

Performance Sports Ex-Chairman Confirms Possible Takeover, Proxy

► By Scott Deveau - January 8, 2016, 4:33pm EST

W. Graeme Roustan, the former chairman of Performance Sports Group Ltd., confirmed he would consider trying to take his former company private or launch a proxy battle if the board doesn't change its retail strategy and replace current Chief Executive Officer Kevin Davis.

"There are really two paths here," Roustan said in an interview Friday with Bloomberg TV Canada's Pamela Ritchie. "There's the take-private scenario or there's the shareholder proxy battle."

Roustan, who left the company's board in 2012, said he has been building his position in Performance Sports since he last disclosed he held roughly 1.4 percent of the company. Bloomberg reported earlier this week Roustan had sent a letter to the board outlining his strategy, according to people familiar with the matter.

He said he has concerns about the strategy by the company, which manufacturers sporting equipment, to open its own standalone stores. He said he believes the move will put the company, whose brands include Bauer and Easton, in competition with its customers.

Bauer's strategy for 88 years has been to manufacture top-line products and then distribute them through retailers, like Canadian Tire, he said.

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"We've had a system in place that really worked well and I just don't see any reason whatsoever to change that system," he said.

Roustan said he hasn't heard back from the board since he sent his request in a letter on Dec. 24.

Shares of Exeter, New Hampshire-based Performance Sports fell 6.7 percent to \$8.15 at the close in New York, the lowest since May 2012. The stock has dropped 55 percent in the past 12 months since the new retail strategy was announced. It's also been dragged down by the slide in the Canadian dollar.

A representative for Performance Sports declined to comment.