

TOP NEWS

Sat Jan 9, 2016 | 2:49 PM EST

Former Performance Sports chairman weighs taking company private

*By John Tilak and Euan Rocha*

TORONTO (Reuters) - The former chairman of Performance Sports Group Ltd ([PSG.TO](#)), Graeme Rouston, said he is looking to take the company private, potentially at a premium to the current share price, if he does not see a reversal in the its retail strategy and a replacement of the chief executive.

The other option he is evaluating is a proxy battle to get on the company's board. Rouston is waiting for a response from the board after writing to them before Christmas, calling for the ouster of CEO Kevin Davis.

Rouston expressed frustration with the company's plans, announced about a year ago, to open its own retail stores. Performance Sports sells to more than 5,000 retailers in Canada, the United States and parts of Europe.

"Their retail strategy is essentially a competitive push against their existing customers. It's counterproductive," Rouston said in an interview on Saturday.

A Performance Sports spokesman was not immediately reachable for comment on the possible move to take the company private, first reported by Bloomberg TV on Friday.

Rouston said he would launch a tender offer to take the company private and that would be done through private capital.

"I wouldn't discuss what the tender offer would be at this point, but typically it's standard to offer premium to the most recent closing price," he said.

He plans to assemble a group of investors, which could include some major current shareholders.

Roustan looks to retain the remaining senior management if he were to take the company private and plans to regain his position as the board chairman.

Founded in Kitchener, Ontario, Performance Sports developed the first skate with a blade attached to the boot, an innovation credited with changing the game of hockey. Performance Sports was previously called Bauer, a popular brand of hockey sticks.

The company, which dates back to the 1920s, was owned for about a decade by U.S. sporting goods company Nike Inc ([NKE.N](#)) before being sold to Graeme Roustan and private equity firm Kohlberg & Co in 2008. It went public in 2011.

Performance Sports shares have tumbled 46 percent in the last 52 weeks.

(The story was refiled to add a dropped word in paragraph 9)

(Reporting by John Tilak and Euan Rocha; Editing by Meredith Mazzilli)