

— PARTICIPANTS

Corporate Participants

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

Gertrude Boyle – Chairman, Columbia Sportswear Co.

Timothy P. Boyle – President & Chief Executive Officer, Columbia Sportswear Co.

Thomas B. Cusick – Chief Financial Officer & Senior Vice President, Columbia Sportswear Co.

Other Participants

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

Nancy A. Hilliker – Analyst, Citigroup Global Markets, Inc. (Broker)

Pallav Saini – Analyst, Canaccord Genuity, Inc.

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

Lindsay Drucker Mann – Analyst, Goldman Sachs & Co.

Eric B. Tracy – Analyst, Janney Montgomery Scott LLC

Mitch J. Kummetz – Analyst, Robert W. Baird & Co., Inc. (Broker)

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

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

Rafe Jason Jadrosich – Analyst, Bank of America Merrill Lynch

Christopher Svezia – Analyst, Susquehanna Financial Group LLLP

— MANAGEMENT DISCUSSION SECTION

Operator: Greetings and welcome to the Columbia Sportswear Fourth Quarter 2014 Financial Results Conference Call. At this time, all participants are in a listen-only mode. A 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 conference over to Mr. Ron Parham, Senior Director of Investor Relations & Corporate Communications. Thank you, Mr. Parham. You may begin.

Ron Parham, Senior Director-Investor Relations & Corporate Communications

All right. Thanks, Benny, and good afternoon. Thanks for joining us today to discuss Columbia Sportswear Company's fourth quarter and full-year financial results, as well as our initial 2015 financial outlook, which we announced earlier this afternoon.

In keeping with our standard practice, shortly after our earnings press release crossed the wire, we furnished an 8-K containing a detailed CFO commentary, covering the quarterly results and the assumptions behind our 2015 outlook. The CFO commentary is also available on our Investor Relations website and we encourage investors to review it if you have not already done so.

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

I'll ask Gert to cover the Safe Harbor.

Gertrude Boyle, Chairman

Good afternoon. This conference call will contain forward-looking statements regarding Columbia's business opportunities and anticipated results of operations. 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, 2013 and subsequent filing with the SEC.

Forward-looking statement in this conference call are based on our current expectations and beliefs. We do not undertake any duty to update any of the other forward-looking statements after the date of this conference call to conform the forward-looking statement to actual results or to change in our expectation.

Ron Parham, Senior Director-Investor Relations & Corporate Communications

All right. Thank you, Gert. And I'll turn the call over to Tim.

Timothy P. Boyle, President & Chief Executive Officer

Thanks, Ron. Welcome, everyone, and thanks for joining us this afternoon. 2014 was an outstanding, exceptional year for Columbia Sportswear Company. The excellent fourth quarter and full-year results we announced earlier today and our reaffirmed expectations for 2015 reflects solid progress against the strategic initiatives that we set at the beginning of the year. These initiatives included re-igniting the Columbia brand's growth in North American and European wholesale direct markets, deepening the Sorel brands relationship with female consumers and broadening the brand's relevance beyond winter, increasing our investment in demand creation to bring our brand stories to life online, in store and in print, continuing to expand our U.S. direct-to-consumer platform, launching our new China joint venture to position ourselves for the long-term in that important market and driving operational excellence across our global supply chain through enhanced processes supported by our new ERP platform.

In addition, early in 2014 we used our strong balance sheet to acquire the prAna brand, diversifying our brand portfolio and giving us access to an entirely new segment of active, socially conscious consumers.

During 2014 net sales increased \$415 million or 25% surpassing \$2.1 billion and net income increased 45% in 2014 to \$137.2 million or a \$1.94 per share. Nearly half of our sales growth, \$200 million was organic fueled by the Columbia and Sorel brands in North America where each brand generated strong momentum across both wholesale and direct-to-consumer channels. The remainder of our sales growth was contributed by our China joint venture that commenced at the beginning of 2014 and by the newly acquired prAna brand. I'm excited to share with you how each of our brands performed in 2014 and how we're positioned for each in 2015 and beyond.

Starting with our biggest brand Columbia, globally Columbia sales grew \$337 million or 24% to \$1.75 billion with just over half organic and the remainder incremental from our China JV. The core strategies of the Columbia brand are driven by our corporate mission to help active people pursue their passions. These core brand strategies include: lead with innovation that help people stay outdoors longer, design products that deliver trend-right styling and value across the entire price range, create differentiated product offerings to address our broad consumer base and the diverse channels where they shop, increase investments in demand creation to clearly communicate the Columbia brand promise at every touch point.

I don't have time today to cover each of these strategies but I will touch briefly on the first one: lead with innovations that help people stay outdoors longer, because it is the cornerstone that anchors each of the others. Over the 77-year history of Columbia, we've established many market leading innovation platforms within apparel and footwear to keep people warmer, dryer, cooler or more protected so they can enjoy the outdoors longer.

Our latest outerwear innovation platform is TurboDown, which we launched successfully last fall. TurboDown offers consumers the best qualities of natural down insulation in dry conditions combined with synthetic insulation that continues to deliver superior warmth and insulation in wet conditions. For 2015, we enhanced the TurboDown platform with TurboDown Wave which uses a patent pending construction process that reduces heat loss, creating a very warm, lightweight breathable jacket. SKI Magazine, Outside Magazine and Gear Institute each named TurboDown Wave Best of Show in the insulated jacket category at last month's Outdoor Retailer Winter Market in Salt Lake City.

Of course, all TurboDown jackets come fully equipped with our patented Omni-Heat Reflective technology, a proven innovation platform that continues to attract new consumers to the Columbia brand around the world.

Innovation also drives Columbia Footwear. For fall 2015, we've married the superior waterproof breathable benefits of OutDry with Columbia's ventilated midsole platform to deliver 360 degree breathability in a high performance waterproof trail shoe. The Ventfreak OutDry was honored with its own Best of Show award at last week's ISPO trade show in Munich.

TurboDown, Omni-Heat Reflective, OutDry and Vent are just a few examples of our commitment to innovations that enable us to create differentiated products to address our broad consumer base and the diverse channels where they shop. We believe the current momentum behind the Columbia brand is a direct result of our focus on these core brand principles.

Global sales of Columbia Apparel and Accessories grew more than 20% in 2014, driven by solid growth across outerwear, rainwear, fleece and sportswear, including PFG across both wholesale and direct-to-consumer channels. As we've said for many years, we believe Footwear has the potential to be our largest product category as we become less dependent on cold weather products and expand our presence in the much larger year-round trail category. We made meaningful progress in that direction in 2014 with our Columbia Footwear business growing 45% globally, led by trail and multipurpose styles in Europe and North America. At the same time, we continue to expand Columbia's heritage cold weather franchise.

Regionally, the Columbia brand's full year U.S. growth was evenly split between wholesale and direct-to-consumer channels. Columbia generated double-digit growth in full price sales to each of its U.S. wholesale channels, led by growth in sales to the sporting goods channel. Strong Columbia sell-throughs across North American wholesale and direct-to-consumer channels tells us that consumers are responding favorably to the brand promise of compelling innovation, trend-right styling, and value across the entire price range.

Perhaps this is a good place to caution listeners about the dangers of relying too heavily on reports from third-party market research firms as proxies for how our brands are performing in U.S. wholesale channels. We have found that the data from some of those services is not representative of our broad diverse U.S. customer base and should be read with caution.

Turning now to our Europe direct markets, the Columbia brand grew 10% in 2014 led by Columbia trail footwear and outerwear, despite a warm winter and macroeconomic softness in that region. Four of Columbia's top five footwear styles in Europe are trail multi-sport styles which have sold through very well in all distribution channels across the continent. Columbia's European outerwear business

also grew in 2014 led by TurboDown. We expect trail footwear and outerwear to continue to drive the Columbia brand's European growth in 2015.

I'll turn now to the Sorel brand, which grew nearly 30% for the year, capped by growth of nearly 40% in the fourth quarter. As with the Columbia brand, the core strategies under the Sorel brand tie directly back to our corporate mission to help active people pursue their passions. For Sorel, these core strategies include: focus on young fashion-forward female consumers; elevate product design without compromising performance and protection; evolve purposely and thoughtfully into a year-round brand; earn retailers' real estate at the world's best footwear stores and boutiques.

Momentum behind Sorel has been growing for the past several years as young fashion-forward females discovered Sorel's cold weather styles and more recently our new fall styles. Sorel consumers found more of these versatile styles at upscale retailers like Nordstrom, Lord & Taylor, Dillard's and a variety of high-quality specialty footwear boutiques across North America. Sorel posted double-digit growth in full price sales to each of its U.S. distribution channels in 2014, led by growth in sales to the specialty channel. Many of the brand-enhancing wholesale partners I mentioned a moment ago are considering expanding their store space devoted to Sorel for fall 2015.

In addition to Sorel's strong performance in wholesale channels, U.S. direct-to-consumer sales of Sorel increased 60% in 2014. Sorel's e-commerce sales increased substantially this fall and sales at our first ever Sorel branded retail store in New York's Meatpacking District have outperformed our expectation since it opened last October.

We're very pleased with the progress Sorel is making in reducing dependence on cold-weather styles, diversifying its distribution and deepening the brand's connection with fashion-forward female consumers, all the while continuing to grow its heritage cold weather franchise. We're confident that Sorel is on its way to posting another record year in 2015.

Turning now to the prAna brand. As the newest member of our brand family, prAna's strategies have many parallels to other brands in our portfolio while addressing the needs of a different consumer segment: innovate and design stylish active apparel emphasizing sustainable materials, become a lifestyle brand of choice aimed at socially conscious consumers of both genders, grow purposely through brand-enhancing global distribution and invest in an expanded direct-to-consumer platform to increase brand awareness and loyalty. prAna contributed \$53.7 million to our consolidated 2014 net sales and finished the year at nearly \$100 million. We are making good progress integrating prAna and continue to identify additional opportunities for leverage. We believe that prAna has the potential to be one of the next great lifestyle brands and are committed to providing the resources and operational support to pursue the brand's global potential.

The fourth major brand in our portfolio, Mountain Hardwear, is deeply rooted in the high performance Alpine and Mountaineering segment. During 2014 we refined Mountain Hardwear's line architecture and technology platform creating more styles at gateway price points within the premium insulated and waterproof rainwear categories. We believe Mountain Hardwear is poised to resume growth in the U.S. in 2015 largely offset by the continuing effects of difficult market conditions in Korea, Mountain Hardwear's largest international market.

Next, I want to highlight the outstanding growth of our U.S. direct-to-consumer platform in 2014 which accounted for slightly more than half of the \$172 million of U.S. sales growth across all brands, excluding prAna. The majority of our direct-to-consumer sales growth came from our outlet stores and e-commerce platforms. We also opened six new branded stores during the fourth quarter, each of which is in the early stages of establishing itself in the local retail landscape.

Despite challenging traffic trends our existing brick-and-mortar stores achieved healthy improvements in productivity during the fourth quarter and over the full year. Our U.S. e-commerce business across all brands grew more than 40% in 2014 surpassing the \$100 million milestone.

Last summer we upgraded our e-com technology platforms for our branded e-commerce sites in the U.S., Canada and Europe. Consumers experienced immediate improvement in their online shopping experience enabling increased productivity especially in the U.S. The upgrade also significantly streamlined our internal e-commerce operations.

We intend to remain primarily a wholesale-focused company across our entire brand portfolio. However, in an increasingly omni-channel world, maintaining a robust direct-to-consumer platform to complement our wholesale business is critical. We expect our direct-to-consumer platform to continue to be an important source of sales and earnings growth.

In addition, our stores and e-commerce sites serve as powerful marketing platforms through which each of our brands can fully express itself and build strong emotional connections with targeted consumers.

Tom's CFO commentary contains a detailed analysis of sales by region but I want to emphasize that all four regions contributed to our 25% full-year sales growth. Sales grew \$227 million or 23% in the U.S. consisting of equal dollar contributions from wholesale and direct-to-consumer channels supplemented by the addition of prAna. Sales in Canada grew 28% with strong contributions from wholesale and direct-to-consumer channels. In our EMEA region 8% growth was driven by renewed growth in the Columbia brand in our Europe direct markets. In addition, our Russian distributor expended its Columbia business during 2014 despite the increasing economic challenges prior to the extreme currency devaluation that accelerated during the second half. The LAAP region benefited from the addition of China JV which contributed a \$161 million in incremental sales and added \$0.11 per share to our full-year EPS. The incremental growth from the China JV was partially offset by the effects of very difficult market conditions in Korea to which we've spoken in past quarters.

After more than a decade of rapid growth and increasing profitability, the Korean market has become extremely competitive and highly promotional resulting in a significant drag on net sales and profitability in our LAAP region particularly in the second half of 2014 when we recorded significant provisions for slow moving inventory. We are taking additional steps to address the challenging environment in Korea which we expect to persist at least through 2015.

Shifting now from brand and regional sales performance and looking at factors that drove improved profitability, full year gross margins of 45.5% were our highest since 2004 reflecting strong consumer demand and lean U.S. inventory as well as favorable effects of our China JV. Gross margins benefited from improved inventory management enabled by greater visibility across our supply chain following our successful North American ERP implementation. These new systems and related processes are enabling us to better plan inventory to match demand and to utilize inventory more efficiently across wholesale and direct-to-consumer channels.

Our international distributor business will migrate to the ERP platform in the first half of 2015 as the next phase of this global multiyear project. While we invested to support the strategic initiatives I mentioned at the beginning of my comments, we also managed our discretionary expenses very carefully producing a 51% increase in operating profit to nearly \$200 million and increasing operating margins to 9.5% of sales from 7.8% in 2013. We achieved this 170 basis point operating margin expansion while simultaneously increasing demand creation investments to 5.2% of sales from 4.6% in 2013. We ended the year with \$441 million in cash even after the \$188.5 cash purchase of prAna and returning nearly \$55 million to shareholders in the form of dividend and share repurchase.

In summarizing our performance in 2014, what I am most proud of is that the Columbia and Sorel brands drove double-digit top-line growth and accounted for virtually all of our operating income growth in 2014.

Turning to our 2015 outlook, since we issued our preliminary double-digit top-line growth outlook last October, the momentum behind the Columbia and Sorel brands has continued to increase across North America and Europe direct markets mitigating the effects we currently anticipate from unfavorable macroeconomic and geopolitical factors in other key markets. We are reaffirming the 2015 net sales outlook that we provided last October and projecting record net income of between \$150 million and \$157 million or \$2.10 to \$2.20 per share. This outlook includes the anticipated effects of a stronger U.S. dollar.

One additional variable that's difficult to predict or to factor into our 2015 outlook is the ongoing situation at West Coast ports. Some of these ports have been experiencing disruptions for well over a year. We have been proactive in taking steps to mitigate the disruptions and continue to work closely with our transportation partners and with our customers to expedite, re-route and prioritize as necessary to maintain an adequate flow of goods.

Our outlook assumes that macro and market conditions in key markets and the U.S. West Coast port issues do not worsen. We remain confident in our strategies to drive continued growth by focusing on those things that we can control.

2014 was a spectacular year and our momentum is continuing into 2015. Our expanded portfolio of brands has never been stronger. We expect 2015 to be another year of record revenues as well as a year of record net income. You can find a lot more detail on our Q4 and full year results as well as our 2015 outlook in Tom's CFO summary, which is available on our website.

That concludes my remarks. We welcome your questions for the remainder of the hour. Operator?

QUESTION AND ANSWER SECTION

Operator: Thank you. We will now be conducting a question-and-answer session. [Operator Instructions] Our first question is from Bob Drbul of Nomura. Please go ahead.

<Q – Bob Drbul – Nomura Securities International, Inc.>: Hi. Congratulations, Tim.

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

<Q – Bob Drbul – Nomura Securities International, Inc.>: For your great finish to the year.

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

<Q – Bob Drbul – Nomura Securities International, Inc.>: So, Tim, I guess, the first question that I have is on the 2015 outlook, it was at 9.7% operating margin. Anyway you can get that to double-digit this year?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, yeah. I'm sure that there are number of factors that could come into play to bring it higher. Obviously our goal, and we've talked about it at length, is to increase our operating margin through a number of focused areas obviously top line, increasing our gross margin. We also want to at the same time increase our marketing spend. We think we need to spend more and make sure people understand our story. And then, obviously to increase our operating margin percentage. So, we're focused on those things and we're going to do our best to get as high as we possibly can.

<Q – Bob Drbul – Nomura Securities International, Inc.>: Got it. And then, so I think in the 2015 numbers the demand creation goes up to 5.3% as a percent of sales, what was it in the 2014 numbers and you know like where is your mind set in terms of where you really want that number to go longer term, Tim?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, we spend – in 2014 it was 5.2% and obviously these things require time to unfold. We probably need to be on par with our peers, so call it maybe high-single digit number but it's more important that we have a very focused and efficient method of spending that money. And I know, as all of you noticed, we added a new Chief Marketing Officer in the team, Stu Redsun, who is going to help us to really prioritize our spends and make sure that regardless of the amount of money we're spending, we're getting the best use of that.

<Q – Bob Drbul – Nomura Securities International, Inc.>: Got it. Okay. Tim, my last question is with the weather in the fourth quarter sort of where we are today, can you just talk about inventory levels of outerwear and your products at retail and then, I guess, at the yearend piece, excess inventory levels in your inventory on hand, year-over-year sort of how you're positioned, as we look to the next year?

<A – Tim Boyle – Columbia Sportswear Co.>: Right. Well, as you remember, we're about 40% outside the U.S. So our weather in North America couldn't have been better really. It was spectacular. However, we did not have the same sorts of great weather in Europe in the direct basis, Russia was actually pretty good and China was late as well in terms of the weather arrivals. So I would say North America and in our Europe direct business we're probably close, maybe cleaner in North America. We still have some issues in Asia as we've talked about but we believe the results we have there are quite adequate. And I think going into 2015, by now we have a significant amount of our order book and this gives us a lot of confidence to give you the guidance that we gave today.

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

Operator: Thank you. The next question is from Kate McShane of Citigroup. Please go ahead.

<Q – Nancy Hilliker – Citigroup Global Markets, Inc. (Broker)>: Hi, everyone. Congratulations. This is Nancy Hilliker on for Kate McShane.

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

<Q – Nancy Hilliker – Citigroup Global Markets, Inc. (Broker)>: Yeah, great quarter. I'm wondering if you could talk a little bit more about the future distribution strategy in U.S. and kind of just update us on prAna plans for the brand in 2015?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, excuse me, I have a little voice problem here. We're not really adding any distribution in 2015 in North America. We have all the points of distribution that we want, we're obviously growing with virtually every customer so that's, we're quite encouraged by that. And, we're adding customers in Europe in our Europe direct business and as well as other markets around the world. So, we're pleased with our current distribution and we're not adding any significant new customers.

As it relates to prAna, we're going to continue to grow the business with the existing customer base. There will be additions in the U.S. but we are not ready to talk about any particulars today that will move the needle. But we feel over time the biggest change for prAna will be international expansion and that would include many of the customers and distributors that we have around the world that believe strongly in the promise of prAna's business future. So, over time we expect that the biggest change will be in our international business.

<Q – Nancy Hilliker – Citigroup Global Markets, Inc. (Broker)>: Okay. Even for Sorel, any distribution changes in the U.S.?

<A – Tim Boyle – Columbia Sportswear Co.>: Not really, I mean, we probably have added some boutiques and small specialty stores but no major customers. Obviously there is quite significant growth from our existing customer base based on the performance of the product but we're not adding any specific distribution.

<Q – Nancy Hilliker – Citigroup Global Markets, Inc. (Broker)>: Okay. Thanks so much.

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

Operator: Thank you. The next question is from Camilo Lyon of Canaccord Genuity. Please go ahead.

<Q – Pallav Saini – Canaccord Genuity, Inc.>: Hi, this is Pallav Saini on for Camilo. Again, great quarter. Congratulations.

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

<Q – Pallav Saini – Canaccord Genuity, Inc.>: I was wondering if you could talk a little bit about the initial orders for Sorel and how the retailers are embracing your brand category both domestically and internationally?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. So you are talking about the initial order book we have for 2015.

<Q – Pallav Saini – Canaccord Genuity, Inc.>: Correct.

<A – Tim Boyle – Columbia Sportswear Co.>: As I said, the existing distribution in North America has continued to embrace Sorel and really our promise of making it much more important to fashion-forward females and also much more important in those seasons when there is no snow on the ground. So that's been a real improvement in the business health, so we don't have just a short window of time now to sell our Sorel product, we have a longer period of time. That's been quite good. Outside the U.S. and our Europe direct markets the brand has not been as successfully received. There is more opportunity for us internationally as the business continues to expand its presence outside of pure winter. So that will be a focus of our merchandising teams to continue to grow the business outside of winter and we expect that as that – as we're successful in doing that, the business outside the U.S., North America and our European EU markets will begin to expand at a faster rate.

<Q – Pallav Saini – Canaccord Genuity, Inc.>: Great. Thank you. And just one last question. If you can give some color on how outerwear performed during the quarter, that will be great.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, again, in North America where we had spectacular weather and timing of weather, we had great outerwear performance and we're just thrilled with the way that the year turned out there. Europe was less dramatic in terms of the weather impact on the business. However we had great sell-through in our products there in outerwear and the weather was quite good in Russia for our outwear sales; however, as we all know there are other issues in that market. In China and in Korea and in Japan the weather was less conducive but we still had good sales.

<Q – Pallav Saini – Canaccord Genuity, Inc.>: Great, thank you.

Operator: Thank you. The next question is from Susan Anderson of FBR Capital. Please go ahead.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Thanks. Congratulations on the good quarter.

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

<Q – Susan Anderson – FBR Capital Markets & Co.>: I was wondering – I know you are not talking about any additional wholesale customers in the U.S. for prAna but I don't know if you can give any color or if you have any kind of reaction from wholesale customers yet on the brand? It just seems like there is a lot of demand out there for a yoga brand at wholesale. And then also if you can maybe just give your updated thoughts around adding more brands to the portfolio or any thoughts around diversifying more away from the winter seasonal aspect of the business and any new products for the spring? Thanks.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, again, we're thrilled with prAna's acquisition and the results while we've owned the business and the future look of the existing prAna business, which as we all have talked about, is almost exclusively a U.S. and to a lesser extent North American business. We haven't changed the customer base there at all. We'd like to add more businesses where we think that's appropriate, but we haven't expanded the distribution at wholesale in North America really to any significant impact this year.

As I said, the real opportunity we feel with prAna is going to be how we expand it internationally to those distributors around the world that currently carry Columbia – other Columbia brands where they have a real feel for this product category and where it could go. So that will be the primary focus rather than opening additional distribution here in the U.S.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Got it.

<A – Tim Boyle – Columbia Sportswear Co.>: Sorry?

<Q – Susan Anderson – FBR Capital Markets & Co.>: And then just any thoughts around adding more brands to your portfolio or any update on new products for the spring in order to diversify away from the winter?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah, certainly. So as we've said the company's never said that acquisitions is a strategy to grow the business. We have lots and lots of opportunity with the brands that we own. However, we have a balance sheet that will allow us to take advantage of opportunities like prAna. And so, we're going to focus on those areas that we already own; that's the highest return, lowest risk for the company. I think you saw with the results of Sorel and Columbia where we really focus on the improvements there, we can be very, very successful. So that's been the primary focus of the business. Now, as it relates to non-weather sensitive or non-winter weather sensitive products, remember our PFG product, which is a growing business now, over \$100 million, it's very successful in the southern part of the United States, especially in the spring and summer and throughout the Central South America has been well received.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Great, thanks. Good luck next quarter guys.

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

Operator: Thank you. The next question is from Lindsay Drucker Mann with Goldman Sachs. Please go ahead.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Thanks. Good evening, everyone.

<A – Tim Boyle – Columbia Sportswear Co.>: Good evening.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: So, in U.S., as I think about your guidance for next year, it seems to be low double-digits excluding the prAna acquisition benefits on top of a year where you had underlying healthy teens growth. And I understand you're coming off maybe a bit of a depressed base, but how do you guys think about the long-term revenue run rate in this market?

<A – Tim Boyle – Columbia Sportswear Co.>: You're talking about the North America market?

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Yeah, in U.S.?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, in the U.S. I think we think there is enormous opportunity for the brand. Obviously, as we continue to expand and improve our outwear business, we're going to get traction there. Our PFG business is growing in a very strong way. And honestly, even though we've grown our Footwear business spectacularly over the last year we're really nowhere as it relates to the real Footwear business where the real opportunity for our brand lies. I think we said unfortunately for too many years that Footwear should be the largest product category for the company, we just now beginning to hit our stride on that.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: How will we think about kind of the bread and butter outwear business? What's sort of the kind of long-term run rate you think for that?

<A – Tim Boyle – Columbia Sportswear Co.>: Well we think that there is significant opportunity to grow that business even though that's one of our largest product categories. But obviously sportswear business is an enormous product category where we play well in PFG but outside of that we don't have the kinds of large businesses that we like but that's certainly an opportunity for us to continue to grow that business.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Great. I wanted to follow-up on the benefits you're seeing from ERP implementation. In your gross margin guidance, how much of that is embedded in next year's outlook? Did you see any of it in the fourth quarter? I know you've flipped the switch earlier this year but maybe it's a little bit early for the full benefits to flow through. Maybe just help us understand what you are seeing already and if you can quantify kind of the outlook for benefits going forward?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah, Lindsay. This is Tom. So, I would say throughout the course of 2014 we've began to get traction with improved gross margin in our North American business and improved turns. I think we've done much better job of sharing inventory across both the wholesale and direct-to-consumer channel. So, I don't really want to get into specific numbers, but they've been meaningful to 2014's results.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Is there incremental benefit then to expect for 2015?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. I mean, for sure in both – we think in both turns and margins. From a global perspective, we improved our turns from 2.5 times to 2.8 times and our goal is to get north of three and that's going to be with better inventory utilization.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Great. And then just last one for me. Thank you for the detailed currency guidance for next year. It seems like the EPS impact that you're talking to from a percentage basis is sort of in line with the revenue impact which to me implies mostly translation and very little transaction. Maybe just give us some details on those specifics of the currency outlook. Are you looking for any transactional pressure and are you offsetting with price or with maybe some cost savings?

<A – Tom Cusick – Columbia Sportswear Co.>: Yes. So maybe starting at the top line. So we planned about 3 percentage points of negative effect on top line. About a third of our business is transacted in currencies outside the U.S., predominantly the Canadian dollar, the Chinese RMB, the Japanese yen, and the euro. And like 2014, we expect about 40 basis points of gross margin headwind from currency and that equates to about \$0.13 of negative effect in 2015 and that's on top of about \$0.11 of negative effect in 2014.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Fantastic. Thanks so much, guys.

<A – Tom Cusick – Columbia Sportswear Co.>: Yep.

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

Operator: Thank you. The next question is from Christian Buss of Credit Suisse. Please go ahead.

<A – Ron Parham – Columbia Sportswear Co.>: Let's move on to the next questioner.

Operator: Certainly. The next question is from Eric Tracy of Janney Capital. Please go ahead.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Hey guys good afternoon. I will add my congrats to the team. A great year.

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

<Q – Eric Tracy – Janney Montgomery Scott LLC>: If I could just follow up on the U.S. wholesale – or U.S. business outlook. [ph] you said (38:05) the high-teens percentage growth in U.S. wholesale and DTC. Am I to read that that both are expected to be up mid-teens or is that a sort of combination of that gets you to that high-teens?

<A – Tim Boyle – Columbia Sportswear Co.>: That will be a combination of both channels.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Okay. And then, as we think about the U.S. wholesale business again no incremental distribution implies sort of taking share. Could you maybe allude to where you're sort of picking up share or are you arguing again just that the market [indiscernible] (38:38) a category expansion continues. And, I guess, I'm really focused on the outerwear piece of the business. I understand Footwear is certainly the big contributor to that but as we think about that core outerwear piece of the business?

<A – Tim Boyle – Columbia Sportswear Co.>: I think, at the end of the day, we're going to be gaining some share from other brands, but probably the single largest is going to be coming from private label. So retailers have realized that they have an opportunity to have a brand with the varied price opportunities that Columbia offers them and that they can get it from our other brands and the segmented portions not Hardware, prAna, and obviously the Sorel brand as well.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Okay, perfect. And then as you think about the DTC piece, understanding e-com, translating very well the outlet channel. It seems to be you're pretty methodical around the full price stores. How do you think about that longer term in terms of balancing your wholesale relationships while also perhaps having an opportunity to take more control in terms of distribution.

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. So we look at the direct-to-consumer investments that we've made being as much a marketing effort as they are an opportunity for us to liquidate excess inventory and to generate profits for the business. As an example, our very successful e-com business, we have about industry average conversion rates, which means that way over 95% of the people that visit the site are getting a terrific marketing message, leaving and hopefully buying our products somewhere else, maybe in a brick and mortar store. And the same thing with our stores, our brand stores that we've opened around the United States where consumers can really see the product laid out the way we think they're most likely to understand what we're trying to do and so that's how we're looking at those kinds of opportunities from both a revenue improvement and a brand improvement.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Okay. And then I guess if I could last one just in terms of the Europe outlook, again, looking for mid-teens constant dollar growth. Maybe speak to again where that growth is coming from, whether it's share, new distribution? And then as we think about some of the distributor relationship we see Russia as an example, maybe Tom walk us through the impacts of top line, so I'd assume cost of goods is going up pretty significantly. What the opportunities there are to offset with price and just how you're thinking about that dynamic?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, let me talk first about our Europe direct business because we've been pretty clear with that it's been under duress for some time and frankly we've underperformed there historically. So this has been an area where the company has been significantly focused. We've made a leadership change there, I think about 18 months ago with a very senior effective leader who's gotten ourselves quite focused on the largest retail operations in Europe, places where the company has been very successful historically and not very successful in more recent times. But we're really focusing on making sure that we have a singular approach to the business much like what we have in North America where it's led with product. We want to increase our marketing spend there as well because we believe we need that there even greater. And it's paying dividends, again, it's all about getting ourselves back in the right position and with the right dealer. So that's going quite well. Our independent distributor business in many ways is – let me put it this way, our independent distributors most of them have a fairly significant mono-brand store focus meaning the Columbia brand is how they distribute products in a mono-brand store environment. Our distributors in Russia has a – their multi brand sporting goods operation very strong financially and but these are tough times for them, but they have been

through tougher times in the past and we're excited about the opportunities there. But, I know you had some questions about the metrics, and I'll let Tom speak to that.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So, Eric, as it relates to gross margin and pricing, the euros depreciated against the dollar by high teens percentage over the last 12 months. So we are selectively increasing price where we can, but that's a bit of a high wire act. We're shifting production where we can to reduce and/or avoid duty. And, we are taking somewhat of a margin hit in our European direct business greater than what I quoted as our, the corporate average of 40 basis points. But we think we're managing the business prudently in that region.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Okay. Thanks so much for all the detail. Best of luck guys.

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

Operator: Thank you. The next question is from Mitch Kummetz of Robert W. Baird. Please go ahead.

<Q – Mitch Kummetz – Robert W. Baird & Co., Inc. (Broker)>: Yeah, thanks. And let me add my congratulations. Couple questions. I want to follow-up on one of these questions about ERP. Tom, can you just remind us where are we in the process of the implementation and may be you could may be speak to it like what percentage of the business is now been touched by ERP? Is it half, is it more, less than that and kind of where do you think that ends up by the end of 2015? And I have got a follow-up.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So our Canadian and U.S. businesses are on the SAP platform today. We are on schedule to bring our international business online in early Q2 of this year, so that brings well over half of our business and most of our supply chain on to the platform. So we've got basically the Asian direct businesses and Europe to go.

<Q – Mitch Kummetz – Robert W. Baird & Co., Inc. (Broker)>: Okay, that's helpful. And then, Tim, I was hoping you could just may be provide a little more color on the sales over delivery on the fourth quarter. I know historically you kind of down played your ability to kind of chase demand in the quarter and I don't know if – I mean we're kind of – orders that were on the books, do they get pulled forward? Is that what happened or has anything changed structurally to allow you guys to better chase demand in the business? And then I also might ask you about your comment on spectacular weather in North America. I'm just curious as to what made it spectacular? I know we had a favorable weather last year, this year it seem like we had a cold spike early and then things kind of warmed up again. So I'm just kind of curious about that.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, just as a reminder, the company now has a larger component of direct-to-consumer sales which there is something about that holiday at the end of the year that makes people excited and if the weather is appropriate at that time, it even makes it better. So, we've added new management to our direct-to-consumer business, I think maybe as much as two years ago, maybe 18 months ago. But our metrics have improved significantly over time. So, we can take advantage of the spike of shopping in Q4.

And then, we always have an element of cancellations that we apply to our order book to make sure that we plan properly and when we have weather like we have this year, we just don't have the kinds of impact in terms of cancellations and then frankly our products have gotten better. So, the demand is more solid. So, we don't really have the opportunity to chase, but I guess those things I mentioned made for a better Q4. And as it relates to weather, remember we had that real spike of cold weather early in November and frankly that's where most of our retailers were able to take advantage of selling product at full price and really do well.

So, when our products outperform others, we're going to get another re-order or certainly better performance out of the products at the retail stores. So, we didn't have that same great weather though in Europe. So, it was late coming. So it's – but basically in North America, it was very good.

<A – Tom Cusick – Columbia Sportswear Co.>: And maybe just to add some color to that Mitch, we would have seen significantly better expansion of gross margin in Q4 had it not been for the Korean inventory provision which impacted the quarter's gross margin by about 100 basis points.

<Q – Mitch Kummetz – Robert W. Baird & Co., Inc. (Broker)>: Okay. Great. All right. Thanks guys. Good luck.

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

Operator: Thank you. The next question is from Laurent Vasilescu of Macquarie. Please go ahead.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Good afternoon and congrats on a strong finish. I wanted to follow up on the gross margin guide. I understand you don't provide quarterly guidance, but could you possibly talk to us about how we should model out the gross margin over the course of the year?

<A – Tom Cusick – Columbia Sportswear Co.>: Yes. So we're planning 20 basis points of expansion for the full year. We expect 40 to 50 basis points of gross margin compression from currency to net to plus 20 basis points. I think that 40 to 50 basis points of compression is going to be pretty evenly spread and then we took a pretty big hit, as I just alluded to, in gross margin in Q4 this year that will provide a benefit in Q4 of 2015 as we see the business today.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: So then should we see the gross margin improve over the course of the year?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. I would expect gross margin to be net up for most of the year and just maybe looking at the business from a first half, back half perspective, we expect the top line to grow at a faster pace in the first half given we've got five months of non comp for the prAna business and that's roughly \$50 million. And then really from an operating margin perspective given the seasonality of our business, the relatively fixed cost structure of the business, the interplay of the wholesale business, the direct-to-consumer business and our distributor business, as well as currency, those are all going to have an impact on the profitability of our business, where I would expect most of the profitability growth to be in the second half of the year.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay, great. And then on FX, maybe we could talk about the impact to SG&A. I believe you have about 4,000 employees currently and I think a few years ago, you parsed it out with half of the employees in the U.S. and then the other balance mostly in Asia and Europe. Could you provide an update on the breakdown of employees by region or maybe a breakdown of SG&A, so we can kind of model out the impact to FX?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So, I don't have the head count breakdown in front of me, but I would say, stepping back, looking at our business today that, I would say the head count maps relatively closely with the revenue, geographically, with perhaps a little bit higher weighting to the U.S. given we have a much higher percentage of direct-to-consumer business. So, I guess, that would be one way to look at it.

And then, maybe just stepping back and taking a little bit higher look at the business. About a third of the business is transacted in foreign currency, as I alluded to earlier, and about a third of the

business and slightly lower in 2015 of the business' operating profit will be generated offshore, so that's probably an easier way to look at it.

And if you come back to the \$0.13 negative effect of currency on the business and 40 basis points to 50 basis points of that being gross margin, I think you can get to the other side of the equation.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. Very helpful. And then, lastly, I think in the prepared remarks it was outlined that the China JV contributed to the 130 bps of improvement in the gross margin for 2014.

<A – Tom Cusick – Columbia Sportswear Co.>: Right.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Can you parse that out, how much was it?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah, it's probably plus or minus half of that expansion for the full year and that varies quarter-to-quarter, but for the full year of 2014 it's roughly half.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. Very helpful. And then can you provide some color on what's happening in China? We're hearing from other competitors that China continues to accelerate. So any color on that front, that would be great.

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. This is our first year with our JV. We have a very experienced partner in the Swire group that's been doing business in China since the 1700s. So we have a high degree of confidence in their group that's there. We've seen a little bit of compression in the business as the overall Chinese economy has slowed. It's still growing much faster than other economies around the world. But we see some slowing there. Weather was not terrific and it's increasingly competitive there. So it's an area where we know over the long-term it will be a significant component of our business, already is, but we're going to have to keep watching it to make sure we stay on top of that.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay, great. Best of luck.

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

Operator: Thank you. Our next question is from Andrew Burns of D.A. Davidson. Please go ahead.

<Q – Andrew Burns – D.A. Davidson & Co.>: Thanks. Good afternoon.

<Q – Andrew Burns – D.A. Davidson & Co.>: One of the more exciting aspects about the outlook at least in my view is the mid-teens growth in the Europe direct business. And given the history there that momentum is I think very important to talk about as you did. Just wondering with this momentum, when can we see – how long until we see a nice lift in the margin profile of that business? Is it just a function of revenue growth or do other items need to fall in place to really get that back to a healthy margin?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, I think, again it's all about the folks that we've got managing that business and their focus on growing the business from a top-line perspective, as well as managing the SG&A with a very serious focus on profitability. So, our expectation is that as soon as we can possibly make that flip over into black ink we'll be on that. The opportunity for the company, frankly, is very significant and it's great to see that once troubled area start to grow again.

<Q – Andrew Burns – D.A. Davidson & Co.>: Thanks. And just in terms of your store growth for 2015, can you talk about what's built into your model there in terms of outlet store growth, full price? Thank you.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So, in the North American business, we're planning 11 outlets and a couple of – one to two branded stores, and then a few outlet stores in Western Europe. And then, I would say between Japan and China, we're talking a high-single digit, much smaller footprint, combination of franchised and company-owned, shop-in-shop and standalone stores in each of those two regions.

<Q – Andrew Burns – D.A. Davidson & Co.>: Okay. Thanks. And then, lastly, just some color on South Korea would be helpful, just in terms of what's required and ultimately can that return to the really attractive outdoor brand market that it once was?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. I think it's a real opportunity frankly. The business, the industry there expanded exponentially so we had lots and lots of competitors enter that business. We see competitors leaving. We are not going anywhere. We are one of the key brands there. We will continue to stay and we have the capacity to continue to invest there and make the business better. We are making changes in the leadership structure around that market to make sure that we have the right approach strategically. And so, we expect the difficulties to continue through 2015, but it's still going to be a strong market globally for our kinds of products.

<Q – Andrew Burns – D.A. Davidson & Co.>: Great. Thank you.

Operator: Thank you. The next question is from Rafe Jadrosich of Bank of America Merrill Lynch. Please go ahead.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Hi. Thanks for taking my questions. Just on the SG&A guidance for next year kind of given the high-single digit of growth outlook for 2015, so how should we think about leverage going forward? Should we expect it to continue to kind of reinvest top line momentum into SG&A. And then when do you start to leverage the expenses related to the ERP implementation? Thank you.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. So I would expect to see some leverage from the ERP implementation this year and that's baked into the guidance. SG&A is planned flat as a percentage of sales this year I think we are going to be plus or minus this side of flat. I think there is some chance to leverage. But with that being said, we are continuing to invest in our global direct-to-consumer business as well as the demand creation side of our business and our IT investment is going up slightly low-single digit – slow or low-single digit million of dollars this year. So some of this is discretionary spend that we've chosen to support the long-term growth of the business.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: And then can you guys just talk about the decision to kind of convert the Sorel pop-up store into a permanent store?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah, certainly. I mean, we've been just thrilled with the results there at that store and the exposure that we've gotten for the Sorel brand. And we had originally thought that was going to strictly be a pop-up store for several months, but with the results we've seen there and with the investments that the company plans to make in more year-around product, we think is an opportunity to keep that space, keep it branded Sorel and to continue to help market the brand in what is one of the most important markets in the world.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: And then, finally, I might have missed this earlier. Are you guys changing your pricing at all in Europe or Asia to offset the FX headwinds?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, as we said, we focused on making sure that the company's products are right, first of all, and then we have to raise some prices selectively and we're in the process of really managing how we will accomplish that. This is really a 2015 and to a certain extent a 2016 issue and we're going to have to selectively raise prices if the currency headwinds persist.

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

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

Operator: Thank you. The next question is from Christopher Svezia of Susquehanna. Please go ahead.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Thank you very much. Great job. Just real quick questions here. I guess, Tom, for you. Any change, as you guys think about FX, as you go throughout the year, I guess, you assume they pretty much stay where they are at this point. Is that planned in your forecast?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah, I think that's a pretty fair assessment. We're pretty close to current spot rates in the outlook.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Okay.

<A – Tom Cusick – Columbia Sportswear Co.>: And then obviously hedge rates, from a hedging perspective, we like to be 50% hedged for a season at the time we price. So we're generally 12 months out when we begin hedging and then we want to be 80%-plus hedged as we began to procure the inventory. So that risk is effectively baked into the outlook here for calendar year 2015.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Okay, understood. Thank you. Mountain Hardwear, just, maybe just touch on real quickly the change you're making there, obviously you expect return to grow, but just what you're doing there to make that happen?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, we're really focused on the product offering to make sure that we had products that we called Gateway Products but fans of the brands could acquire without having to spend \$300 on a jacket. So we've lowered some of the prices on products that – I should say, we build products which have lower entry price points to allow consumers to love the brand, to get into them without taking out a mortgage.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Okay. And then, lastly, just for me, just on the inventory side, up 17%. I'm just curious is that some of that inventory related to what's going on in Korea and just some of those areas we need to move some inventory and just what the outlook on that as we move forward?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. Maybe just to clarify on that. We're plus 9% excluding prAna because prAna is not in the prior year base. So that's one element. And then, as Tim alluded to earlier and in my transcript obviously we've got higher than optimal inventory levels in Korea and probably to a much lesser degree in China.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Okay. And that, I guess, that pares down as the year goes on as that dip down pretty quickly?

<A – Tom Cusick – Columbia Sportswear Co.>: I would expect inventory to grow generally in line with sales as we make our way through the year and that may vary from quarter-to-quarter just on the timing of receipt.

<Q – Chris Svezia – Susquehanna Financial Group LLLP>: Okay, got it. Okay, thank you very much. All the best, guys.

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

Operator: Thank you. [Operator Instructions] The next question is from Lindsay Drucker Mann with Goldman Sachs. Please go ahead.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Thanks so much for the follow-up. I just wanted to clarify one thing, first on the tax rate, you're guiding 29% for next year. There have been times when your tax rate has been lower than that. Can you talk about whether over a multiyear horizon you expect your tax rate to continue to move lower or is this kind of a run rate?

<A – Tom Cusick – Columbia Sportswear Co.>: Jeez, well it's ticked up a bit in the last couple of years just given a much higher percentage of our pre-tax income is in the U.S. So to the extent that we drive profitability into the international side of the business, particularly Europe that would drive that tax rate down. So the run rate is tough to project in that regard. But given where we are at and given where foreign currency valuations lie, this is probably a pretty good barometer for the foreseeable future.

With that being said, I would say that in the first half of the year we would expect the tax rate to be higher than the 29%. It's probably going in the low 30s, call it 33%, just given the mix of income and discrete items that are planned for the year.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Got it. That's helpful. And then maybe just a longer-minded question about your margin goals, you guys think that over the long-term you can get towards mid-teens type of operating margins and how long do you think it takes to get you there?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, if you remember, the company, in not that distant past we were really approaching 20% operating margin. So, we know we have the capacity to get higher than we are today. It's been an embarrassment for me personally that we haven't gotten there quicker. But, yes, I mean, we talk about this all the time internally that we want to at least get to average and then who wants to boast about being average. So the goal for us is to get back in those industry-leading metrics including profitability and marketing spend and others. So, I don't know how long it will take us, probably too long.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Okay. Thanks. Thanks again, guys.

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

Operator: Thank you. We have no further questions in queue at this time. I would like to turn the conference back over to management for any additional remarks.

Timothy P. Boyle, President & Chief Executive Officer

Well, we really appreciate you spending time with us. Obviously, we are thrilled with our results for 2014. 2015, we expect to be better and our goals for a continued improvement maintained. So we look forward to talking to you further about our success.

Operator: Thank you. Ladies and gentlemen, this does conclude today's teleconference. You may disconnect your lines at this time and thank you for your participation.

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