

— PARTICIPANTS

Corporate Participants

Ron Parham – Senior Director-Investor Relations & Corporate Communications, Columbia Sportswear Co.

Gertrude Boyle – Chairman, Columbia Sportswear Co.

Timothy P. Boyle – CEO, Director & Executive VP-Global Sales, Columbia Sportswear Co.

Thomas B. Cusick – Chief Financial Officer & Executive Vice President-Finance, Columbia Sportswear Co.

Other Participants

Bob S. Drbul – Analyst, Nomura Securities International, Inc.

Camilo R. Lyon – Analyst, Canaccord Genuity, Inc.

Jay Sole – Analyst, Morgan Stanley & Co. LLC

Jonathan R. Komp – Analyst, Robert W. Baird & Co., Inc. (Broker)

Andrew S. Burns – Analyst, D.A. Davidson & Co.

Susan K. Anderson – Analyst, FBR Capital Markets & Co.

Pallavi Bakshi – Analyst, Credit Suisse Securities (USA) LLC (Broker)

Jim Duffy – Analyst, Stifel, Nicolaus & Co., Inc.

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Corinna Lynn Freedman – Analyst, BB&T Capital Markets

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Laurent Vasilescu – Analyst, Macquarie Capital (USA), Inc.

Christopher Svezia – Analyst, Susquehanna Financial Group LLLP

— MANAGEMENT DISCUSSION SECTION

Operator: Greetings, and welcome to the Columbia Sportswear Fourth Quarter and Fiscal Year 2015 Financial Results Conference Call. At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. [Operator Instructions] As a reminder, this conference is being recorded.

I would now like to turn the call over to your host Ron Parham, Senior Director of IR and Corporate Communications. Thank you, Mr. Parham. You may begin.

Ron Parham, Senior Director-Investor Relations & Corporate Communications

All right. Thanks, Bob. Good afternoon, and thanks for joining us today to discuss Columbia Sportswear Company's fourth quarter and full year 2015 financial results and our 2016 financial outlook that we announced earlier this afternoon.

In addition to our earnings release, we furnished an 8-K containing a detailed CFO commentary, analyzing our results and explaining the assumptions behind our 2016 outlook. The CFO commentary is available on our Investor Relations website.

With me today on the call are Chairman of the board, Gert Boyle; Chief Executive Officer, Tim Boyle; President and Chief Operating Officer, Bryan Timm; Executive Vice President of Finance and Chief Financial Officer, Tom Cusick; and Executive Vice President, Chief Administrative Officer, General Counsel and Secretary, Peter Bragdon.

I'll ask Gert to cover the Safe Harbor language.

Gertrude Boyle, Chairman

Good afternoon. This conference call will contain forward-looking statements regarding Columbia's business opportunities and anticipated results of operation. Please bear in mind that forward-looking information is subject to many risks and uncertainties and actual results may differ materially from what is projected. Many of these risks and uncertainties are described in Columbia's Annual Report on Form 10-K, for the year ending December 31, 2014, and subsequent filing with the SEC.

Forward-looking statements in this conference – conference calls are based on our current expectations and belief, and we do not undertake any duty to update any of the forward-looking statements after the date of this conference call to confirm the forward-looking statement to actual results, or to change in our expectations.

Ron Parham, Senior Director-Investor Relations & Corporate Communications

Thanks, Gert. And then before I turn the call over to Tim, I'd also like to point out that during the call, we will reference constant currency net sales growth, which is a non-GAAP financial measure. And we provide a reconciliation of constant currency net sales to net sales as reported under U.S. GAAP, and an explanation of management's rationale for including this non-GAAP measure in the supplement financial tables that accompany our earnings release. A copy of which is also available on our website at investor.columbia.com.

Now, I'll turn the call over to Tim.

Timothy P. Boyle, CEO, Director & Executive VP-Global Sales

Thanks, Ron. Welcome, everyone and thanks for joining us this afternoon. 2015 was another outstanding year for Columbia Sportswear Company, one that finished even better than our expectations when we last spoke in October despite unseasonably warm weather, macroeconomic challenges, and currency headwinds in many of our key markets.

We've said consistently that our objectives are to increase sales, expand gross margins, increase demand creation investments, and expand operating margins. That's exactly what we did in 2014 and again in 2015, and that's what our outlook for 2016 anticipates doing for a third consecutive year.

Our progress in 2015 is a reflection of the brand portfolio we have built and the brand enhancing investments that we are making. For the Columbia brand, the most significant and visible investment during 2015 was the October global launch of the Tested Tough brand campaign. Tested Tough, featuring Gert reprising her role as the original tough mother is our largest, most integrated global campaign in the company history. It taps into the heritage, history and character of the Columbia brand to differentiate and broaden the brand's appeal on a global scale.

Not many CEOs are able to say that their 92-year-old mother has made a successful marketing comeback.

One of the most unique and successful aspects of the Tested Tough campaign has been the work of our Directors of Toughness. Two employees that we hired in October to test our gear in extreme environments.

From more than 4,000 applicants, we selected Lauren Steele and Zach Doleac and have sent them on journeys to the Arctic Circle in Alaska, the Rainforest of Costa Rica, the Isolation of Southern Chile, the Northern Plains of Alberta, Canada, and most recently, the Wild Jungle of the Sundance Film Festival in Park City, Utah. Our Directors of Toughness have provided great feedback to our designers, while capturing stunning, social media content above their adventures. During the first six weeks of their mission, Columbia had the most viewed YouTube channel among outdoor industry brands.

Over the entire fourth quarter, their content garnered more than 280 million social media impressions, and consumers watched the equivalent of more than a 11 years of content on Columbia's YouTube channel, making it the most successful social media quarter in our brand's history. Tested Tough has paved the way for us to forge relationship with new partners that are helping the brand create powerful emotional connections with a broad range of consumers, who share a passion for the outdoors.

As an example, in January, we announced that Columbia has been selected as the official outdoor apparel partner of England's Manchester United Soccer Club. With 138 years of rich history, Manchester United is the most popular sports franchise in the world with more than 650 followers on social media, half of those residing in Asia. Our joint announcement alone generated more than 22 million media impressions, further strengthening Columbia's brand awareness in Europe and Asian markets as well as across North America and South America.

The offering of dual-branded outerwear and fleece products features Columbia's most advanced proprietary technologies for outdoor endeavors. For Manchester United, Columbia represents a brand that can help maintain a strong connection with their consumers when they venture into the outdoors, far from the nearest soccer pitch, television or neighborhood pub. The offering was officially unveiled two weeks ago at the ISPO Trade Show in Munich and will be available to consumers beginning in fall 2016.

The Manchester United partnership is just one of many new points of access we've established that connect with consumers who share a passion for the outdoors. Our collegiate licensing program has grown to include more than 700 colleges and universities in addition to the 32 top-tier colleges with whom we have a direct licensing agreement. This expanded distribution includes college bookstores, both on and off campus, sporting goods retailers' licensed product pads, concessionaires at university stadiums and arenas and specialty retail fan shops.

In 2014, we launched a licensing agreement with the Dallas Cowboys, perennially, the number one U.S. sports franchise in terms of global fan base and licensed product sales. During 2015, we added professional sports leagues to our licensing platform, adding distribution of our men's and women's sportswear and outerwear in stadium fan shops, specialty retail fan shops, golf pro shops, online fan shops, department stores, and sporting goods licensing pads. Select Columbia products are embellished with the logos of certain North American professional baseball and basketball teams and the PGA Tour and NASCAR.

Two weeks ago, we announced the launch of a new line of Columbia branded golf apparel and outerwear that's being worn this year by several PGA Tour golfers. A collection of 28 new golf styles includes a colorful assortment of classic polos, breathable rainwear and windbreakers, as well as performance shorts and pants.

Columbia's award-winning technologies are incorporated across the offering, including Omni-Freeze ZERO, sweat-activated cooling, Omni-Tech waterproof breathability, and Omni-Shade sun protection.

The line is currently available in top sporting goods retailers, on-course golf pro shops and golf specialty stores, and will become available online at columbia.com this spring. In addition, many of the caddies will be wearing selected Columbia PFG styles.

Last week, we announced the Columbia brand's elevated commitment to the trail running category, including a realignment of our Montrail brand as a sub-brand of Columbia's new assortment of trail running shoes. As part of that commitment, Columbia has signed a multi-year agreement to be the presenting sponsor of the Ultra-Trail du Mont-Blanc or UTMB held annually in late August in Chamonix, France.

The UTMB is recognized as one of the world's most iconic Ultra-Trail running events and consists of five endurance races of varying difficulty, competed over an entire week. The event attracts thousands of spectators plus global coverage that reaches millions of enthusiasts. A total of 7,500 participants representing more than 80 nationalities come to test their endurance and their equipment in some of the most stunning and challenging natural terrain on earth. This year, one of the participants will be Lei Yu from China, one of the world's top ultra-trail running athletes sponsored by Columbia Sportswear through our China joint venture.

As in the past, Columbia is once again deeply involved in the International Ski Federation's Freestyle World Cup Series, which kicked off its 2015-2016 season two weeks ago in Deer Valley. This year, Columbia is sponsoring the U.S., Canadian, Russian and Belarus freestyle ski teams.

In the realm of urban culture, during 2015, we executed a Columbia collaboration with one of today's most recognized urban style influencers, Kith, featuring an updated interpretation of our original 1986 Bugaboo Parka, in recognition of its 30th anniversary. This collaboration reflects a growing interest in the heritage and strength of the Columbia brand among the young style influencers, revealing yet another facet of the success we're seeing from the Tested Tough brand campaign. This relationship is connecting new consumers to the Columbia brand and has helped us establish the Columbia brand's presence in many leading urban specialty dealers.

The Columbia brand also enjoyed great visibility during the Sundance Film Festival in Park City. There, we partnered with Extra TV to attire all of their correspondents throughout the week. In addition, U.S. Olympic mogul gold medalist, Hannah Kearney was on the slopes in her Columbia uniform, giving ski lessons to celebrities.

Each of these elite organizations has an established loyal, passionate fan base, and has chosen to partner with Columbia because of the brand's global reach and because it's uniquely capable of helping their fans enjoy the outdoors, another one of their core passions.

Finally, since our success ultimately comes back to great product for all outdoor enthusiasts, I want to highlight the fact that Columbia took home Gear Junkie's 'Best In Show' award from the recent outdoor retailer winter market in Salt Lake City, for our Waterproof Breathable OutDry Extreme Diamond Down Insulated Jacket. We were first in the industry to launch this innovative idea in our spring 2016 rainwear collection. OutDry Extreme's membrane-on-the-outside construction has won numerous industry accolades for turning the waterproof breathable rainwear category inside-out. For fall 2016, we've expanded the OutDry Extreme platform to include a variety of insulated styles and other silhouettes.

So far, I've only been talking about the things we're doing to drive demand for the Columbia brand. Our SOREL, Mountain Hardwear and prAna brands have also been busy.

SOREL's consumers share a passion for the world of fashion and entertainment. Several times a year, these passions come into focus at iconic Film Festivals in Park City, Whistler and Toronto. At each of these events, SOREL connects with A-list celebrities and influential style bloggers to whom SOREL consumers look for style cues. Combined, these festivals generated over 100 million media impressions for SOREL over the past year. These results prove that SOREL's brand messages are relevant and that the SOREL consumer is finding the brand in places where she looks for inspiration, and that she is spending time with SOREL's content and sharing it with the people in her social circle that she influences.

In the fourth quarter of 2015, our Mountain Hardwear team executed a very successful collaboration with Cole Haan, another iconic brand. The design team at Cole Haan proposed a collaboration to the Mountain Hardwear team over a year ago and the two groups worked closely together to create the ZerøGrand line of outerwear and accessories. Uniquely styled for the city, the line contains the same technical features of Mountain Hardwear products designed for alpinists and skiers.

The effort succeeded in exposing Mountain Hardwear to a new, affluent, urban consumer, using the power of the Cole Haan marketing machine. This past fall, ZerøGrand was included in Cole Haan's direct mail campaign to more than 250,000 Cole Haan customers, merchandised in 190 Cole Haan retail stores and featured on Cole Haan and Mountain Hardware's e-commerce sites. The ZerøGrand collection has generated outstanding sell-through even in the face of warm weather, and has resonated especially well with women.

Our team at prAna is continuing to reach new consumers using integrated imagery and messaging to elevate its brand storytelling across catalogs, website, e-mail, digital, social and retail platforms. These efforts have included building relationships with influential athletes from the worlds of climbing, surfing and yoga to serve as brand ambassadors and to be featured in compelling imagery, or used in catalogs, e-commerce, in-store and traditional marketing mediums; and partnering with influential bloggers to connect the brand with millennial consumers.

In 2015, all this combined to drive 29% annualized growth, including a 48% increase in prAna's e-commerce business. This marks prAna's fifth consecutive year of double-digit growth and our 2016 outlook anticipates continued growth of more than 20%.

In summary, beyond being a record year financially, 2015 was a year in which each of our brands established new powerful brand associations that helped connect with consumers in every market to support future growth.

Tom's CFO commentary provides a thorough analysis of the factors behind our record fourth quarter and full year results. I would like to highlight a few key metrics and put them into context within our long-term strategic framework.

Fiscal year 2015 net sales grew \$226 million or 11% to a record \$2.33 billion. In constant currency, global sales grew 15% including:

- double-digit growth from the Columbia brand, 34% growth from SOREL and 29% annualized growth from prAna, while Mountain Hardwear grew 1%.
- Constant currency growth of greater than 20% in the U.S., Canada, Europe direct markets, and the LAAP distribution markets.
- 21% growth in the U.S., including balanced growth across wholesale and direct-to-consumer channels. Our U.S. e-com business expanded 30%. It's worth pointing out that over the last three years, we've grown our total U.S. business by more than 40% organically and by more than 50% including incremental sales from prAna.

- Our Europe direct markets posted constant currency growth of more than 20% in 2015, driven by growth in key countries and channels. We've stated how important this region is to our long-term profitability, and how hard our European teams have been working to create sustainable momentum in these key markets. Our 2016 outlook anticipates continued double-digit constant currency growth in our Europe direct markets. The launch of Tested Tough is boosting awareness and creating emotional connections with consumers, while an improved product assortment is driving growth in both footwear and apparel, enabling us to reclaim market share. In addition, our exciting new partnership with Manchester United has the potential to further supercharge the Columbia brand across the entire European continent.
- Our global footwear business surpassed \$500 million in global sales. SOREL easily passed \$200 million on constant currency growth of more than 30%, driven by continued expansion into lighter-weight fall styles. Columbia brand footwear added constant currency growth of more than 20%, led by trail footwear, including growth of more than 30% in North America and more than 50% in our Europe direct markets.
- Our global e-com business totaled more than \$160 million in 2015, plus another \$20 million through various e-commerce portals in China. A good example of the Columbia brand's popularity in China came on 11-11-2015, when we sold more than \$9 million of Columbia product on a single day, a 500% increase compared with 11-11-2014. Keep in mind that 2015 was only our second year of e-commerce business in China.
- Rounding out the upside in 2015, Japan and China each posted single-digit constant currency growth. In January, we announced the appointment of Jason Zhu as the new General Manager of our China joint venture. Jason comes with 13 years of go-to-market experience in China with Nike and we are looking forward to working with him to expand the Columbia brands' already strong position in the Chinese outdoor category.

Operating income grew 26% in 2015 to a record \$250 million, equating to 10.7% operating margin. This represents a 120 basis point improvement over last year and a cumulative 290 basis point improvement over the past two years. Net income increased 27% on top of last year's 45% increase to a record \$174 million or \$2.45 per share.

During the year, we returned over \$113 million to shareholders through share repurchases and dividends, while maintaining a very strong balance sheet, ending the year with more than \$370 million in cash.

Inventory at year-end was 23% higher than last year. The vast majority of the year-end balance and the year-over-year increase reflects earlier receipt of spring 2016 styles, as well as current fall 2015 styles. We currently expect year-over-year inventory growth to normalize with sales growth in the second half of the year, as we clear excess fall 2015 inventory.

Turning to our 2016 outlook, we expect mid single-digit global net sales growth, led by mid single-digit growth in the Columbia brand, another year of mid-20% growth in the prAna brand, and low double-digit growth in the SOREL brand.

We anticipate operating income of between \$257 million and \$267 million, or operating margins of up to 10.8% and record net income of between \$179 million and \$186 million, or \$2.55 per share to \$2.65 per share.

Our outstanding full-year results and solid financial position validate the long-term strategic framework behind which we've been investing for the past several years. Like our competitors, we are facing difficult macroeconomic and currency headwinds, shifting consumer shopping behavior and other variables that are beyond our control.

As we've done in past periods of uncertainty, we intend to use our strong balance sheet to continue investing strategically in our brands, our people and our operations in order to improve our competitive position, diversify our business to become less weather-sensitive, and improve our ability to manage through business cycles more profitably.

We remain firmly committed to the long-term financial objectives that we've delivered on over the past two years: Driving sales growth through our brand portfolio, expanding our gross margins, increasing demand creation investments, and expanding operating margin.

I want to take this opportunity to thank each of our more than 6,000 employees for their dedication and contributions that helped make 2015 a record year and for their continued commitment to connecting active people with their passions in 2016 and beyond.

You can find more details on our Q4 and fiscal 2015 results and our 2016 outlook in Tom's CFO commentary available on our website.

That concludes my prepared remarks. We welcome the questions for the remainder of the hour. Thank you.

QUESTION AND ANSWER SECTION

Operator: Thank you. Ladies and gentlemen, we'll now be conducting a question-and-answer session. [Operator Instructions] Our first question comes from the line of Bob Drbul with Nomura. Please proceed with your question.

<Q – Bob Drbul – Nomura Securities International, Inc.>: Hi. Good evening.

<A – Tim Boyle – Columbia Sportswear Co.>: Hey, Bob.

<Q – Bob Drbul – Nomura Securities International, Inc.>: Hi. Gert, congratulations on your successful marketing comeback.

<A – Gert Boyle – Columbia Sportswear Co.>: You can't keep a good woman down, you know that, don't you?

<Q – Bob Drbul – Nomura Securities International, Inc.>: I do know that. Nice work. I have a series of questions, Tim, if I could like sort of do it in two approaches, please.

<A – Tim Boyle – Columbia Sportswear Co.>: Sure.

<Q – Bob Drbul – Nomura Securities International, Inc.>: The first one is just on the fourth quarter, can you guys comment a little bit more about, I think you alluded to a 40% increase in independent distributor sales in the fourth quarter from the first quarter. Can you talk about what's happening there?

The second one is, can you comment a little bit on how the SOREL business did very well, and just how that has trended through a tougher warm season? And how it is in the first quarter, and on the current results? The third question is, in the inventory, can you break down how much of the increase is from the spring 2016 and how much of it is current fall 2015 product?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. Well, let me grab the SOREL question first, and then Tom, I think is going to handle the other two. So, we found, obviously, over time that as our business with SOREL gets closer to the actual consumer to the woman that we're really focusing on, it becomes less and less a weather-driven issue. Now, we would have had, obviously, better results had we had better weather, but frankly the team at SOREL has done a terrific job of managing the business so that the products available are, in addition to the protective story that we have for winter, are good for the fall and for warmer climates. And then just the additional expansion of the brand's availability and noteworthiness, through the marketing efforts that we talked about during my comments, have just helped it immensely.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah, Bob, on the distributor question, the shift is really not that overly significant. I think it's a mid to high single-digit millions of dollar number of shift. So the 30% to 40% increase is off a relatively small base, so that's not overly significant. And then on the inventory, the inventory aging is in a lot better shape this year than it was a year ago. I think 57% to 58% of the inventory makeup is spring 2016 and that's on hand or on the water. So we feel relatively comfortable with our inventory position exiting the year.

<Q – Bob Drbul – Nomura Securities International, Inc.>: Okay, okay. And then just a couple of questions on 2016 outlook, if I could. The first one is, I guess when you think about the weather and the season that we've had and are having currently, can you talk about the visibility in orders? With the – you gave some clarity on first-half sales expectations versus second. So can you talk a little bit about your visibility in the order book for the Columbia brand and the SOREL business?

And I guess the second question on that I have is on the, you mentioned price increases in non-U.S. jurisdictions, can you talk a little bit about the magnitude of that, how that's being received? And then on the expectation for DTC, you have low double-digit, is that predominantly square footage expectations or can you just give us a little bit more clarity on that as well?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, in terms of visibility, the company writes an order book in advance and that gives us a significant amount of confidence in terms of projecting our revenues for the future. So we have a strong order book and we're excited about the potential there. Obviously, our wholesale customers would be buying more, if the weather had been better, but we're confident in our ability to foresee the future based on our order book. And that would include both for the Columbia and SOREL brands.

Regarding price increases outside the U.S., if you remember, a large percentage of our business outside the U.S. is dollar denominated through our independent distributors. So those guys take the risk on the dollar exchange. And I think if the U.S. dollar were less strong, we would probably again have a bigger business in those markets.

The price increases that we have taken in our direct markets have been well received. Especially in Europe direct, where we talked about our expectations for significant growth in the fall and the balance of the year for 2016, those are all with price increases attached.

And then as it relates to the retail business, as we said before, we're not a retailer and we're focusing on our wholesale business. So we don't typically release the typical retail metrics that some might follow, but I can tell you that we're going to be opening a modest number of stores next year, and it's not really – it's an improvement in our business, not necessarily an improvement in square footage or increase in square footage.

<Q – Bob Drbul – Nomura Securities International, Inc.>: Great. Thank you very much.

Operator: Thank you. Our next question comes from the line of Camilo Lyon with Canaccord Genuity. Please proceed with your question.

<Q – Camilo Lyon – Canaccord Genuity, Inc.>: Thanks and good afternoon, guys.

<A – Tim Boyle – Columbia Sportswear Co.>: Hey.

<Q – Camilo Lyon – Canaccord Genuity, Inc.>: I was hoping, Tim, if you could comment a little bit on overall channel inventory, I think – I'm going to guess that there's probably a difference in how the quarter ended up, relative to where we are today, a month and half into Q1, but having been significantly colder, at least, in the colder weather market. So, any sort of light you could shed on what the channel inventory is in your colder weather product, will be helpful?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly, I just want to make sure that you reminded that we have businesses globally. So, I can go through the globe; and obviously, top of mind is North America, where we had a warm Q4, and then Q1 the weather impact has helped retailers liquidate that merchandise that they have on hand. Again, they weren't as profitable, that inventory, but it's certainly a cleaner channel today than it was at year end.

In Europe, we also had a relatively cold – excuse me, relatively warm temperatures and not great snow down in the – we had good snow in the mountains, but not necessarily down in the cities. And we still had good growth there expected based on the fact that we're taking share from some existing competitors.

We did not have great weather in most of Asia, we had good weather in most of Russia. So, I think, as it relates to the channel; again, we would have had a more robust business 2016 with more cold

weather, but we're still very comfortable with the projections we've given today based on what we see in the channels.

<Q – Camilo Lyon – Canaccord Genuity, Inc.>: Thanks. Thanks for that, Tim. And maybe you could just discuss a little bit about the differences in performance within the channels in the quarter, North American channels? So, sporting goods versus department stores? So, was there – you talked, in your prepared remarks, about a shifting consumer landscape, and where they shop. And where did you see the strength? And where were the channels that were a little bit less strong than what you had anticipated?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, most of our larger retailers have a certain component of their business electronically through e-com. And so, we don't know from them generally – the quantity of merchandise that they sell of ours through e-com versus the quantity that they sell in their brick-and-mortar stores. But, all of our retailers would not be immune to the impact of traffic on the Q4 and the fact that the bulk of the sales growth, I think across the retail landscape has been in e-com. So, I would expect that, that would be about the same in our customers.

<Q – Camilo Lyon – Canaccord Genuity, Inc.>: But, no difference between sporting goods or department stores, just from the pricing tiered structure of the channel?

<A – Tim Boyle – Columbia Sportswear Co.>: Not notably. No. I mean I think, our customers generally performed about the same in terms of the liquidation. We monitor a high percentage of our customers' sales throughout the year. So, we didn't see much difference between the various channels other than the one I mentioned.

<Q – Camilo Lyon – Canaccord Genuity, Inc.>: Okay. And then just a couple of final ones. Is there – with the colder weather having finally arrived here in North America, is there an opportunity for some of the fall 2016 orders to come in here towards the tail end of the winter? Or are you pretty much buttoned up for your fall order production schedule? And then just finally, if you could talk about SOREL and any sort of planned SKU and distribution increases that you're looking to 2016, that would be helpful, as well.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, for the company, we basically have order deadlines from our customers to help us gauge production to buy and we've matched our orders and our production fairly closely. Although, the company does pick up from time-to-time a small speculative position. So, as we've said in the past, if it's a cold weather, which are in 2016 in Q4 of next year, there will be not much inventory around, and the primary delta will be in the margin that our retailers and that we get for a more scarce product.

So, my expectation is that we're going to be pretty solid on our order book, we'll take a small position speculatively, but basically all of the expectations have been baked into the guidance that we've given you today.

As it relates to SOREL, virtually no change in the distribution. I know it was their customer base, it's just an increased amount of business with our existing customer base. So, obviously the success of the fall product, which is relatively new for SOREL is going to – is helping that business to get bigger, but it's not really a new distribution play.

<Q – Camilo Lyon – Canaccord Genuity, Inc.>: Any sense as to the SKU count increase?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah, there has been...

<Q – Camilo Lyon – Canaccord Genuity, Inc.>: [indiscernible] (35:04) go ahead.

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah, there has been some SKU count increase, but certainly not significant. As you know we added apparel and apparel will be slightly more broadly distributed in 2016; but again, almost exclusively to existing SOREL customers.

<Q – Camilo Lyon – Canaccord Genuity, Inc.>: Great. Thanks a lot, and all the best to you.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks.

Operator: Thank you. Our next question comes from the line of Jay Sole with Morgan Stanley. Please proceed with your question.

<Q – Jay Sole – Morgan Stanley & Co. LLC>: Hi, good afternoon.

<A – Tim Boyle – Columbia Sportswear Co.>: Hey.

<Q – Jay Sole – Morgan Stanley & Co. LLC>: So, the growth projected for next year in the guidance for prAna, mid-20%, is pretty impressive, considering – it seems like there's a lot of competitors entering that women's athletic apparel space. How are you able to find an edge even to grow this business? Can you just give us a little bit more specifics on where you're growing and how you're doing? And how do you plan to protect that, going forward?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, as we talk at length internally, no consumer needs another brand to buy. I mean, there's plenty of merchandise to buy. So, it's all about how we differentiate our products from others.

And I can say specifically the folks at prAna are very good at providing products which are keenly differentiated from competitors. And that's really at the end of the day, how they've been able to be successful in not only their own stores competing with other companies that sell products, but also through wholesale customers.

I'm probably least prepared to talk about how women's apparel and yoga is different. But apparently, our consumers are telling us that they like the merchandise. And so, we think the proof is in pudding there in terms of how the stuff is selling.

<Q – Jay Sole – Morgan Stanley & Co. LLC>: Okay. And then maybe just shifting gears, can you give us a little bit of an update on SAP? It's kind of where we are in the expense cycle and the implementation cycle? And kind of some of the benefits you've seen through the past quarter?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. This is Tom. So, we've got roughly 70% of our revenue base and the lion's share of our supply chain operations on the platform, so that would be all of our North American business, excluding prAna, as well as our international distributors and we're currently working on Japan.

So, we're in the middle-to-late innings, we've got basically, Asia and Europe to go. And as it relates to the benefits we're seeing, I mean if you look back to say, the end of 2012, through 2015 and you look at the improvements we've made in our gross margins, particularly those that are on the platform, and the inventory turns took a tick backwards this year, given some of the weather patterns. But through last year, the cash flow benefits, they've been very meaningful. We've not quantified those publicly; but I can say, it's been very impactful financially to the businesses that are on the platform.

<Q – Jay Sole – Morgan Stanley & Co. LLC>: Okay. And then, maybe one last one, could you just talk about how FX is impacting the numbers? Because it seems like, this year, going into 2016, it will be a bigger impact. I think you said \$0.28 versus \$0.10 last year. But it seems like the rates

have gotten – the comparisons eased in 2016? Can you just talk about the mechanics of how FX is impacting the numbers this year, both on gross margin and SG&A?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. So, as it relates to gross margin, we had about 50 basis point negative effect in 2015, based on currency rates and frankly we got a little bit ahead of some of the international currency weakening, coming into 2015. So, 2015 was better than it otherwise would have been.

Now 2016, we're going to have about 100 basis point impact on gross margins. So, most of that \$0.28 is coming through the gross margin, I mean, there is a little bit in translation and transaction, but the lion's share is in the gross margin and the hedge rates, the cost of inventory.

<Q – Jay Sole – Morgan Stanley & Co. LLC>: Okay. Got it. Thank you so much.

Operator: Thank you. Our next question comes from the line of Jonathan Komp with Robert W. Baird. Please proceed with your question.

<Q – Jonathan Komp – Robert W. Baird & Co., Inc. (Broker)>: Yeah. Hi. Thanks guys. Maybe the first question I just have really relates to the outlook for 2016. I think it's called out that the top line growth in the first half would be slower than in the second half. And I just want to understand what the moving pieces are there?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. I think the first half is definitely a tougher comparison. We grew about 15% in the first half of last year of 2015 and about 8% in the second half. So, we had some benefit from the prAna acquisition in the first half of 2015. So, a lot of it's a tough comp.

And then we get into the fact that from a profitability standpoint, you've got a much higher impact of currency on the first quarter and third quarter gross margins. So, the first half profitability will be down say \$10 million to \$20 million in the first half, with the lion's share of that actually concentrated in the first quarter.

<Q – Jonathan Komp – Robert W. Baird & Co., Inc. (Broker)>: Okay. Got it. And just as a follow-up, I know late last year it sounded like the spring order book for 2016 was lining up to be pretty robust; has there been any changes there in terms of the expectations or is it just some of the factors that you mentioned in terms of the comparison?

<A – Tim Boyle – Columbia Sportswear Co.>: No. I think it's just the comparison. So, we haven't had any material changes in our order book.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. I would say the one area that we're probably most challenged from an order book standpoint would be in our distributor businesses in those emerging markets from Russia to Latin America. Those businesses, as we mentioned in my commentary and Tim's, those businesses will – we're not planning for growth in 2016.

<Q – Jonathan Komp – Robert W. Baird & Co., Inc. (Broker)>: Great. And then the last one for me, at this time last year, I think you pointed to about 10 basis points of operating margin expansion and obviously over-delivered versus that target pretty significantly. I'm just wondering as you look to 2016, what the major puts and takes are outside of what weather looks like next year in terms of the operating margin as you see it today?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So I would say, the puts and takes from my perspective would be just the macroeconomic environment today, I would say is certainly, or arguably more volatile. And we've seen a lot more volatility in the last few months with regard to foreign currency valuations relative to the U.S. dollar, both ways in fact, up and down.

I think the performance of our retail business – retail will be roughly 37% of our total business this year. So, that's an increasingly important part of the business. And that ultimately – how weather plays out in the fourth quarter. So, I think all those variables are at play and we try to put together a plan that takes those into consideration. We plan for a normal winter weather pattern, and try to play the outlook really down the middle.

<Q – Jonathan Komp – Robert W. Baird & Co., Inc. (Broker)>: Okay. That's helpful. Thanks guys.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks.

Operator: Thank you. Our next question comes from the line of Andrew Burns with D.A. Davidson. Please proceed with your question.

<Q – Andrew Burns – D.A. Davidson & Co.>: Thanks and congratulations on an excellent 2015.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks.

<Q – Andrew Burns – D.A. Davidson & Co.>: Just a couple of markets I was hoping you could review in more detail; just maybe a state of the union on where we are in terms of South Korea and Russia, in terms of stabilizing and ultimately returning to growth in those, as well as China which has the potential to be a double-digit grower, but clearly there's some challenges there? Thanks.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, I think as it relates to South Korea, that's been really sort of an industry implosion, I guess, I would describe it in the outdoor business. Other competitors of ours have noted that the business there has changed significantly. In fact, many of our competitors are actually leaving the market.

We made a change in our leadership there and I believe we've got the opportunity frankly to get back to growth there sometime soon. So, the industry is not necessarily in a healthy place right now, but I think those things that we can control in South Korea, we work diligently to do that.

And we have an opportunity, frankly which many competitors don't, and that's moving inventory globally to be able to help liquidate and we did some of that this year, taking merchandise from South Korea to other locales around the world to help us liquidate.

Russia is really a function of the ruble strength and oil; those are key parts of the impact in that market. We're very fortunate that our distributor in Russia is very strong. We have a very long-term relationship with them; and frankly, this is not the first time we've been in an economic crisis situation with them. In fact, it may even be the third or fourth based on the volatility of that market. So, we have a very strong partner and we're very confident that we've got the right people managing the business for the company in Russia.

China, frankly, there is enormous opportunity for us there. We're very pleased with our partner there, a joint venture partner with Swire Resources. And we think the addition of a strong go-to-market manager like Jason Zhu with significant experience in that market is going to help us get back to growth.

You can see as we talked about the strength in the company's business in 11/11 in that market, just how strong the brand is there. We have a leading position in the marketplace in the outdoor apparel. And frankly, there is big opportunity for us there and we'll begin to take advantage of that.

<Q – Andrew Burns – D.A. Davidson & Co.>: Thanks. And then as a second question in terms of non-SOREL branded footwear, I know it's not exact, but when you back out the SOREL revenue

from your footwear revenue, it looks like the Columbia Footwear continues to grow very nicely – healthy double-digits. I just wanted to get your thoughts on 2016 in terms of the keys areas of growth for footwear by product or region? Thank you.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, probably one of the most significant areas of growth for the company in the Columbia Footwear – by the way, I should point out that since 1998, since we went public, I've been saying that that should be our largest product category. We're not there yet, but at least we're moving towards that. But the biggest area of growth for us has been in Europe for the Columbia Footwear brand. And it's actually quite gratifying because our biggest market there is France and we have a very strong competitor there in Salomon, and it's great to be taking slots from time-to-time from that great company.

But really, the opportunity for us we believe is in the Columbia Footwear in the trail category, both in regular hiking merchandise as well as trail running. So, I think that's an enormous opportunity for us and we'll continue to grow and we're putting more emphasis towards that category.

<Q – Andrew Burns – D.A. Davidson & Co.>: Great. Thanks and good luck.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks.

Operator: Thank you. Our next question comes from the line of Susan Anderson with FBR. Please proceed with your question.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Hi, good evening. Congrats on a great quarter. So, I was wondering if you could talk about the EBIT margin opportunity. You significantly beat your estimates this year again. So, maybe if you could give us an update on your thoughts on where this could go; how much is left with the new systems? And just with having better more innovative product and higher margin product and maybe then also touch on this opportunity with pricing?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, we've been talking lately about the four important strategy – the four important outcomes that we need to become better. As you know, we've been lagging behind our peers in terms of our profitability and to get to where we – to get to average we need to grow our top line, we need to grow our gross margin, we need to grow our marketing spend and we need to grow our operating margin or EBITDA.

And it's a daunting task, but I think led by the innovation group and the innovative products specifically in the Columbia brand and the key fashion brands that have been really dominating for us, which would be SOREL; and of course, with the combination of prAna, of innovation and fashion there have been great. I think we can get to beyond average and that's my personal goal is to get ourselves back in the areas where we were in the early 2000, which is very significant profitability.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah, thanks, Susan. We ended the year at about 13.2% EBITDA margin, the peer group is roughly 14%, all the numbers are not out for 2015. So, through the expanded gross margin and getting back to double-digit growth and our ability to leverage the SG&A line and with the – more of the business being on the SAP platform, we think there is a fair amount of runway that continue to expand the operating and the EBITDA margins. We've done this over the last couple of years, and have faced almost 200 basis points of currency headwind. So, we're chipping away at it.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Yeah. It's been a great performance. And then a follow-up on prAna, so the sales have been obviously very strong. Maybe if you could just give a little bit more color on what are the areas that are driving this, obviously a small store base. So, is it just increasing space within existing wholesale customers or is it new door and then maybe

if you can touch on internationally the rollout there or how should we think about this becoming much more significant at some point?

<A – Tim Boyle – Columbia Sportswear Co.>: Right. Well, they really have not expanded at prAna. We have not expanded our distribution footprint. This has been a growth in our existing customer base. Again, probably the least confident person to talk about fashion available for women, but it's been resonating with women and the team at prAna has a singular focus on getting her the right merchandise that she needs for her fashion and apparel needs in the outdoors. The door growth has not been a significant and frankly the international expansion that we thought we had earlier has been more challenging than we thought.

But there's still significant opportunity internationally. We haven't grown there as fast as we had thought we would, primarily due to the currency issues. But, I think that opportunity is quite significant based on the strength of our distributed base for the Columbia and SOREL brands globally. I would say that the e-com growth for prAna in the U.S. has been outstanding. And the team there really understands how to convert loyal prAna customers.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Okay. And then one last question on the inventory front though, it sounds like there is a little bit leftover from fall. I guess, is there expectation that some of this won't be sold through the outlets next fall or do you think you can clear through the rest of it in the first quarter?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. I would say – when we look at the fall 2015 excess, there is a good – a pretty healthy percentage of the excess that's actually in line fall 2016, that will carry over into the – to the line of a – the wholesale line for 2016. And then the residual excess would – the lion share of that will be cleared through our outlook in the second half of the year. Some of that's happening in the first quarter, but the majority of it will be second half of the year.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Got it. Okay, well. Good luck for next quarter guys.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks.

Operator: Thank you. Our next question comes from the line of Christian Buss with Credit Suisse. Please proceed with your question.

<Q – Pallavi Bakshi – Credit Suisse Securities (USA) LLC (Broker)>: Hi. This is Pallavi on for Christian. Could you please speak a little bit about the rollout of the OutDry Extreme rainwear platform? And what the cadence of that rollout will be and then what response you're seeing from retailers? Thanks.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. For those of you on the call that aren't familiar with OutDry Extreme, our innovation team really designed and developed the process to put the membrane, which is the functional part of a waterproof, breathable garment, on the exterior as opposed to the common place for that is hidden underneath the textile – textile exterior. So, what happens when you put the membrane on the outside, yes, we use less chemicals to make the water-repellent treatment work, so you have a cleaner base in the weather, to make it more waterproof.

And then we have the textile in the inside, you actually have higher breathability. So, there's lots and lots of good things. The issue had been previously to how to make that durable, because the membranes often are fragile, so the team in our innovations lab were able to solve that problem.

And frankly, it's been a surprising and shocking sort of groundbreaking, many have called it game changing process to make rainwear. And the sales volume was good for spring 2016. It's going to be expanded in fall. As we noted, we've been receiving awards for using that technology on down garments, which makes it a truly waterproof down garment. And over the next several seasons we'll add other product categories in the OutDry Extreme family.

So, it's been good because this is a very new kind of a process, it's helped us to raise our gross margins on some of these products. And the reception has been frankly just exceptional. So, all good.

<Q – Pallavi Bakshi – Credit Suisse Securities (USA) LLC (Broker)>: All right. Thank you.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks.

Operator: Thank you. Our next question comes from the line of Jim Duffy with Stifel. Please proceed with your question.

<Q – Jim Duffy – Stifel, Nicolaus & Co., Inc.>: Thank you. Good afternoon everyone. I hope you're well.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks, Jim.

<Q – Jim Duffy – Stifel, Nicolaus & Co., Inc.>: Couple of areas, clarification on the outlook and then a question on the sports licensing opportunities. What are the – as you look to the liquidity expectations for retailers to pack away inventory, is that a dynamic that you see, having a meaningful effect on orders for the second half? And does the second half guidance assume a larger speculative inventory position in sales benefit, relative to your current orders than you've had in previous years?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. I think as it relates to pack away I think a bulk of our large customers don't really pack away merchandise, they liquidate it. Fortunately in the month of January and now in February, the weather has been conducive to liquidation although not a great margins for most retailers.

But I would expect that our retailers will be reasonably clean into - the larger ones - at the end of, call it, middle February. But they were frankly spooked on their investments going forward in 2016. So, we've been at this for a long time, I think this is maybe our 40th-plus year in the outerwear business and so this is not a new phenomenon for us.

We're being cautious on our inventory builds. We don't want to get ourselves in a position where we have too much inventory thinking that there is going to be some weather event that would make us all shout. When our inventory's gone frankly, we have champagne corks all over the place. So, we love the weather, but we need to manage the business for a normal weather winter. Did you have another question, Jim?

<Q – Jim Duffy – Stifel, Nicolaus & Co., Inc.>: Just a clarification on that, Tim. Based on the orders that you have in hand, is the guidance presume more reorders than you typically plan for or are you planning to build more of that spec inventory position, planning for a normal winter based on your 40 some odd years of experience with it or do the orders themselves flow to the guidance outlook?

<A – Tom Cusick – Columbia Sportswear Co.>: Jim, so we planned a business based on a normal weather pattern. So, we don't have any outlandish assumptions built into the plan. Like I'd mentioned, I think earlier – to an earlier question, we really try to play this down the middle. So,

we're not taking a real spec bet on what the orders are out, what orders are going to be in the second half compared to prior years or historical norms.

<Q – Jim Duffy – Stifel, Nicolaus & Co., Inc.>: Fair enough. Thanks for that. And then with respect to sports licensing opportunity, clearly Man U is a unique opportunity. Do you see this is the first of many such or is this kind of a one-off? And then can you speak to the expected financial contribution of the sports licensing opportunities and the strategies for how this evolve?

<A – Tim Boyle – Columbia Sportswear Co.>: Okay. Yeah. I would say, the company doesn't historically go out looking for these licensing opportunities. The Manchester United folks came to us and it was sort of a unique opportunity for us based on the strength of that brand in Asia and the strength of our business in Asia. So, there aren't too many global franchises like that one. So, it's yet to be seen whether or not there'll be more, but we are approached from time-to-time, it has to be a unique set of circumstances; and frankly, the financial rewards pale by comparison to the marketing and brand rewards when we couple up with a strong brand like the Cowboys or like Man U.

<Q – Jim Duffy – Stifel, Nicolaus & Co., Inc.>: That makes a lot of sense. Thank you.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks, Jim.

Operator: Thank you. Our next question comes from the line of Mitch Kummetz with B. Riley. Please proceed with your question.

<Q – Mitch Kummetz – B. Riley & Co. LLC>: Yeah. Thanks. So, Tim you referenced the weather more than a few times on the call. And you guys, turned a pretty solid quarter and you've got pretty solid guidance as well. So, I'm just trying to understand, how did you offset the weather? I mean, is it just the businesses less weather dependent today than it used to be. Do you think you took decent amount of market share in the quarter, do you think the marketing initiatives really kicked in to drive business. I mean, what were some of the offsets to what was a pretty challenging weather situation in the quarter?

<A – Tim Boyle – Columbia Sportswear Co.>: As you know, when we talk about the weather sensitive nature of the business, as it relates to our offerings, which include in the fall, a significant component of the PFG line, which is for all intents and purposes a summer weight product, so we've really been focused on making the business not dependent on blizzard conditions in North America or frankly anywhere. Now we love it when it gets cold, because our retailers get better in terms of their inventory levels and that makes for a better business, but we don't – the business is not reliant on cold weather all the time.

And that's been a key focus for us. We have we believe been taking market share, so that's been a positive. And consumers for a number of different reasons including the Tested Tough campaign, our connection with Man U, the other things that we talked about on the call collegiate licensing, et cetera, have elevated the brand's value and allowed for a larger revenue through our wholesale partners to, which we're pleased.

<Q – Mitch Kummetz – B. Riley & Co. LLC>: Okay. That's helpful. And then Tom just maybe a couple of housekeeping, on the FX impact in 2016, in your remarks, it's a \$0.28 hit, is that incremental or the \$0.10 or is it just another \$0.18?

<A – Tom Cusick – Columbia Sportswear Co.>: No. That would be an incremental.

<Q – Mitch Kummetz – B. Riley & Co. LLC>: Got it.

<A – Tom Cusick – Columbia Sportswear Co.>: It'd be incremental to 2015.

<Q – Mitch Kummetz – B. Riley & Co. LLC>: Got it. And then, you're also recalling for double-digit DTC growth and I know that Bob was asking about that earlier and you talked about kind of where you expect the growth to come from, but is there any way you can give us an idea as to what – like how big was your DTC business in 2015, just so we have a better sense as to what double-digit – low double-digit growth means there? I mean what percent of revenues was DTC for you guys for 2015, can you give us that?

<A – Tom Cusick – Columbia Sportswear Co.>: No. I don't have that number specifically in front of me, but what I would say is, we are planning for DTC business to grow faster than brick-and-mortar.

<Q – Mitch Kummetz – B. Riley & Co. LLC>: Right. I'm just trying to understand, well, maybe you can answer this way. What do you – go ahead.

<A – Tom Cusick – Columbia Sportswear Co.>: ...to go faster than brick-and-mortar in our DTC channel.

<Q – Mitch Kummetz – B. Riley & Co. LLC>: What's implied for wholesale? I mean, is wholesale kind of mid single-digit growth than if DTC is low doubles?

<A – Tom Cusick – Columbia Sportswear Co.>: Yes. It would be in that order of magnitude.

<Q – Mitch Kummetz – B. Riley & Co. LLC>: Okay.

<A – Tom Cusick – Columbia Sportswear Co.>: That would be correct. That's going to vary by geography, by channel.

<Q – Mitch Kummetz – B. Riley & Co. LLC>: Okay. Great. All right. Thanks. Good luck.

<A – Tim Boyle – Columbia Sportswear Co.>: Thanks.

Operator: Thank you. Our next question comes from the line of Corinna Freedman with BB&T. Please proceed with your question.

<Q – Corinna Freedman – BB&T Capital Markets>: Hi, there. Just a couple of questions on product. The collaboration that Mountain Hardwear did with Cole Haan, I'm just wondering if you can comment on that at any other plans going forward.

And then for SOREL, if you could give us an update on the category expansion there with outwear being the most notable this past year. Are there any other categories that you plan to get into going forward? Thank you.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, that the collaboration with Mountain Hardwear and Cole Haan was one frankly that worked terrifically. We are approached from time-to-time by other firms that do collaborations and there are a few other smaller ones in the works. But, this one with Mountain Hardwear is probably the most notable and one that had the most resonance certainly for that brand. It's been great for both companies. Obviously, Cole Haan is a much more urban brand and helped us to extend the Mountain Hardwear technical features into an urban area. So, that's been good.

Again, as I said, we're going to, we are approaching time-to-time by others and we occasionally take advantage of those. But typically, for 2015 and again for 2016, that the largest one will be this Cole Haan combination.

As it relates to the SOREL outerwear expansion, it was successful last year. It's probably not the best year to launch an outerwear line for – in certainly North America and Europe, although we've had good success in an expanded customer base for 2016. We're not expanding beyond customers who already carry SOREL footwear, but many of those customers now are taking advantage of the SOREL outerwear to add to their product offering.

As it relates to other product categories for SOREL, there's a small expansion of handbags, and that's been interesting. It's not going to be meaningful this year, but has been interesting for us to get involved there. We think there's an opportunity long-term. But that would be the only notable brand expansion we got at outerwear.

<Q – Corinna Freedman – BB&T Capital Markets>: Great. Thank you.

Operator: Thank you. Our next question comes from the line of Rafe Jadrosich with Bank of America Merrill Lynch. Please proceed with your question.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Hi. It's Rafe. Good afternoon. Thanks for taking my questions.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Can you just give a little color on momentum you're seeing in the Europe direct markets? And then can you talk about sort of the progress you're making on margins there?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, at the end of the day, it's about the team and the focus of the team on the Columbia brand. So, we're thrilled with our manager there Franco Fogliato who has a deep experience in the outdoor market and frankly in the sportswear market in Europe. His team has a number of very specific initiatives, probably the primary one is focused on a narrower collection of geographies, i.e., those large countries that can really move the needle for the company. We're also concentrating on those large customers inside those markets.

So, that's probably been the single biggest change for the company, is the level of focus. And in that market and how Franco and his team have been putting themselves forward, and frankly the ability to take market share in a market that, I think, in general is not growing.

So, it's really been key for us there. We have big investments there not only in people, but in distribution facilities and in facilities for managing the business. And so, once we get that bigger and more profitable, it'll make a big difference in the company's performance and profitability.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Are the Europe direct markets EBIT positive yet?

<A – Tom Cusick – Columbia Sportswear Co.>: Close, but not quite there in 2015. Obviously, currency has been the biggest inhibitor. I mean, we've seen excellent SG&A leverage in that market. But with currency rates, with the euro weakening roughly 20% year-over-year in 2015 versus 2014, that's been a major inhibitor to progress. If you separate that, we're approaching being EBITDA neutral there exiting 2015.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Okay. Thank you. And then one more follow-up question. Just on the 2016 guidance, what's this store growth outlook?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So, in North America, we're planning to open nine stores; one of those would be in Canada and that would include one Columbia branded store and one prAna branded store and seven outlets. Europe, we're planning for four outlets. And

then in Asia, which is a combination of owned franchised shop-in-shops and standalone stores, we're planning six stores in Japan, Korea will go backwards by roughly 11 stores net, and four stores in China. So, a total of 24, excluding Korea, additions in 2016 that's on top of 29 in 2015.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Okay. And then, how do you look at the North America outlet market? Do you have a sense of how many you could open longer term?

<A – Tim Boyle – Columbia Sportswear Co.>: Well. We've been focused on being very – opening the stores where we think we need to open them as it relates to liquidating inventory. So, we are in a position where we want to make sure that we have a match between our inventory excesses and the store count. And many of our competitors have maybe twice as many stores as we do in the outlets and that's not our focus.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Great. Thank you.

Operator: Thank you. Our next question comes from the line of Laurent Vasilescu with Macquarie. Please proceed with your question.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Good afternoon and thank you for taking my questions. I wanted to follow-up on the comments that the back half will be stronger than the first half? Is it fair to say that the first half should experience a 2% growth rate year-over-year, while the back half balances the full-year guidance?

<A – Tom Cusick – Columbia Sportswear Co.>: It's not – the first half isn't quite – it's not – it's probably closer to the double the 2%. It's probably closer to 4%, Laurent.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. Okay. Great. And then I wanted to talk about the gross margin guide a little bit more. How much do you expect DTC to be a benefit to gross margin? Should it be 20 basis points to 30 basis points for the full-year?

<A – Tom Cusick – Columbia Sportswear Co.>: So, we're planning the full-year up roughly 40 basis points. Currency will be 100 basis points negative. So, the channel mix will be the biggest benefit for the year and drive the lion's share of the expansion, but the favorable sourcing and the price increases that are also contributing to that 40 basis points expansion.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. So, the first one, the primary one to get to the guide – down 100 bps on the FX to get to that 140 basis points, to get to the full-year of 40 basis points, so we should expect – is it 100 basis points for DTC and then the balance from the other inputs?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. It's not entirely DTC; you've got DTC growing faster than the wholesale business, but you've also got a smaller, lower gross margin international distributor business that's actually – will be a smaller business in 2016 compared to 2015.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. Great. And then lastly on marketing, it sounds like demand creation, ended to be – it was 5.2% for this year, and that's a similar rate to 2014. Are there any opportunities to increase the 2016 guide of 5.4% and then ultimately where do you want to shake out?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, the bulk of our revenues are in the back half of the year. So, one of the levers we have to make sure that we trim the business perfectly is through our marketing spend. And so, it may go up depending on how we see the balance of the year play out. We're committed to a major investment in our in-store appearance. So, those

investments will go forward, but there is an opportunity to both increase and decrease our marketing spend in the back half of the year.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. Thank you very much. And best of luck.

Operator: Thank you. Our next question comes from the line of John Kernan with Cowen and Company. Please proceed with your question.

<Q>: Good afternoon. This is Krista Zuber on behalf of John Kernan; most of our questions have been answered, just a couple of quick things. One on the Sports Authority, could you please kind of talk to your exposure to this retail partner and what is kind of assumed in your 2016 guidance?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, we've been doing business with the Sports Authority for many, many years in its various iterations. We're comfortable that we've set our guidance that we've given you for 2016 based on our expected outcome of the various financial challenges that they have in front of them. Tom maybe you could talk a little bit about our current exposure and where we're from a...?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah, I mean from a receivable standpoint, we don't have any exposure today. The ultimate fate of the business may have some impact based on our overall business, but I think that's all factored into the revenue outlook that we have today.

<Q>: Okay. Thanks. And just one more, can you just kind of walk us through the step up in CapEx to \$70 million in 2016 versus 2015, what kind of capital projects is this, including over and above the SAP's implementations that you already discussed? Thank you.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So, at \$70 million, we're pretty flat with 2015, so there is really not step-up, we're pretty equal. So, I would say there is a little bit smaller investment in the direct-to-consumer to build out a brick-and-mortar stores with the store count being slightly down. There is a bit of a step-up in capital relative to digital commerce investment and a small step-up related to the ERP, and then less investment overall in 2016 versus 2015 in certain corporate facility investments that we made in 2015.

<Q>: Great. Thank you.

Operator: Thank you. Our final question comes from Christopher Svezia with Susquehanna International Group. Please proceed with your questions.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Hey, guys. Congratulations and thanks for taking my question. I guess just a quick update if I've missed and I apologize. At Mountain Hardwear, you just talked a little bit about what's going on there, just any updates those type of things, if you could?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. We don't have any announcements today as it relates to leadership at Mountain Hardwear. The team is in place there is a combination of Bryan Timm, our President and Scott Kerslake, who is the President of prAna. They're working together to keep the focus there on the future, and I believe we're doing a good job. You can see by the discussions we had on as it relates to Cole Haan business and the business that we're going to be doing with standard, not Hardwear customers. We're pretty pleased with how it's going, but we do need a new leader there and we have nothing to announce so today.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Okay. Fair enough. And then Tom for you, just a follow-up real quick on the gross margin for a moment. When I just kind of think about the cadence for the year, is it fair to just think about Q1 would probably see the most amount

of pressure just as you may be true up some of the inventory near-term, back half, you see more of the growth in terms of the improvement just based on the mix of the business of the DTC. Is that a fair way to think about it?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. I think when you look at Q1 and Q3, the currency headwind is relatively meaningful in each of those quarters. And I think you can assume in the 85 basis points of contraction year-over-year in each of those quarters.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Okay. That's helpful. When you talk about the inventory and having more in line product in terms of the residual. Can you move that inventory at more favorable margins. And is that why there is not – maybe as much of a hit as you get towards the tail end of the year when you look to move that product?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So, the inline carryover would be, for example, certainly a year-round replenishment style. That may have increased year-over-year. That would just carry forward and we'd sell that in both spring and fall. And those would be at basically full price.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Okay. Understood. Okay. Thank you very much. And all the best to you guys. Appreciate it.

<A – Tim Boyle – Columbia Sportswear Co.>: Thank you.

<A – Tom Cusick – Columbia Sportswear Co.>: Thank you, Chris.

Operator: Thank you. There are no further questions at this time. I'd like to turn the floor back to management for closing comments.

Timothy P. Boyle, CEO, Director & Executive VP-Global Sales

Thank you all for listening in. We look forward to talking to you again in April around Q1. So, thank you.

Operator: This concludes today's teleconference. You may disconnect your lines at this time. Thank you for your participation.

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