# Table of Contents

1. Executive Summary
2. Context Analysis
   a. Customer Context
   b. Business Context
   c. Internal Context
   d. External Context
   e. Main Communication Needs
3. Marketing Communications Goals and Positioning
   a. Corporate Objectives
   b. Communication Objectives
4. Segments, Targeting and Position (STP)
5. Marketing Communications Strategy
6. Message and Creative
7. Coordinated Communications Mix (Messages, Tools & Media)
   a. Social Media
   b. Online
   c. Television
8. Resources
   a. Human
   b. Financial
9. Scheduling and Implementation
10. Issues
11. Evaluation and Control
12. Feedback
13. Conclusion and Summary
14. Appendix
15. Resources
Executive summary

As the name indicates, Under Armour is an athletic apparel company that was built on the concept of creating superior base layer apparel that acts as a performance enhancer for serious athletes. Created by Kevin Plank, a former college football player at the University of Maryland, Under Armour has experienced exponential growth since it was founded in 1996 in Baltimore. The Under Armour story is a simple one, one where “two guys (Plank and his friend and company COO, Kip Fulks) working day and night in the basement of Plank’s grandmother’s house, stitching and shipping their groundbreaking tight-fitting and sweat-wicking shirts” grow from initial revenues of $17,000 in 1996 to 1.8 billion as of 2012” (Burke, 2013). The little company with a great core idea of creating “cutting-edge products for the next generation and for athletes who compete at the highest level” (UA Brady, 2010) is already a success story but Under Armour is not content with complacency.

The unique, humble origins history of Under Armour is an influencing aspect of the direction of the brand. Athlete-driven innovation is at the core of everything the company does and that message is clearly and directly given through all levels of their marketing communication strategy. As such, the initial target audience of hard-core, hard-working, male athletes was largely inspired by the former division 1 football player and founder Plank who “emits his brand’s energy and its chip-on-the-shoulder vibe” (Burke, 2013). This target audience helped Under Armour develop their niche market but recent campaigns have directly targeted new segments in women and youth through a variety of communication tools (see Appendix 1) and integrated marketing campaigns while always focusing on the driven athlete.

For this Communications Journal, I chose Under Armour because of their recent launch of their biggest global advertising to date, the #IWill campaign (see Appendix 2). In it, I analyzed three
specific communication tools that Under Armour used: social media, internet/microsites and television. Across these channels, Under Armour is able to reach old and new targets alike but, most importantly, on a global level. Through the hard-work and strategic decision-making of Plank, Under Armour has gained a reputation for delivering on performance enhancing equipment, achieved through relentless innovation, and all their marketing tools relay this reputation. Before taking on Under Armour, I had only a passive relationship with the brand, had never received communications from them and I had no idea of the size and scope of their presence or vision. After research it is clear that at the core of all decision-making, Under Armour targets athletes with the aim of helping and inspiring them to perform at their best.

**Context Analysis**

**Customer Context**

Under Armour clearly defines its target consumers as athletes and, as a high involvement brand, it makes sure to “present (their) products in a frame of mental presence that is recognized by a buyer” (Fill, 5). The creative messaging is like their gear, built almost exclusively for sessions in the gym or on the practice field” (Korman, 2013) and thus showcases the athlete using the apparel in training or during an high intensity competition. Unlike low involvement brands that suggest little purchasing risk, thus thought, Under Armour customers have social risk of not being seen as serious athletes if their training apparel can be found to be lacking. Additionally, the high price points for Under Armour products convey differentiation of their high tech, performance tested products. Whether the consumer is an a male is male or female, a serious athlete or a casual exercisers, it is difficult not to be influenced by the powerful messaging of the in-your-face ad campaigns like the well-known "protect this house" battle cry (Zmuda, 2013) that featured muscular athletes introducing Under Armour to the general public in fearless
fashion. Regardless of location, consumers are educated and they know that wearing this brand conveys a certain message that, if worn, should be continued in the product user. The ultimate decision maker has to weigh the options of price and an understanding of how to properly use the high tech apparel but ultimately, the decision will be primarily influenced by the message given, and personally felt, by wearing Under Armour.

**Business Context**

Under Armour has one key objective, growth. Promoting innovation remains the key concept of all messaging but it is clear that Under Armour wants to grow and it has been successful (see Appendix 3). The company has set high standards in the industry but they remain a distant second to Nike, their key competitor and the company they aspire to be. Nike is a bigger, more globally established and recognizable sports apparel brand that is focused on performance that has “annual sales of about $25 billion worldwide compared to Under Armour's 2012 sales of $1.8 billion (Mihoces, 2013). “Positioning is about visibility and recognition of what an organization brings to a buyer (Fill, 10), but unlike Under Armour, Nike has is well positioned in different segments, both in regards to global position and target audience. To add insult, Nike was named by Fast Company as “the most innovative company of 2013” which, to an innovation based company like Under Armour, which wasn’t on the innovative list, is a problem. Nike is a giant competitor that is future focused but Under Armour, like the city of Baltimore it represents, likes the underdog role.

With a strong American base, “a clear, consistent positioning” (Fill, 11) with athlete inspired innovation and a defined and growing target audience, Under Armour has plenty of room for growth. “Nike executives are undoubtedly watching carefully” (Burke, 2013) as Under Armour expands through product innovation, like the Armour39 which seem to target the Nike FuelBand
(see Appendix 4), creating flagship brand houses, branching into more everyday clothing and large-scale global advertising campaigns. Under Armour is attempting to create a more approachable brand that speaks to the target audience and no longer alienates secondary targets. Using the specific athlete enhancing niche it began with, and expanding the Under Armour brand with the more universal #IWill campaign, as it has already started with targeted and country-specific social media presence (see Appendix 5), Plank is slowly building the brand awareness across all the right channels and Nike needs to be ready.

Internal Context

The Under Armour culture is framed by its brand mission: “to make all athletes better through passion, design and the relentless pursuit of innovation” (UA.com, 2013). This mission is what drives the company but it is in conjunction with the ‘rags-to-riches story’ lived by the founder Plank. Under Armour seeks athlete ambassadors that illustrate this “take-nothing-for-granted” backgrounds like undrafted NFL running back Arian Foster or Tom Brady who, according to Plank, “represents a lot of what Under Armour is all about. He's humble and hungry and continues to be focused on winning and getting better every single day” (UA Brady, 2010). Signing strategic, brand-building athletes is important for Under Armour since it doesn’t have the budget of Nike. As the company grows, it makes sure not to go with the “keep it the same approach (Fill, 14) since the goals are long-term. This organizational identity aligns from brand ambassadors (Fill, 30) to employees to the CEO and is a vital aspect Under Armour identity.

External Context

As Under Armour has grown; it has continually engaged in intensive, continuity fueled “relationship marketing” (Fill, 7) through partnerships that have helped build the brand while also positioning itself for future success. For example, Under Armour has contracts with the
many college football conferences, like the ACC, SEC, Big12, WAC, it has been the supplier of cleats for the since 2006 (UA Fact Sheet, 2007) and it sponsors various professional sports teams like the hometown 2013 Super Bowl champion Baltimore Ravens. Additionally, Under Armour has connected the brand to many social causes (see Appendix 6) that serve to position the brand favorably in the minds of consumers and within the industry alike while maintaining the position of being athlete focused while conveying the “resolve to do the right thing” (Fill, 4).

Main Communication Needs

Analysis of the customer, business, internal and external contexts of Under Armour shows a strong communication strategy that is consistent across all channels. In order to sustain growth goals, Under Armour must continue to focus on non-traditional consumers, like women or niche markets like hunters, and international markets. Under Armour is poised for success and at the core, the unique humble, tough and innovation fueled message must continue to be delivered.

Marketing Communication Goals and Positioning

The Under Armour overarching objective is to use passion, design and innovation to make athletes better but the current focus is growth. According to the CEO, "in the year ahead, Under Armour will drive growth by re-invigorating core categories, continuing to expand our consumer base in Women's and Youth, and introducing the next wave of Under Armour innovation through product such as Armour39, open the next generation of Under Armour specialty retail in mid-February in our home city of Baltimore, while prioritizing our growth strategies in key markets in Europe, Asia, and Latin America” (UA 4th Quarter Reports, 2013). Under Armour has a clearly defined mission and communications strategy that work together to deliver on the primary object of growth. From what I’ve seen, especially in conjunction with the large-scale global #IWill advertising campaign further support the strategic direction of Under Armour.
Segments, Targeting and Positioning

Under Armour segments target audiences, athletes, by gender, age, sport, niche interest and geography. The typical Under Armour consumer persona has always been the young, athletic male athlete aspires to use intense training to achieve hard-earned success. This consumer creates time focus on bettering himself through practice, doesn’t take shortcuts and thus earns athletic success, much like brand ambassadors Tom Brady and Arian Foster, both of whom overcame adversity to make it to NFL stardom. Today’s version of this consumer is media savvy, watches ESPN, aspires to perform like professional heroes and, as such, must wear the same performance enhancing workout gear. That said, Under Armour is now targeting similarly driven athlete profiles across in various regions, genders and ages and the #IWill campaign is the first step.

Marketing Communications Strategy

As Under Armour continues to evolve it’s consumer base through a global marketing strategy, using tools such as social media, online and television, a key goal is building brand awareness. Whether in new markets, or previous markets where Under Armour is known as a male-oriented apparel company, the company needs to promote their new, more inclusive image. As a result, Under Armour is utilizing pull-positioning, push-positioning and profile positioning; otherwise known as the 3P’s of marketing communications strategy. New products, like Armour39, require a pull-strategy of purchase driven communication but Under Armour must also operate a push-strategy that aims to “develop relationships and distribution networks” (Fill, 10) as the company targets international growth. Lastly, Under Armour is intent on building a new reputation that highlights the changing, broader image so a profile-positioning strategy is also being used.

Message and Creative

Under Armour has a history of being direct with its messaging and creative but as of February
12, when Under Armour launched the global #IWill campaign, the overall messaging and creative operate been unified across all platforms around this new advertising strategy. The campaign represents a major investment for the Under Armour but, “given the brand’s sales growth, spending about 20% over a year ago” (Zmuda, 2013). To put it into a financial perspective, Under Armour spent about $12 million on measured media in the first three quarters of last year, according to Kantar Media. To put it simply, Under Armour is expecting big things out of the messaging and creative #IWill campaign.

**Coordinated Communications Mix**

**Social Media**

To drive the #IWill campaign directly to consumers, Under Armour used social media as a primary marketing communications tool. Under Armour wants consumers to be able to interact with the brand, whether it is posting comments on the Facebook wall or replying to the constantly updated twitter feed, and as such as put a focus across social networks and digital platforms. Under Armour is active with the #IWill campaign their main Facebook, Twitter and YouTube sites (see Appendix 7). The lone exception is Google+ but it is apparent that the site is not viewed with much importance as updates have stopped as of November 2012. All of these main Under Armour sites also serve the purpose of driving consumers back to UA.com (see Appendix 8) in order to promote the brand and, quite importantly, product sales.

**Online**

In order to increase the reach of the #IWill campaign, Under Armour utilized a digital strategy that translates to other countries and increase the exposure of the global #IWill campaign. “The campaign launched globally online on February 12 before launching a new microsite, IWILL.ua.com (see Appendix 9) three days later (UA Launches, 2013). As part of the digital
launch, Under Armour took out full-page banner ads that ran constantly over a variety of sites. I personally encountered these banners multiple times, predominantly on ESPN.com but also on entertainment sites like Gofobo.com and Iwastesomuchtime.com as late as February 19th. This online push was consistent in message and in the intent of driving traffic to UA.com website.

**Television**

Television is a tool that allows marketers to reach a mass audience multiple times by running commercials at specific times across a variety of networks. Through its 60 second commercial, which featured boxer Canelo Alvarez, basketball player Kemba Walker, baseball player Bryce Harper, and tennis player Sloane Stephens using the new Amour39 technology (Zmuda, 2013), Under Armour introduced the concept of #IWill to the masses. The commercial spot launched on TNT but has aired on multiple networks including ESPN and MTV (UA Launches, 2013). I personally observed the commercial over three times in a one hour period on ESPN and I assume the this is concentrated release is part of the pull-strategy.

**Resources**

Like the integrated marketing strategy that Under Armour uses, the company also has a integrated team of marketing resources. For example, Optimum Sports handles media, Catalyst handles public relations, Firstborn works on digital for the brand. and, though “Under Armour largely handles its creative in house, it worked with director Andre Stringer and production house Reset on the "I will" creative (Zmuda, 2013). In addition to creative, Under Armour has a growing number of in-house innovation, design and athletic experts that assist in creating, developing and distributing the Under Armour message and brand.

**Scheduling and Implementation**

The media plan I observed appears to be appropriate and effective for all the audiences that
Under Armour is trying to target. Under Armour has long been a brand that alienates the average consumer by focusing so squarely on the male athlete-in-training target and this new global campaign is a step in right direction. In order to fuel growth, Under Armour needs to continue to target different segments through specific media channels while also changing the brand motto to the more universally accessible #IWill. Since the #IWill campaign officially launched in early February, Under Armour has been boldly promoting the brand. Targeting consumer segments on social media has been an appropriate and important step. As has the online and television launches, which also seem appropriate in that they are still sport driven, through the likes of ESPN, while also being on viewable on youth-oriented locations like an MTV or Iwastesomuchtime.com. By broadening their focus, and thus their messaging, Under Armour has effectively made a strong move to the future while maintaining their slightly aggressive personality and innovation focus.

Issues

The strong change of direction for Under Armour is good but I question if it can last. For example, Under Armour has had female-targeted campaigns in the past that haven’t been effective and it doesn’t have a long history of successfully changing gears creatively. Additionally, the branching into new and crowded markets like fitness monitoring tools with Armour39 is a major departure from previous activity. Overall, Under Armour needs to ensure the all communications clearly promote strength and continuity that consumers can trust.

Evaluation and Control

Under Armour has launched a comprehensive campaign that is easy and effective for consumers like me to navigate and understand. Regardless of the communication channel, the message is intriguing and it invites consumers to find out more. Under Armour cleverly gives a hint of the
new product offering while teasing future innovation and it always leads back to the main website. The #IWill motto fits into the mold of who Under Armour is and where it is going. It is easy to be part of the movement and all it takes is going to the site or any of the social media sites that, according to third party sources (see Appendix 10), Under Armour is good at monitoring. Ultimately, it comes down to be able to easily access the new brand message and the various sites that offer information and across all communication channels, Under Armour has achieved success.

**Feedback**

Launching a digital campaign in 2013 is wonderful since the data is easier to monitor. The first marketing tool Under Armour used, social media, is wonderful in that it has simple and easy to read direct responses via likes, followers or views but also in terms of analytics, especially when it comes to driving traffic to the main UA.com site. Activity on banner ads can also be measured, as can tracking on the microsite through overall traffic and user-uploaded content off of the main microsite page. And with television, Under Armour can easily monitor and adapt as needed based on Nielson ratings and network analytics.

**Conclusion and Summary**

Under Armour contributes their success to their continued focus on innovation. All of the messaging, apparel and strategic sponsorships serve to reinforce the mantra of making athletes better through superior athletic apparel. The #IWill campaign embodies this notion of a hard-working, future driven athlete that will take no short-cuts, in training or with gear, in order to achieve success. Under Armour fully embodies this concept and, as a result, is primed for long-term, hard-earned success.
APPENDIX

APPENDIX 1: Secondary Target Audiences

Exhibit 1: Women

• Launched a “Sweat Every Day” multifaceted fall 2012 campaign in female-focused initiative yet.
• Ran static and rich-media ads on Facebook, Twitter, Hulu, MTV.com and women’s lifestyle site Fitsugar.com. The video portion depict females in training activities.
• "No Matter What, Sweat Every Day. I WILL." Campaign tagline. Represented across the brand’s digital ads & TV spots. Seen on Bravo, E!, VH1 and Nickelodeon for months.
• "Across all mediums, [we're targeting] athletic females who believe in regularly working out," Adrienne Lofton Shaw, senior director of women’s marketing at UA, to engage our audience.
• Campaign reflects efforts during past 2 years to gain share of the women's fitness market from likes of Nike, Asics and New Balance. Crispin Porter+Bogusky, creative agency for UA since last fall and Red Tetteener + Parnters are leading the current initiative.
• The "Sweat Every Day" campaign also involves a dedicated “What’s Beautiful” Microsite: http://whatsbeautiful.ua.com/ and mobile app that let women document and share their daily workouts. Features are pushed via Facebook posts to the brand’s nearly two million fans on the social site.

@UAWomen
- Has 31,379 followers and approximately 897 tweets. Links to women section of main UA site
- Promotes #SweatAday (female campaign in 2012) & #IWill with Sloane Stephens
- Has 599,115 likes. Same I Will Stephens content as Twitter account.
- Launched in fall 2010 – has been the focus ever since.
- Links to UA site AND side “I Will” site (iwill.au.com)

Exhibit 2: Youth

- UA promotes and sponsors high school sports, like football and basketball
- Host “Skill Combines” that allow young athletes to test skills, show off athletic talent and post rankings and athlete profiles/UA combine page.

- http://combines.under armour.com/

@Under Armour Game
- 3,139 followers. Promotes UA All-America High School Football Game
- Game’s a competition spotlighting the nation’s top high school seniors.
- Links to https://facebook.com/UnderArmourGame with 6,825 likes

@Under Armour Basketball
- Follows High School Basketball games
APPENDIX 2: Press Releases

Exhibit 1: Teaser
#IWill Global Campaign Press Release

Exhibit 2: Actual
#IWill Global Campaign Press Release on 2/12/2013

• Under Armour CEO/Founder Kevin Plank & COO Kip Fulks introduced I WILL™, its biggest ever global marketing campaign, at a press event in New York City.
• “Ten years ago Under Armour became a household name when the brand asked athletes everywhere to ‘Protect this House.’ The response in the iconic commercial, and throughout the years, has been the same: I WILL. Today, UA inspires the next generation of athletes to unleash their inner resolve and our I WILL trademark confirms our promise to continuously redefine the future of performance through innovation that will help give athletes an edge.” – Kevin Plank
• Featuring Under Armour’s iconic I WILL trademark, the campaign brings to life the passion and determination that drives all athletes and Under Armour’s commitment to engineering innovative products that provide real performance advantages.
• Unveiled campaign’s principal creative, 60-second spot featuring:
  - Canelo Alvarez, boxing’s welterweight World Champion,
  - Sloane Stephens, the only teenager ranked in the top 20 in the WTA
  - Bryce Harper, the reigning National League Rookie of the Year
  - Kemba Walker, currently leading his NBA team in points, assists & steals
APPENDIX 3: Under Armour Financial Growth

Exhibit 1: General Financial State

- Fourth Quarter Net Revenues Increased 25% to $506 Million; Full Year Net Revenues Increased 25% to $1.835 Billion
- Fourth Quarter Diluted EPS Increased 51% to $0.47 from $0.31; Full Year Diluted EPS Increased 31% to $1.21 from $0.92
- Company Updates 2013 Net Revenues Outlook to a Range of $2.20 Billion to $2.22 Billion (+20% to +21%)
- Company Updates 2013 Operating Income Outlook to a Range of $255 Million to $257 Million (+22% to +23%)

Exhibit 2: Condensed Consolidated Balance Sheets for 2011 & 2012

Under Armour, Inc.
As of December 31, 2012 and December 31, 2011
(Unaudited; in thousands)

CONDENSED CONSOLIDATED BALANCE SHEETS

<table>
<thead>
<tr>
<th></th>
<th>As of 12/31/12</th>
<th>As of 12/31/11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 341,841</td>
<td>$ 175,384</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>175,524</td>
<td>134,043</td>
</tr>
<tr>
<td>Inventories</td>
<td>310,286</td>
<td>324,409</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>43,856</td>
<td>39,643</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>23,651</td>
<td>16,184</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>903,598</td>
<td>689,663</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>180,850</td>
<td>150,135</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>4,483</td>
<td>5,535</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>22,606</td>
<td>15,885</td>
</tr>
<tr>
<td>Other long term assets</td>
<td>45,546</td>
<td>48,992</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 1,157,883</td>
<td>$ 919,210</td>
</tr>
</tbody>
</table>

| **Liabilities and Stockholders' Equity** |                |               |
| Accounts payable       | $ 143,689      | $ 100,527      |
| Accrued expenses       | 85,077         | 66,285         |
| Current maturities of long term debt | 9,132         | 6,852          |
| Other current liabilities | 14,330       | 6,813          |
| **Total current liabilities** | 252,228      | 183,607        |
| Long term debt, net of current maturities | 52,757       | 70,842         |
| Other long term liabilities | 35,176       | 28,329         |
| **Total liabilities**  | 340,161        | 282,778        |
| Total stockholders' equity | 916,922      | 636,442        |
| **Total liabilities and stockholders' equity** | $ 1,157,883    | $ 919,210      |
Exhibit 3: Consolidated Income Statements for 2011 & 2012

Under Armour, Inc.
For the Quarter and Year Ended December 31, 2012 and 2011
(Unaudited: in thousands, except per share amounts)

Consolidated Statements of Income

<table>
<thead>
<tr>
<th></th>
<th>Quarter Ended December 31</th>
<th>Year Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Net Revenues</td>
<td>% of Net Revenues</td>
</tr>
<tr>
<td>Net revenues</td>
<td>$ 505,803</td>
<td>$ 422,212</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>261,229 (52.8%)</td>
<td>267,966 (61.6%)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>244,574 (47.2%)</td>
<td>211,246 (48.4%)</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>172,843 (33.8%)</td>
<td>152,803 (35.0%)</td>
</tr>
<tr>
<td>Income from operations</td>
<td>81,592 (16.1%)</td>
<td>55,302 (12.7%)</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(1,745) (0.3%)</td>
<td>(4,113) (0.9%)</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>(534) (0.1%)</td>
<td>1 (0.0%)</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>73,753 (15.8%)</td>
<td>53,380 (12.4%)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>29,021 (5.8%)</td>
<td>21,338 (5.3%)</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 50,132 (9.9%)</td>
<td>$ 32,552 (7.1%)</td>
</tr>
</tbody>
</table>

Net income available per common share

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 0.48</td>
<td>$ 0.47</td>
</tr>
</tbody>
</table>

Basic: 104,887, 103,986
Diluted: 107,121, 105,548

Net revenues by product category

<table>
<thead>
<tr>
<th></th>
<th>Quarter Ended December 31</th>
<th>Year Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Change</td>
<td>% of Change</td>
</tr>
<tr>
<td>Apparel</td>
<td>$ 404,527</td>
<td>$ 323,385</td>
</tr>
<tr>
<td>Footwear</td>
<td>44,714</td>
<td>31,329</td>
</tr>
<tr>
<td>Accessories</td>
<td>42,001</td>
<td>36,794</td>
</tr>
<tr>
<td>Total net sales</td>
<td>491,232</td>
<td>391,522</td>
</tr>
<tr>
<td>Licensing revenues</td>
<td>14,021</td>
<td>11,814</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>$ 505,803</td>
<td>$ 403,136</td>
</tr>
</tbody>
</table>

Net revenues by geographic segment

<table>
<thead>
<tr>
<th></th>
<th>Quarter Ended December 31</th>
<th>Year Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of Change</td>
<td>% of Change</td>
</tr>
<tr>
<td>North America</td>
<td>$ 472,225</td>
<td>$ 377,152</td>
</tr>
<tr>
<td>Other foreign countries</td>
<td>33,038</td>
<td>25,974</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>$ 495,263</td>
<td>$ 403,136</td>
</tr>
</tbody>
</table>
Exhibit 4: Year End Cash Budgets 2011 & 2012

Under Armour, Inc.
For the Year Ended December 31, 2012 and 2011
(Unaudited; in thousands)

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>Year Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12/31/12</td>
<td>12/31/11</td>
</tr>
<tr>
<td>Net income</td>
<td>$128,778</td>
<td>$66,619</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash used in operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>43,082</td>
<td>36,301</td>
</tr>
<tr>
<td>Unrealized foreign currency exchange rate (gains) losses</td>
<td>(2,484)</td>
<td>4,027</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>524</td>
<td>30</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>19,845</td>
<td>18,063</td>
</tr>
<tr>
<td>Gain on bargain purchase of corporate headquarters (excludes transaction costs of $1.9 million)</td>
<td>-</td>
<td>(3,300)</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(12,973)</td>
<td>3,620</td>
</tr>
<tr>
<td>Changes in reserves and allowances</td>
<td>13,018</td>
<td>5,598</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(53,433)</td>
<td>(33,923)</td>
</tr>
<tr>
<td>Inventories</td>
<td>4,699</td>
<td>114,846</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(4,060)</td>
<td>(42,833)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>35,370</td>
<td>17,209</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>21,906</td>
<td>23,442</td>
</tr>
<tr>
<td>Income taxes payable and receivable</td>
<td>4,311</td>
<td>4,567</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>199,761</td>
<td>15,218</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>Year Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property and equipment</td>
<td>(50,000)</td>
<td>(50,228)</td>
</tr>
<tr>
<td>Purchase of corporate headquarters and related expenditures</td>
<td>-</td>
<td>(23,164)</td>
</tr>
<tr>
<td>Purchase of long term investment</td>
<td>-</td>
<td>(3,602)</td>
</tr>
<tr>
<td>Purchase of other assets</td>
<td>(1,310)</td>
<td>(1,153)</td>
</tr>
<tr>
<td>Change in restricted cash</td>
<td>5,029</td>
<td>5,030</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(46,931)</td>
<td>(60,426)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>Year Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from revolving credit facility</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Payments on revolving credit facility</td>
<td>-</td>
<td>(30,000)</td>
</tr>
<tr>
<td>Proceeds from term loan</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Payments on term loan</td>
<td>(25,000)</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from long term debt</td>
<td>50,000</td>
<td>5,644</td>
</tr>
<tr>
<td>Payments on long term debt</td>
<td>(44,930)</td>
<td>(7,418)</td>
</tr>
<tr>
<td>Excess tax benefits from stock-based compensation arrangements</td>
<td>17,869</td>
<td>10,260</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options and other stock issuances</td>
<td>14,776</td>
<td>14,645</td>
</tr>
<tr>
<td>Payments of debt financing costs</td>
<td>(1,017)</td>
<td>(2,324)</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>12,297</td>
<td>45,807</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>1,330</td>
<td>(75)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>166,457</td>
<td>(28,498)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>Year Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of period</td>
<td>175,384</td>
<td>203,870</td>
</tr>
<tr>
<td>End of period</td>
<td>$341,841</td>
<td>$175,384</td>
</tr>
</tbody>
</table>

Non-cash investing and financing activities

Debt assumed and property and equipment acquired in connection with purchase of corporate headquarters | $ | $36,550 |
Acquisition of property and equipment through certain obligations | 15,216 | 3,079 |
APPENDIX 4: Armour39 Vs. Nike FuelBand

Exhibit 1: Armour 39

- UA jumps into the heavily contested field of fitness monitoring its Armour39 system.
- Armour39 consists of sensor-equipped strap worn on chest, includes a center sleeve for a "bug," which acts as computer in storing & moving fitness data to the cloud via Bluetooth. Users check progress on a watch or smartphone app.
- Available March 20. Strap & bug will cost $149.99, optional watch will cost $199.99.
- In moving into this field, UA takes on large companies such as Nike and its FuelBand, as well as established fitness monitoring players such as FitBit and JawBone.
- Armour39 measures heart rate, calories burned, and intensity, and comes up with a combined score that Under Armour calls "WILLpower," which is rated on 1-10 scale.
- At first glance, WILLpower sounds a lot like Nike's own proprietary Nike Fuel score, which is its own measurement of activity. Plank says Willpower score quantifies how hard and intense the session can be.
- Like Nike, UA is starting with iOS app linked to Armour39, with no Android app available yet. However UA, is planning for Android app post launch.
Exhibit 3: Armour39 Negative Reactions

They had these at the NFL combine last year. I'm surprised it's taken this long for them to advertise its release.

So I'm assuming this is more for literal performance monitoring, like wearing it only when you work out, and not a lifestyle fitness monitor like the Fuelband? I just wouldn't think wearing some strap across your chest would be the most comfy thing to do for an entire day.

But what if you don't look like GSP? That rubber strap is gonna be hella sexy choking off a pair of man titties. Hope it's elastic.

Why? Aren't there enough of these crappy things on the market already?

APPENDIX 5: Niche Market and Country-Specific Social Media Presence

Exhibit 1: Niche Market Social Media Presence

@UAHunt
- Has 2,489 followers. Promotes #DoYouSEE Green tagline and UA Scent Control focus. Links to Facebook page (/uahunt) and not website https://www.facebook.com/UAHunt
- Has 20,687 likes and hunting imagery. Promotes hunters (awards, pics) No additional links.

@UABasketball
- Has 6,249 followers. Follows sponsored NBA players (Kemba Walker, DeAndre Jordan etc.) - “Dedicated to the game” main tagline. Links to “ua.com/basketball” site, not FB site.
- “Here we got backbone. Are you from HERE?” 2nd tagline (US spine gear specific)
  https://www.facebook.com/uabasketball
  - has 295,572 likes, promotes #IWill and Kemba Walker
  - “To make all athletes better through passion, design and the relentless pursuit of innovation”
  - Links back to ua.com/basketball as well

**Under Armour Football Facebook page**
https://www.facebook.com/Under ArmourFootball
- Has 274K likes, links to www.Under Armour.com/football
- Timely. Focuses on NFL combine, football cleats & NFL sponsored athletes like Arian Foster, Cam Newton, Ray Lewis and Tom Brady. Shows personality in designer Dave Dombrow.

@UAMTN
- Has 1,433 followers. Links to UA Mountain site.

@UAGolf
- Has only 114 followers. Links to main UA website.

*Exhibit 2: Country Specific Social Media Presence (Examples)*
Always in home country language, typically links to country based UA Facebook page

@Under Armour UK (United Kingdom, has 18,571 followers - links to UK website)
- We make all athletes better. Every Under Armour product is doing something for you.
- Road to glory background, similar to U.S. messaging
- Direct links to Twitter handles of partners (Tottenham Spurs, Welsh Rugby Union)
- Has unlinked Facebook page with 13,653 followers - it links back to UA webpage as well

@Under Armour IRL
- Ireland has 2,620 followers - links to FB/irl page

@Under Armour SP
- Spain has 802 followers – links nowhere

@Under Armour FR
- France, has 487 followers - links to FB/fr page

@Under Armour AUST
- Australia has 1,347 followers - links to website/AU

@Under Armour VZ
- Venezuela, has 4,366 followers - links to FB/vz page with 19,334 likes.

@Under Armour MX
- Mexico, has 4,478 followers - links to MX site

@Under Armour CO
- Colombia has 1,186 followers, - links to FB/Colombia.

@Under Armour PA
- Panama has 1,620 - followers, no link)

@Under Armour CL
- Chile has 667 followers, links to FB/chile.

@Under Armour ARG
- Argentina has 481 followers - links to FB/arg page
**APPENDIX 6: Social Cause Partnerships/Associations**

*Exhibit 1: Freedom: Wounded Warrior Project*

[Exhibit Image]


-Raises awareness for military heroes. Can give donations. Veterans get 10% off.

*Exhibit 2: Under Armour ‘Green’ Clothing*

[Exhibit Image]

-"Built for the Future. Shop UA Green Products. Committed to Improvement."
- Environmentally friendly products, energy, packaging, suppliers, support etc.

Exhibit 3: Power in Pink (Breast Cancer)

- Can give donations, show support, attend events, connect with others.
APPENDIX 7: Social Media (Facebook, Twitter, YouTube & Google+)

Exhibit 1: Facebook

https://www.facebook.com/under armour
- Has 2, 291,428 likes, #IWill is prominent. Timely information. Drives to main UA Website

Exhibit 2: Twitter

@Under Armour - Timely information. Drives users to main UA Website
- Has 177,340 followers and over 6,000 tweets. “UA Makes All Athletes Better” slogan.
Exhibit 3: YouTube Channel

- “Our job is to make you better, to make all athletes better, one innovation at a time” tagline.
- Has 14,221 subscribers, 165 videos, 15 playlists, 7.5+ millions views
- “I will innovations” Channel has 9 videos
- Main video/commercial has 630K+ views
- Videos on I Will, Armour 39 (like Nike) and athletes (Bryce, Kemba, Sloane, Canelo)

Exhibit 4: Google+

APPENDIX 8: UA.com

- Brand mission: “Make all athletes better through passion, design and the relentless pursuit of innovation”
- Easy to navigate site, though it is a bit busy and doesn’t prominently feature #IWill
- More about shopping, can easily change country, find stores and products based on person
- Focus on Alter Ego basewear gear, March Madness and current sponsored stars
- Informative footer, easy to contact, follow on social media, reach and learn story
- Supports UA style events like Tough Mudder, NFL Combine, Athlete Combines
- Over 15,000 stores available in which to purchase UA gear (from YMCAs to City Sports)
- Under Armour has 115+ “UA Factory Stores” across the in 37 US states
- Also has “UA Factory stores in China (4) and Canada (1)"
APPENDIX 9: #IWill Microsite

Exhibit 1: #IWill Main Page- http://iwill.under armour.com

- Attractive site, scroll down navigation that promotes the #IWill campaign with 4 athletes/vids
  - Canelo Alvarez (Mexican Welterweight Boxing Champion)
  - Bryce Harper (US Baseball player), Kemba Walker (US Basketball player)
  - Sloane Stephens (US Tennis Player, female).
- Each athlete profile features personal info, quotes, social media connect and UA products

Exhibit 2: #IWill User Engagement Site- http://iwill.under armour.com/showyouriwill/#/

- User content based. Share #IWill photos (click large “Show the world. #IWill) box to do
- Instagram like pictures/boxes site (all have #IWill, Under Amour listed), boxed “inspiration”
APPENDIX 10: Website Evaluations

Exhibit 1: Twitter Grader & Klout

Exhibit 2: How Sociable & Social Mention
Communications Journal 29

Resources


http://www.underarmour.com


Under Armour Fact Sheet (2007). Retrieved from https://docs.google.com/viewer?a=v&q=cache:y_veO7K7wmQJ:files.shareholder.com/downloads/UARM/913955854x0x342680/1B32409A-4163-40F5-9225-0F8F11FD9198/factsheet.pdf+&hl=en&gl=us&pid=bl&srcid=ADGEESgCjlwWtQ7Fd2BEx8hLaopJuTgf8cEFkUcfcHFTaXezpdKk_BngHODej_P1qpf7lcbaJZbobVGYLplu1ZXA4FPpkehoh5q5dsrYQA_neVLcZvR7ra9k5Et7asWVqHWQT8bGD7&sig=AHIEtbQiv-ySGu8OM0yob8pWCeqM2hIrg

