses incurred by the Company during the Performance Period arising from the impact of foreign currency translation (such losses, " Translation Costs ") but only to the extent that the Translation Costs result from foreign currency translation rates differing from those utilized by the Company at the time the Operating Income thresholds are established for purposes of this Agreement, and are greater than the Translation Costs that would have resulted under such currency translation rates, (C) any impairment charges related to the write-down of the Company's accounts receivable asset due to the bankruptcy of a customer of the Company to the extent such impairment charges exceed $1.0 million, and (D) any restructuring program charges incurred by the Company during the Performance Period, and any asset write-downs implemented in connection therewith.

(v) " Performance Period " shall mean the Company's fiscal years 2017 and 2018.

(iv) " Retirement " shall mean the Grantee's voluntary termination from employment after attainment of age 60 with at least 10 years of continuous service (or after other significant service to the Company, as determined to be satisfied by the Chief Executive Officer and

Chief Financial Officer of the Company in writing); provided, however, that the termination was not occasioned by a discharge for Cause.

7. 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), (i) if the Change in Control occurs after the Compensation Committee Certification, 100% of the Earned RSUs shall vest on the day immediately prior to the date of the Change in Control, and (ii) if the Change in Control occurs prior to the Compensation Committee Certification, 100% of the Restricted Stock Units will vest on the day immediately prior to the date of the Change in Control.

(b) In the event of a Change in Control in which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, (i) if the Change in Control occurs prior to Compensation Committee Certification, the number of such Substitute Awards shall be equivalent to 100% of the Restricted Stock Units, and shall vest in the percentages and on the dates set forth in Section 6(a) or 6(b) of this Agreement, and (ii) if the Change in Control occurs after the Compensation Committee Certification, the number of such Substitute Awards shall be equivalent to 100% of the Earned RSUs determined under Section 5, and shall vest in the percentages and on the dates set forth in Section 6(a) or 6(b) of this Agreement.

(c) If the Restricted Stock Units are substituted with Substitute Awards as set forth in Section 7(b) above, and within 12 months following the Change in Control the Grantee is terminated by the Successor (or an affiliate thereof) without Cause (as defined above) or resigns for Good Reason, the Substitute Awards shall immediately vest upon such termination or resignation.

(d) On the first business day after each vesting date described in Sections 7(a), (b), or (c), as applicable, the Company shall deliver to Grantee the shares of the Company's Class C Stock to which his or her vested Restricted Stock Units, Earned RSUs or Substitute Awards, as applicable, relate; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment, or (ii) the date of Grantee's death.

(e) The following definitions shall apply to this Section 7:

(i) " 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.

(ii) 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.

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

8. 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.

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. 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. 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. The Grantee authorizes the Company at its discretion to satisfy its withholding obligations, if any, 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; or

(b) withholding from proceeds of the sale of shares of Class C 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 Class C 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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

____

EXHIBIT 1
PERFORMANCE METRICS SCHEDULE

			2-Year Operating Income Goal					
			BELOW TARGET			***TARGET***	***STRETCH OPPORTUNITY***	
			Less than $__	***$__ to less than $__***	***$__ to less than $__***	***$__ to less than $__***	***$__ to less than $__***	***$__ or greater***
2-Year Net Revenue Goal	***BELOW TARGET***	***Less than $__***	0%	25%	37.5%	50%	75%	100%
		$__ to less than $__	25%	**50%**	62.5%	75%	100%	125%
		$__ to less than $__	37.5%	62.5%	75%	87.5%	112.5%	137.5%
	TARGET	***$__ to less than $__***	50%	75%	87.5%	**100%**	125%	150%
	STRETCH OPPORTUNITY	***$__ billion to less than $__ billion***	75%	100%	112.5%	125%	150%	175%
		$__ billion or greater	100%	125%	137.5%	150%	175%	**200%**

Example 1: Grantee is awarded 10,000 Restricted Stock Units. For the Performance Period, the Company achieves Net Revenues of $___ and Operating Income of $____. Based on the above chart, Grantee will earn 8,750 Earned RSUs (10,000 x 87.5%).*

Example 2: Grantee is awarded 10,000 Restricted Stock Units. For the Performance Period, the Company achieves Net Revenues of $___ and Operating Income of $____. Based on the above chart, Grantee will earn 11,250 Earned RSUs (10,000 x 112.5%).*

*Examples are provides solely for illustrative purposes. Actual performance is uncertain.

Attachment A

[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, 2016, as Exhibit 10.11]

Exhibit 10.11

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

This Confidentiality, Non-Competition, and Non-Solicitation Agreement (“Agreement”) is entered into this _____ day of _________________, 20__, 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, 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. **NOTICE OF IMMUNITY UNDER THE DEFEND TRADE SECRETS ACT** . *Employee is hereby notified* in accordance with the Defend Trade Secrets Act of 2016 that Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that:

(a) Is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of the law; or

(b) Is made in a complaint or other document filed under seal in a lawsuit or other proceeding.

Employee is further notified that if Employee files a lawsuit for retaliation by an employer for reporting a suspected violation of law, Employee may disclose the employer's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

10. **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.

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

12. **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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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: ______________________________

EMPLOYEE

(signature)

Print Name:

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”) is effective as of March 17, 2015 (the “Effective Date”), by and between Under Armour, Inc. a Maryland corporation (the “Company”), and Michael Lee (“Executive”), a resident of the State of California.

1. Employment . Subject to the terms and conditions contained herein, the Company hereby employs Executive, and Executive hereby accepts employment with the Company.

2. Term . The term of Executive’s employment under this Agreement shall be the period commencing on the date hereof and continuing until December 31, 2018, unless terminated earlier pursuant to Section 7 (such period, the “Term”). Executive’s employment with the Company during the Term and any time period after the Term shall be on an at-will basis, which means that, subject to the terms and conditions set forth herein, Executive’s employment is terminable by either the Company or Executive for any reason or no reason, with or without cause.

3. Position and Duties . Executive shall serve as Senior Vice President, North America Digital and Connected Fitness. The principal place of Executive’s employment shall be the Company’s office located in San Francisco, California; however, Executive is required to have a presence at the Company’s headquarters in Baltimore, Maryland, for substantial periods from time to time in connection with performing Executive’s employment duties, and Executive is expected to travel to the Company’s headquarters regularly, and other locations as necessary, on Company business during the Term.

4. Exclusivity . Throughout the Term, and except to the extent otherwise authorized by the Company, Executive shall devote Executive’s full business time and energy to the business and affairs of the Company and use Executive’s reasonable best efforts, skills and abilities to promote the interests of the Company and perform Executive’s duties and responsibilities hereunder. Executive represents and warrants that Executive is under no fiduciary, contractual or other legal obligation to another company, venture, business or employer that would prevent Executive from being employed by the Company as set forth herein. This provision shall not be construed to prohibit any activities relating to the management of Executive’s personal investments or to prohibit Executive from investing in, serving as an advisor to, or serving on corporate, business, civic, religious, educational or charitable entities, boards or committees, so long as any such activities do not materially interfere with Executive’s performance of his duties and responsibilities hereunder.

5. Compensation and Benefits .

a. Base Salary. Executive shall be paid a base salary (the "Base Salary") of $250,000 per year from the date hereof until January 1, 2016 and, thereafter, $325,000 per year, less applicable deductions, payable in installments in accordance with the Company's customary payroll practices. The Company may, in its sole discretion, adjust the Base Salary, as and when the Company deems appropriate.

b. Benefits. Subject to and in accordance with the terms and conditions of the Company's applicable plan documents in force from time to time and applicable law, Executive will be eligible to participate in all employee benefit plans, programs and arrangements (including, without limitation, any plans, programs and arrangements providing for retirement benefits, disability benefits, health and life insurance, vacation and paid holidays) that the Company makes available to its similarly situated executives generally.

c. Bonuses. For each year of the Term starting January 1, 2017, provided that Executive meets the Company's high expectations on Executive's Annual Performance Evaluations, Executive will be eligible to receive a bonus subject to the rules set forth in the Company's annual Incentive Plan, as in effect from time to time, commensurate with other employees of the Company participating at the Senior Vice President level.

d. Equity. For each year of the Term starting January 1, 2017, Executive will be eligible to receive equity awards under the Company's 2005 Omnibus Long-Term Incentive Plan (or any successor plan thereto), subject to approval of the Compensation Committee of the Board of Directors, and commensurate with other employees of the Company participating at the Senior Vice President level. Any equity awards shall be subject to the Company's 2005 Omnibus Long-Term Incentive Plan (or any successor plan thereto) and standard documents and shall be granted at the time of the Company's annual equity award grant (which is expected to occur in February of each year during the Term).

e. Business Expenses. The Company shall reimburse Executive for (or, at the Company's option, pay) all ordinary, necessary and reasonable business expenses actually incurred by Executive in performing Executive's duties under this Agreement. All reimbursable expenses shall be appropriately documented by Executive upon submission of any request for reimbursement in a manner consistent with the Company's expense reporting policies and applicable federal and state tax recordkeeping requirements.

f. Withholdings and Taxes. All compensation payable to Executive hereunder is subject to withholding for all applicable federal, state and local income taxes, and all applicable employment, occupational, Social Security and other similar taxes, and any other amounts as required by law.

g. Clawback. Notwithstanding any other provision in this Agreement to the contrary, any incentive-based compensation, or any other compensation, paid to Executive pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

6. Confidentiality and Non-Solicitation. Executive acknowledges and agrees that Executive is bound by Executive's obligations to the Company with respect to confidentiality and non-solicitation as set forth in Executive's "Employee Confidential Information and Invention Assignment Agreement" (hereinafter "Employee Agreement") dated as of the date hereof, attached hereto and incorporated herein by reference.

7. Termination; Rights on Termination. Executive's employment is at-will but the benefits Executive receives upon termination, if any, are dependent on the reason for termination. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all positions that Executive holds as an officer or member of the Board of Directors (or a committee thereof) of the Company or any of its affiliates. Executive's employment may be terminated in any one of the following ways:

a. Termination by the Company for Cause. The Company may terminate the Term and Executive's employment for Cause (as defined below), and such termination for Cause shall be effective immediately upon provision of notice to Executive that his employment has been terminated for Cause. For purposes of this Agreement, "Cause" means: (i) Executive's material breach of any material provision of this Agreement or any other agreement to which Executive and the Company and/or its affiliates are parties, (ii) Executive's willful failure to perform Executive's duties under this Agreement, (iii) Executive's willful failure to follow a lawful directive of the Company's Board of Directors, (iv) Executive's material failure to comply with the Company's material written policies or rules, as they may be in effect from time to time, provided that Executive has been provided with written notice of such policies or rules, (v) Executive's commission of any negligent or intentional act that results in severe harm to the Company, excluding any act Executive takes in good faith that Executive reasonably believed was in the best interests of the Company, (vi) Executive's use of illegal drugs, (vii) Executive's material dishonesty, fraud, willful misconduct or breach of fiduciary duty with respect to the business or affairs of the Company, or (viii) Executive's commission of a 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; provided, however, that no termination shall occur pursuant to subsections (i) through (v) herein unless the Company first gives Executive notice of its intention to terminate and of the Cause for such termination, and Executive has not, within fifteen (15) business days following receipt of such notice, cured such Cause to the reasonable satisfaction of the Company, provided such Cause can be cured. In the event Executive's employment is terminated by the Company for Cause, no compensation or benefits shall be payable to Executive after the date of such termination, except as provided for in Section 7.f) or as otherwise required under the terms of the Company's employee benefit plans and programs or applicable law.

b. Termination by the Company Without Cause . At any time during the Term, the Company may, without Cause and for any reason whatsoever, terminate the Term and Executive's employment, effective immediately upon provision of notice to Executive or at such later date specified by the Company. In the event Executive's employment is terminated without Cause, and provided that Executive fully complies with his obligations under this Agreement and executes a general release of all claims as required under Section 7.g), then Executive shall be paid compensation pursuant to Sections 7.f), 7.g), and 7.h).

c. Termination by Executive for Good Reason . Executive may terminate the Term and his employment for Good Reason. For purposes of this Agreement, "Good Reason" means the occurrence of any of the following, in each case without Executive's written consent: (i) a material reduction in Executive's Base Salary, unless the reduction is part of an overall and nondiscriminatory reduction to the base salaries of all similarly situated employees and the reduction is proportional to the reductions suffered by the other employees, (ii) a relocation of Executive's principal place of employment to a location more than fifty (50) miles from the locations identified in Section 3 (provided, however, that any travel contemplated by Section 3 of this Agreement shall not constitute a relocation), or (iii) a material reduction in Executive's authority, duties or responsibilities as they exist at the start of this Agreement (other than temporarily while Executive is physically or mentally incapacitated or as required by applicable law). Notwithstanding the foregoing, an occurrence described above which otherwise may constitute Good Reason hereunder shall not constitute Good Reason if: (x) Executive fails to provide written notice to the Company of the occurrence alleged to constitute Good Reason hereunder within fifteen (15) business days after such occurrence initially occurs, (y) the Company cures, corrects or otherwise remedies such occurrence within thirty (30) business days after the Company's receipt of Executive's written notice hereunder, as determined in the Company's reasonable judgment, or (z) in the event the Company does not cure, correct or otherwise remedy such occurrence as provided above, Executive fails to resign within ten (10) business days after the end of such cure period. In the event Executive's employment is terminated by Executive for Good Reason, and provided that Executive fully complies with his obligations under this Agreement and executes a general release of all claims as required under

Section 7.g), then Executive shall be paid compensation pursuant to Sections 7.f), 7.g), and 7.h).

d. Termination by Executive without Good Reason. Executive may terminate the Term and his employment hereunder without Good Reason upon provision of thirty (30) calendar days' written notice to the Company. In the event Executive terminates his employment without Good Reason, no compensation or benefits shall be payable to Executive after the date of termination, except as provided for in Section 7.f) or as otherwise required under the terms of the Company's employee benefit plans and programs or applicable law.

e. Termination Upon Death or Disability. The Term and Executive's employment with the Company will terminate immediately upon the death of Executive, and may be terminated by the Company upon the Disability of Executive. The term "Disability" for purposes of this Agreement means the inability of Executive to perform Executive's essential duties and responsibilities (even with reasonable accommodation) under this Agreement for a period of more than ninety (90) consecutive days or one hundred and eighty (180) nonconsecutive days during any twelve (12) month period by reason of a mental or physical disability as determined by the Board of Directors of the Company in its reasonable discretion. In the event Executive's employment is terminated due to Executive's death or Disability, Executive, or Executive's estate as applicable, shall receive the benefits set forth in Section 7.f), and as otherwise required under the terms of the Company's employee benefit plans and programs or applicable law.

f. Payment Through Termination. Upon termination of Executive's employment for any reason, Executive (or Executive's estate, in the case of a termination due to Executive's death) shall be entitled to receive any accrued but unpaid Base Salary and all benefits and reimbursements due through the effective date of termination (collectively, the "Accrued Amounts"). The Accrued Amounts will be paid in accordance with the Company's standard payroll procedures, except that Executive's rights under any employee benefit plan or program of the Company shall be governed by the terms of such plan or program and applicable law.

g. Payment for Termination By the Company Without Cause or By Executive for Good Reason. In the event Executive's employment is terminated by the Company without Cause (other than pursuant to death or Disability) or by Executive for Good Reason, and provided that Executive fully complies with his obligations under this Agreement and executes and returns to the Company, within twenty-one (21) days after Executive's termination (or such longer period as may be required by applicable law), a full and complete release of all claims against the Company, its affiliates, and their respective employees, officers, and directors, in a form reasonably acceptable to the Company (the "Release"), and provided, further, that Executive does not revoke the Release, then the Company shall pay Executive, in addition to the Accrued Amounts, an amount equal to (x) two times Base Salary, in the event the termination occurs in 2015 or 2016, one and one-half times Base

Salary, in the event the termination occurs in 2017 or one times Base Salary, in the event the termination occurs in 2018 or thereafter, less required withholdings, payable in substantially equal installments in accordance with the Company's regular payroll practices, commencing on the sixtieth (60th) day after the date of termination (but with the first payment being a lump sum payment covering all payment periods from the date of termination through the date of such first payment), provided that the Release has become final and irrevocable, and (z) the bonus (if any) for the year immediately preceding the year in which the termination occurs to the extent it has not been paid in accordance with Section 5(c), less required withholdings. For the avoidance of doubt, Executive shall not be entitled to any bonus for the year in which the termination occurs unless Executive is employed with the Company on the last day of such year as provided in the Company's annual Incentive Plan, as in effect from time to time. Executive's rights under any employee benefit plan or program of the Company shall be governed by the terms of such plan or program and applicable law.

h. COBRA Payments for Termination By the Company Without Cause or By Executive for Good Reason . If Executive complies with the conditions set forth in Section 7.g) and timely and properly elects continuation coverage under the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA"), the Company shall pay Executive's COBRA premiums for twelve 12 months to enable Executive to continue Executive's medical (including prescription), dental and vision insurance coverage on the same terms as existed prior to Executive's termination (subject to any future changes in coverage that the Company makes for other full-time employees).

8. Return of Company Property . Executive agrees that upon the termination of his or her employment for any reason, or upon the Company's request at any time, Executive shall (i) immediately deliver to the Company all tangible and intangible property owned by the Company and within the possession or control of Executive, including, without limitation, access cards, keys, computers, computing devices, cell phones, memory devices, computer files, notes, documents, records and any other tangible item, together with all copies of any of the foregoing, and any other material containing, summarizing, referencing, or incorporating in any way or otherwise disclosing any Confidential Information (as defined in the Employee Agreement) or Works Made for Hire (as defined in the Employee Agreement), and (ii) immediately delete and erase from any tangible and intangible property not owned by the Company and within the possession or control of Executive any material containing, summarizing, referencing, or incorporating in any way or otherwise disclosing any Confidential Information or Works Made for Hire.

9. Cooperation . During the Term and thereafter, Executive shall reasonably and appropriately respond to all reasonable inquiries from the Company relating to any current or future investigation, regulatory action, or litigation (including but not limited to any internal or external investigations), and shall make himself or herself reasonably available to confer with the Company and/or its counsel and otherwise provide such reasonable assistance,

information and/or testimony, as the Company and/or its counsel may deem necessary in connection with such investigation, regulatory action, or current or future litigation arising from actions or events occurring during Executive's employment with the Company. If the Company requires assistance in accordance with this Section 9, the Company shall reimburse Executive for any reasonable out of pocket expenses of Executive incurred in connection with Executive's provision of such assistance.

10. Non-disparagement . Executive shall not at any time make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments or statements concerning the Company (including negative references to the Company's products, services, policies, directors, officers or employees). In addition, the Company agrees (through its directors and officers) not to disparage Executive in any manner likely to be harmful to Executive's business or personal reputation. Notwithstanding the foregoing, nothing in this Agreement shall apply to or restrict in any way the communication of any information by Executive, in whatever form, (i) as it relates to the performance of Executive's duties or responsibilities for Company, (ii) to any person acting on behalf of the Company in connection with any internal investigation or review, (iii) to any person acting on behalf of a government agency conducting an investigation about which Executive has relevant information, or (iv) to any other person if required by a lawfully issued subpoena or court order. If Executive responds or communicates with any party or entity described in clause (iii) or (iv) of the preceding sentence, Executive shall notify the Company in advance of such response or communication except to the extent such notification is prohibited by law. Notwithstanding the foregoing, nothing in this Agreement shall apply to or restrict in any way the communication of any information by the Company, in whatever form, to any person or entity if required by a lawfully issued subpoena or court order. If the Company responds or communicates with any party or entity described in the preceding sentence, the Company shall notify Executive in advance of such response or communication except to the extent such notification is prohibited by law.

11. Indemnification . In the event Executive is made, or threatened to be made, a party to any legal action, government investigation, or proceeding, by reason of the fact that Executive is or was an employee or officer of the Company or serves or served any other entity in any capacity at the Company's request, Executive shall be indemnified by the Company. During Executive's employment with the Company and thereafter, so long as Executive may have liability arising out of his service as an officer or director of the Company, the Company agrees to continue and maintain a director's and officer's liability insurance policy covering Executive with coverage no less than that available to active directors and officers of the Company.

12. Notices .

a. All notices provided for or required by this Agreement shall be in writing and shall be deemed to have been properly given when sent to the other party by facsimile (confirmation of receipt required), electronic mail (confirmation of receipt required), or when received by the other party if mailed by certified or registered mail, return receipt requested, as follows:

If to the Company: Under Armour, Inc.

Attn: John Stanton, SVP General Counsel
1020 Hull Street
Baltimore, MD 21230
Email address: _________________

with copies to (which shall not constitute notice):

King & Spalding LLP
Attn: William Roche
1180 Peachtree Street, N.E.
Atlanta, Georgia 30309
Email address: _________________

If to Executive: Michael Lee

____
____
Email address: _________________

b. Either party hereto may change the address to which notice is to be sent by written notice to the other party in accordance with the provisions of this Section 12.

13. Entire Agreement. This Agreement constitutes a single integrated contract expressing the entire agreement of the parties, and supersedes and replaces any and all other agreements, written or oral, express or implied, between Executive, on the one hand, and the Company or MyFitnessPal, Inc., on the other hand, concerning the subject matter hereof, with the exception of the Employee Agreement and the Merger Non-Competition Agreement, both between the Company and the Executive dated as of the date hereof, which remain in full force and effect. For the avoidance of doubt, any written agreements between the Executive and the Company or its affiliates entered into in connection with the acquisition of MyFitnessPal by the Company shall not be amended, superseded or replaced by this Agreement, and nothing in this Agreement affects, amends or modifies Executive's entitlement to payments, compensation, equity or benefits, if any, under the terms and conditions set forth in such agreements.

14. Waiver. The waiver by any party to this Agreement of a breach of any of the provisions of this Agreement shall not operate or be construed as a waiver of any subsequent or simultaneous breach of the same or different provisions.

15. Governing Law; Venue. This Agreement shall be deemed to be made in, and in all respects shall be interpreted, construed, and governed by and in accordance with the laws of the State of Maryland, irrespective of its choice-of-law rules. Any action, suit or other legal proceeding arising under or relating to this Agreement or the interpretation or enforcement of any provision of this Agreement, Executive's employment with the Company, or the cessation of Executive's employment with the Company shall be filed exclusively in the state or federal courts in the State of Maryland. Each party to this Agreement: (i) expressly and irrevocably consents and submits to the exclusive jurisdiction of each state and federal court located in the State of Maryland (and each appellate court located in the State of Maryland) in connection with any such action, suit or legal proceeding; (ii) agrees that each state and federal court located in the State of Maryland shall be deemed to be a convenient forum; and (iii) agrees not to assert (by way of motion, as a defense or otherwise), in any such action, suit or legal proceeding commenced in any state or federal court located in the State of Maryland, any claim that such party is not subject personally to the jurisdiction of such court, that such action, suit or legal proceeding has been brought in an inconvenient forum, that the venue of such action, suit or legal proceeding is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court.

16. Assignability. This Agreement is personal to Executive and may not be assigned by Executive. Any purported assignment by Executive shall be null and void from the initial date of the purported assignment. This Agreement shall be assignable by the Company without prior written consent of Executive, and shall inure to the benefit of the Company and its successors and assigns.

17. Headings and Captions. The headings and captions used in this Agreement are for convenience of reference only, and shall in no way define, limit, expand or otherwise affect the meaning or construction of any provision of this Agreement.

18. Counterparts Acceptable. 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. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement. A facsimile or scanned (e.g., .PDF, .GIF, etc.) signature shall be deemed to be an original.

19. Severability. Should any provision of this Agreement be declared or determined by any court of competent jurisdiction to be unenforceable, illegal or invalid for any reason or is otherwise deemed null and void, then that provision is to be construed either by modifying it to the minimum extent necessary to make it enforceable (to the extent permitted by law) or disregarding it (in the event modification is not permitted by law). If an unenforceable provision is modified or disregarded in accordance with this Section 19, the validity of the remaining parts, terms or provisions of this Agreement shall not be affected thereby and the rest of the Agreement shall remain in full force and effect as written.

20. Third Party Beneficiaries. The parties agree that the affiliates of the Company are intended third party beneficiaries of this Agreement, with full rights to enforce this Agreement. Except as stated in the preceding sentence, this Agreement does not confer any rights or remedies upon any person or entity other than the parties to this Agreement and their respective successors and permitted assigns.

21. Interpretation. No provision of this Agreement or any related document shall be construed against or interpreted to the disadvantage of any party hereto by reason of such party's having or being deemed to have structured or drafted such provision.

22. Modification. No provision of this Agreement may be modified or waived except in writing signed by Executive and a duly authorized representative of the Company. The writing shall specifically reference this Agreement and the provision that the Company and Executive intend to waive or modify. Notwithstanding the foregoing, if it is determined by a court of competent jurisdiction that any restrictive covenant set forth in this Agreement is excessive in duration or scope or is unreasonable or unenforceable, it is the intention of the parties that such restriction may be modified by the court to render it enforceable to the maximum extent permitted by law.

23. Survival. Executive's obligations under this Agreement shall survive the expiration or termination of this Agreement for any reason and shall thereafter be enforceable whether or not such termination is claimed or found to be wrongful or to constitute or result in a breach of any contract or of any other duty owed or claimed to be owed to Executive by the Company.

24. Code Section 409A. This Agreement is intended to comply with Section 409 of the Internal Revenue Code of 1986, as amended ("Section 409A"), or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of non-compliance with Section 409A. Notwithstanding any provision of this Agreement to the contrary, if at the time of Executive's separation from service, the Company determines that the Executive is a "specified employee," within the meaning of Section 409A, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of such separation from service would be considered

nonqualified deferred compensation under Section 409A such payment or benefit shall be paid or provided at the date which is the earlier of (i) six (6) months and one day after such separation from service and (ii) the date of the Executive's death ("Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 24 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or provided to the Executive in a single lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

25. **Waiver of Jury Trial. THE PARTIES TO THIS AGREEMENT EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.**

[signature page follows]

IN WITNESS WHEREOF, the parties are signing this Agreement to be effective as of the Effective Date.

UNDER ARMOUR, INC.

By: /s/ Brad Dickerson
Name: Brad Dickerson
Title: Chief Financial Officer

EXECUTIVE

/s/ Michael Lee
Name: Michael Lee

Exhibit to Employment Agreement

EMPLOYEE CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

This EMPLOYEE CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT (the "Agreement") is made and entered into as of the date first written below, by and between Michael Lee ("Employee" or "I") and Under Armour, Inc., a Maryland corporation (the "Company").

As a condition of my employment with the Company, and in consideration of my employment with the Company and any compensation now and hereinafter paid to me, I hereby declare and agree as follows:

1. At-Will Employment.

I understand and acknowledge that my employment with the Company constitutes "atwill" employment. I also understand that any representation to the contrary is unauthorized and not valid unless in writing and signed by an officer of the Company. Accordingly, I acknowledge that, subject to the terms and conditions set forth in that certain Employment Agreement between the Company and me, dated March 17, 2015 (the "Employment Agreement") my employment relationship may be terminated at any time, with or without good cause or for any or no cause, at my option or at the option of the Company.

2. Definitions.

For the purposes of this Agreement:

"Affiliate" of any specified Person means any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person.

"Confidential Information" means any data or information with respect to the conduct or details of the business conducted by the Company or its Subsidiaries, other than Trade Secrets, that is valuable to the Company or its Subsidiaries and not generally known to the public or to competitors of the Company or its Subsidiaries.

"Control," "Controlling" or "Controlled by" means, when used with respect to any specified Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Inventions" means Trade Secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques.

“Material Contact” means that the Employee had material business dealings with the employee or contractor on behalf of the Company or any of its Affiliates.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organization, governmental entity or other legally recognized entity.

“Proceeding” means any lawsuit, litigation, arbitration, mediation, investigation or other similar proceeding before any governmental authority or private dispute resolution body.

“Proprietary Rights” means all intellectual property and industrial property rights of any kind whatsoever throughout the world, including but not limited to patent rights, copyrights (including but not limited to mask work rights), trade secret rights, trademark and service mark rights, and, to the extent recognized, “moral rights.”

“Regulations” means, with respect to a particular Person or its assets, any laws, statutes, ordinances, regulations, rules, orders, judgments, decisions, consent decrees, rulings or injunctions of any governmental authority binding on such Person or assets.

“Subsidiary” or “Subsidiaries” means any Person of which the Company owns, directly or indirectly through a Subsidiary, a nominee arrangement or otherwise, at least a majority of the outstanding units, interests or shares of capital stock (or other ownership interests) entitled to vote generally or otherwise have the power to elect a majority of the board of directors or similar governing body or the legal power to direct the business or policies of such Person.

“Term” means a period of one (1) year starting on the date the Employee’s employment with the Company terminates.

“Territory” means the United States of America and any other country, city, state, jurisdiction or territory in which the Company does business.

“Third Party Information” means any data or information with respect to the conduct or details of the business conducted by third parties (including but not limited to clients, customers, contractors, consultants, licensees or affiliates) that is valuable to the third parties and not generally known to the public or to their competitors.

"Trade Secrets" means information with respect to the conduct or details of the business conducted by the Company or any Subsidiary, including any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, design, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

3. Protection of Trade Secrets and Confidential Information.

a. Non-Disclosure. I hereby agree that neither I nor any of my Affiliates will use any Confidential Information or Trade Secrets or disclose any Confidential Information or Trade Secrets to any Person, without the prior written consent of the Company. My obligations in this Section 3(a) shall continue for as long as the applicable information continues to constitute Confidential Information or a Trade Secret as defined in this Agreement or under applicable Regulations. The provisions of this Section 3(a) will not apply to Confidential Information or Trade Secrets that otherwise become generally known in the industry or to the public through no act of my or any Person acting by or on my behalf, or, subject to Section 3(g), which is required to be disclosed by court order or applicable Regulations. Nothing in this Agreement shall diminish the rights of the Company or its Affiliates regarding the protection of Confidential Information, Trade Secrets and other intellectual property pursuant to applicable Regulations.

b. Third Party Information. I understand that the Company has received and in the future will receive Third Party Information from third parties. I understand that I have a duty to maintain the confidentiality of such Third Party Information and to use it only for certain limited purposes. During the term of my employment and thereafter, I will hold Third Party Information in the strictest confidence and will not disclose Third Party Information to anyone (other than personnel of the Company or its Affiliates who need to know such information in connection with their work for the Company or its Affiliates) or use Third Party Information (except in connection with my work for the Company) unless expressly authorized by the Company in writing.

c. No Improper Use of Information of Prior Employers and Others. During my employment by the Company I will not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom I have an obligation of confidentiality, and I will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom I have an obligation of confidentiality unless consented to in writing by that former employer or person. I will use in the performance of my duties only information which is generally known and used by persons with training and experience comparable to my own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company.

d. Non-Solicitation of Employees. I hereby agree that, during my employment and the Term, I shall not (on behalf of myself or any other Person), directly or by assisting others, solicit or attempt to solicit, any Person who (i) is or was an employee or contractor with the Company at any point within the last twelve (12) months of my employment with the Company, and (ii) with whom I had Material Contact at any point during the twelve (12) months prior to the date my employment with the Company terminates (whether or not such Person would commit any breach of any contract by reason of leaving). It is understood that this Section 3(d) shall not restrict me or my Affiliates from placing notices of general solicitation of employment , nor from at any time soliciting or attempting to solicit my brother, Albert Lee .

e. Additional Activities. I agree that during the period of my employment by the Company I will not, without the Company's express written consent, engage in any employment or business activity which is competitive with, or would otherwise conflict with, my employment by the Company, subject to the terms of Section 4 of the Employment Agreement.

f. Legal Process. In the event that I or any of my Affiliates is requested or required (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil investigative demand or similar process), in connection with any Proceeding, to disclose any Confidential Information or Trade Secrets during the applicable period specified in Section 3(a), I will give the Company prompt written notice of such request or requirement so that the Company may, at its expense, seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this Agreement, and I will cooperate with the Company to obtain such protective order. In the event that such protective order or other remedy is not obtained or the Company waives in writing compliance with the relevant provisions of this Agreement, I will furnish only that portion of the Confidential Information or Trade Secrets which is legally required to be disclosed.

4. Assignment of Inventions.

a. Assignment. Subject to Sections 4(b) and 4(c), I hereby assign, and agree to assign in the future when any such Inventions or Proprietary Rights are first reduced to practice or first fixed in a tangible medium, as applicable, to the Company all my right, title and interest in and to any and all inventions (and all Proprietary Rights with respect thereto) whether or not patentable or registrable under copyright or similar statutes, made or conceived or reduced to practice or learned by me, either alone or jointly with others, during the period of my employment with the Company. Inventions assigned to the Company, or to a third party as directed by the Company pursuant to this Section 4(a), are hereinafter referred to as "Company Inventions."

b. Nonassignable Inventions. This Agreement does not apply to an Invention which qualifies fully as a nonassignable Invention under Section 2870 of the California Labor Code (hereinafter “Section 2870”). I have reviewed the notification on Exhibit A (Limited Exclusion Notification) which is attached hereto and incorporated herein by reference and agree that my signature on this Agreement acknowledges receipt of the notification.

c. Prior Inventions. Inventions, if any, patented or unpatented, which I made prior to the commencement of my employment with the Company are excluded from the scope of this Agreement. To preclude any possible uncertainty, I have set forth on Exhibit B (Previous Inventions) which is attached hereto and incorporated herein by reference a complete list of all Inventions that I have, alone or jointly with others, conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to the commencement of my employment with the Company, that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement (collectively referred to as “Prior Inventions”). If disclosure of any such Prior Invention would cause me to violate any prior confidentiality agreement, I understand that I am not to list such Prior Inventions in Exhibit B but am only to disclose a cursory name for each such Invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure of such Invention has not been made for that reason. A space is provided on Exhibit B for this purpose. If no such disclosure is made on Exhibit B, I represent that there are no Prior Inventions. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sublicensees) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, I agree that I will not incorporate, or permit to be incorporated, Prior Inventions in any Company Inventions without the Company’s prior written consent.

d. Obligation to Keep Company Informed. During the period of my employment and the Term, I will promptly, but in any case within at least thirty (30) days after creation, disclose to the Company fully and in writing all Inventions authored, conceived or reduced to practice by me, either alone or jointly with others, that are based on the Company’s Confidential Information or Trade Secrets. In addition, I will promptly, but in any case within at least thirty (30) days after creation, disclose to the Company all patent applications filed by me or on my behalf within a year after termination of employment, that are based on the Company’s Confidential Information or Trade Secrets. At the time of each such disclosure, I will advise the Company in writing of any Inventions that I believe fully qualify for protection under Section 2870, and I will at that time provide to the Company in writing all evidence necessary to substantiate that belief. The Company will keep in confidence and will not use for any purpose or disclose to third parties without my consent any confidential information disclosed in writing to the Company pursuant to this Agreement relating to Inventions that qualify fully for protection under the provisions of Section 2870. I will preserve the confidentiality of any Invention that does not fully qualify for protection under Section 2870.

e. Government or Third Party. I also agree to assign all my right, title and interest in and to any particular Company Invention to a third party (upon the Company's instruction), including without limitation the United States, as directed by the Company.

f. Works for Hire. I acknowledge that all original works of authorship which are made by me (solely or jointly with others) within the scope of my employment and which are protectable by copyright are "Works Made For Hire," pursuant to United States Copyright Action (17 U.S.C., Section 101) and shall be the sole property of the Company.

g. Enforcement of Proprietary Rights. I will assist the Company or its nominee in every proper way to obtain, and from time to time enforce, United States and foreign Proprietary Rights relating to Company Inventions in any and all countries, and such Proprietary Rights and Company Inventions shall be and remain the sole and exclusive property of the Company or its nominee, whether or not patented or copyrighted. To that end, I will promptly execute, verify and deliver such documents and perform such other acts (including appearances as a witness and assistance or cooperation in legal proceedings) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, I will promptly execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee, and I will preserve any such assignment of Proprietary Rights as Confidential Information. My obligation to assist the Company with respect to Proprietary Rights relating to such Company Inventions in any and all countries shall continue beyond the termination of my employment, but the Company shall compensate me at a reasonable rate after my termination for the time actually spent by me at the Company's request on such assistance.

In the event the Company is unable for any reason, after reasonable effort, to secure my signature on any document needed in connection with the actions specified in the preceding paragraph of this Section 4(g), I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agents and attorneys-in-fact, which appointment is coupled with an interest, to act for and in my behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of the preceding paragraph of this Section 4(g) with the same legal force and effect as if executed by me. I hereby waive and quitclaim to the Company any and all claims, of any nature whatsoever, which I now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

h. Records. I agree to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all Trade Secrets or Confidential Information developed by me and all

Company Inventions made or contributed to by me during the period of my employment at the Company, which records shall be available to and remain the sole property of the Company at all times.

i. Return of Company Documents. When I leave the employ of the Company, I will deliver to the Company any and all drawings, notes, memoranda, specifications, devices, formulas, and documents, together with all copies thereof, and any other material containing, comprising or disclosing any Company Inventions, Confidential Information, Trade Secrets, and/or Third Party Information. Prior to leaving, I will cooperate with the Company in completing and signing the Company's termination statement, which will include at a minimum the certifications set forth in Exhibit C.

j. Right of Inspection. I understand and agree that any property situated on the Company's premises and/or owned or provided by the Company, including computers, hard drives, servers, disks, thumb drives, flash drivers, other storage media, filing cabinets, work areas, e-mail, smartphones, hand-held devices, and beepers, are subject to inspection by Company personnel at any time with or without notice and that I have no expectation of privacy in such things or locations.

5. Additional Terms.

a. Injunctive Relief. I agree that, in the event of any breach or threatened breach by me of any covenant, obligation or other provision set forth in this Agreement: (i) the Company or its Affiliates shall be entitled (in addition to any other remedy that may be available to it) to seek: (A) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (B) an injunction restraining such breach or threatened breach.

b. Notification of New Employer. In the event that I leave the employ of the Company, I hereby consent to the notification of my new employer of my rights and obligations under this Agreement.

c. Governing Law. This Agreement will be governed by and construed according to the laws of the State of California without regard to its conflict of law rules.

d. Venue. Any action, suit or other legal proceeding arising under or relating to this Agreement or the interpretation or enforcement of any provision of this Agreement (including an action, suit or other legal proceeding based upon willful misconduct, intentional misrepresentation or fraud) shall be filed exclusively in the state or federal courts in San Francisco, California. Each party to this Agreement: (i) expressly and irrevocably consents and submits to the exclusive jurisdiction of each state and federal court located in San Francisco, California in connection with any such action, suit or legal proceeding; (ii) agrees that each state and federal court located in San Francisco, California shall be deemed to be a convenient forum; and (iii) agrees not to assert (by way of motion, as a defense or otherwise), in any such action, suit or legal proceeding commenced in any state or federal court located in San Francisco, California, any claim that such party is not subject personally to the jurisdiction of such court, that such action, suit or legal proceeding has been brought in an inconvenient forum, that the venue of such action, suit or legal proceeding is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court.

e. Severability. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

f. Successors and Assigns. This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors, and its assigns.

g. Survival. I agree that the provisions of this Agreement shall survive the termination of my employment and the assignment of this Agreement by the Company to any successor-in-interest or other assignee, regardless of the reason or reasons for termination and whether such termination is voluntary or involuntary on my part.

h. Employment. I agree and understand that nothing in this Agreement shall confer any right with respect to continuation of employment by the Company, nor shall it interfere in any way with the “at will” nature of my employment or my right or the Company’s right to terminate my employment at any time, with or without cause, subject to the terms and conditions set forth in the Employment Agreement.

i. Waiver. No waiver by the Company of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by the Company of any right under this Agreement shall be construed as a waiver of any other right. The Company shall not be required to give notice to enforce strict adherence to all terms of this Agreement.

j. Advice of Counsel. I acknowledge that, in executing this Agreement, I have had the opportunity to seek the advice of independent legal counsel, and I have read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any party by reason of the drafting or preparation hereof.

k. Assignment. I acknowledge that I shall not be entitled to assign or delegate any of my rights or obligations hereunder without the prior written consent of the Company. Any assignment by me in violation of this provision shall be void. The

Company shall be entitled to assign and/or delegate any of its rights or obligations hereunder without my prior written consent.

l. Modification. This Agreement may not be changed, modified, released, discharged, abandoned or otherwise amended, in whole or in part, except by an instrument in writing, signed by me and the Company. I agree that any subsequent change or changes in my duties, salary, or compensation shall not affect the validity or scope of this Agreement.

m. Entire Agreement. The obligations in this Agreement shall apply to any time during which I was previously employed, or am in the future employed, by the Company as a consultant if no other agreement governs nondisclosure and assignment of inventions during such period. This Agreement, together with the Employment Agreement as incorporated herein, is the final, complete and exclusive agreement of the parties with respect to the subject matter hereof and supersedes and merges all prior discussions between us.

n. Headings. The title, headings, and captions used in this Agreement are for convenience of reference only, and shall in no way define, limit, expand or otherwise affect the meaning or construction of any provision of this Agreement.

o. Counterparts and Exchanges by Electronic Transmission or Facsimile. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement. A facsimile or scanned (e.g., .PDF, .GIF, etc.) signature shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties hereto have hereunto affixed their hands and seals effective as of the date written below.

[Signature page follows]

I HAVE READ THE FOREGOING AGREEMENT AND I UNDERSTAND FULLY MY OBLIGATIONS THEREUNDER, AND MY SIGNATURE BELOW, I BIND MYSELF TO COMPLY WITH SUCH OBLIGATIONS.

Dated: 2/3/15

/s/ Michael Lee
Michael Lee

ACCEPTED AND AGREED TO:

Under Armour, Inc.

By: /s/ John Stanton
Its: SVP, General Counsel & Secretary

Exhibit 12.01

Computation of Ratio of Earnings to Fixed Charges					
(In thousands)	Year Ended December 31,				
	2016	2015	2014	2013	2012
Income before taxes	$ 388,282	$ 386,685	$ 342,210	$ 260,993	$ 203,439
Fixed charges, less capitalized interest	61,998	42,328	25,340	16,861	15,418
Amortization of capitalized interest	96	318	—	200	222
Total earnings	453,226	429,331	367,550	278,054	219,079
Interest expensed and capitalized	25,726	14,655	5,527	3,026	5,299
Estimate of interest within rental expense (1)	37,164	28,585	19,812	13,905	10,209
Total fixed charges	$ 62,890	$ 43,240	$ 25,340	$ 16,931	$ 15,508
Ratio of Earnings to fixed charges	7.2	9.9	14.5	16.4	14.1

(1) Represents one third of rental expenses which is considered representative of the interest factor of operating leases.

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
UA Sourcing CBT	Hong Kong
UA Connected Fitness, Inc.	Delaware

Subsidiaries not included in the list are omitted because, considered in the aggregate as a single subsidiary, they do not constitute a significant subsidiary.

Exhibit 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-3 (No. 333-211850) and S-8 (No. 333-129932, 333-130567, 333-172423, 333-210486, and 333-210844) of Under Armour, Inc. of our report dated February 23, 2017 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

Baltimore, Maryland
February 23, 2017

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 23, 2017

/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, David E. Bergman, 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 23, 2017

/s/ D AVID E. B ERGMAN

David E. Bergman
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, 2016 (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 23, 2017

/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, 2016 (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 23, 2017

/s/ DAVID E. BERGMAN

David E. Bergman

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.