

— PARTICIPANTS

Corporate Participants

Ron Parham – Senior Director-Investor Relations
Gertrude Boyle – Chairman
Timothy P. Boyle – President, Chief Executive Officer & Director
Thomas B. Cusick – Chief Financial Officer & Senior Vice President

Other Participants

Joan Payson – Analyst, Barclays Capital, Inc.
Katharine McShane – Analyst, Citigroup Global Markets (United States)
Andrew S. Burns – Analyst, D. A. Davidson & Co.
Darla J. Shay – Analyst, Credit Suisse Securities (USA) LLC (Broker)
Eric B. Tracy – Analyst, Janney Montgomery Scott LLC
Robert F. Ohmes – Analyst, Bank of America Merrill Lynch
Corbin Nicholas Weyer – Analyst, Robert W. Baird & Co. Equity Capital Markets
Liz Dunn – Analyst, Macquarie Capital (USA), Inc.

— MANAGEMENT DISCUSSION SECTION

Operator: Greetings, and welcome to the Columbia Sportswear Company's Third Quarter 2012 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.

It is now my pleasure to introduce your host, Ron Parham, Senior Director of Investor Relations and Corporate Communications. Thank you, Mr. Parham. You may begin.

Ron Parham, Senior Director-Investor Relations

Thanks, Bob, and thanks to everyone for joining us on today's call. Earlier this afternoon, we issued third quarter financial results and raised our full year 2012 outlook. In addition to the press release, we also posted a detailed CFO commentary to our Investor Relations website, which we hope you've had a chance to review before the call here today.

With me on the call are President and CEO, Tim 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'm going to ask our Chairman, Gert Boyle, 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, 2011, and subsequent filings with SEC.

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

Ron Parham, Senior Director-Investor Relations

And with that, I'll turn things over to Tim.

Timothy P. Boyle, President, Chief Executive Officer & Director

Thanks, Ron. Welcome, everyone, and thanks for joining us this afternoon. As our press release and CFO commentary explained in greater detail, third quarter results came in well ahead of the guidance we provided in July. I am very pleased with how our team managed the business to achieve higher gross margins and expense leverage, which resulted in increased operating income and expanded operating margin to 16.1%, compared to 15.3% in last year's third quarter.

Earnings per share of \$1.88 came close to matching the \$1.98 we generated in last year's third quarter, with the difference primarily attributable to a higher effective tax rate in the current quarter. As expected, we saw a 4% decline in net sales, with half of that decline, attributable to currency and the remainder due primarily to weakness in our Europe direct markets, along with timing differences in shipments to our distributors.

The decline in our Europe direct markets came against an increase of more than 70% in last year's third quarter, which included a tripling of Sorel sales. Last year's warm winter and persistent macroeconomic weakness across the region have weighed on both the Sorel and the Columbia brands this year, creating headwinds against our ongoing efforts to revitalize the Columbia brand in those markets.

Sorel footwear was the hardest hit and accounted for a majority of the third quarter sales decline in our Europe direct markets. While at the same time, we posted mid-teen growth in Sorel sales in the U.S. In addition, as we discussed last quarter, it's important to note that approximately 45% of the decline in the EMEA region was attributable to timing differences in shipments of fall orders to our EMEA distributors, which were heavily concentrated in the Columbia brand. Adjusted for those timing differences year-to-date fall 2012 shipments to EMEA distributors were actually up 7% compared with fall 2011 shipments in the comparable period.

Our stronger-than-expected third quarter performance allowed us to raise our earnings outlook for the full year. We remain cautious, based on macro-economic conditions in Europe, as well as recent deceleration in Asian markets that have been solid growth engines for us for the past several years. We feel our revised full year outlook strikes a prudent balance between our year-to-date performance and how economic and weather uncertainties may affect the remainder of the year. I'll share initial thoughts about the first half of 2013 in a moment but first I want to look further ahead to 2014 to make sure analysts and investors understand and appreciate the strategic and financial significance of our recently announced China joint venture with Swire Resources. As we noted in our August announcement Swire Resources is a subsidiary of Swire Pacific Limited one of Hong Kong's leading listed companies with over 140 years of history, operating in the greater China region.

Swire Resources has served as our exclusive distributor in China since 2004, and has done an excellent job establishing the Columbia brand. They currently sell directly to consumers through over 70 Columbia branded store fronts in seven cities, and through a network of wholesale dealers who own and operate more than 530 Columbia locations and 45 Mountain Hardwear locations in 135 cities. Through our combined efforts Columbia currently ranks as the number one outdoor brand in China.

In 2011, Swire generated revenues of \$123 million from Columbia brands in China and achieved a low double-digit EBITDA margin. The most important fact we want to communicate is the financial impact of the joint venture. Beginning in 2014 Columbia's 60% share of the joint venture's net income will be included in and incremental to the profit we currently recognize under the existing independent distributor model.

We are looking forward to working closely with our Swire colleagues to build on our leadership position in a market that represents a substantial long-term growth opportunity. Now, I'd like to turn your attention to the global business for 2013. Based in part on global spring 2013 advance wholesale orders and the anticipated impact of our expanded direct to consumer platform, we currently expect low single-digit net sales growth through at least the first half of 2013.

Our pinnacle innovation for 2013 spring is Columbia's Omni-Freeze ZERO and Mountain Hardwear's Cool.Q ZERO cooling technology. Spring 2013 wholesale advance orders for these exclusive technologies came in as expected, representing a mid-single-digit percentage of bookings. Some of our most important brand enhancing retail partners around the world have committed to help us launch this revolutionary technology. One other product group I want to highlight is Columbia's performance Fishing Gear or PFG line which, as a product group was the largest single contributor to growth in spring 2013 wholesale orders in the U.S. and Latin America.

Together, we believe Columbia's Omni-Freeze ZERO, Mountain Hardwear's Cool.Q ZERO and PFG represent important pieces of our long-term strategy to build our global spring business into a larger contributor to our annual financial results.

Shifting to fall 2012, Columbia's marketing campaign is centered around our patented Omni-Heat Reflective platform through a comprehensive integrated TV, print, online and in-store campaign. We believe Omni-Heat remains the best visible warmth technology in the market and provides a critical point of differentiation against competitors.

With SOREL, we're driving demand with our new Get Your Boots Dirty advertising and social media campaign, celebrating women who are living out their passions and making a mark on the world. Despite the impact of last year's warm winter, which stalled demand for cold weather boots SOREL's brand position is solid and we believe it holds substantial growth potential.

Mountain Hardwear fall '12 campaign is led by the Ghost Whisperer Down jacket, the lightest full-featured down jacket on the planet that's best described as wearing warm air. Mountain Hardwear is also the proud sponsor of Matchstick's Productions 2012 ski film tour which will be featured in 120 cities around the world this fall and winter.

I want to close by reiterating our strategic direction here at Columbia. As you're aware, Nick McCormick, who was a great champion of our brands over the last six years departed in August. While we do not plan to replace that specific role, we are continuing to shape our organization around the strategic tenets that have been the keystones of Columbia's heritage, creating innovative solutions that keep people warm, cool, dry and protected to enjoy the outdoors longer, focusing on product design, utilizing our innovations to differentiate our brands from competitors, ensuring that our products are sold through brand enhancing distribution partners around the world, increasing the impact of consumer communications to drive demand for our brands and products,

making sure our products are merchandised and displayed with excellence in every retail environment, and continuing to build a world-class direct-to-consumer business.

We have built a strong go-to-market team and approach and I have been actively working with that team to insure that we continue to drive this agenda which is fundamentally about delivering compelling products to consumers and driving consumer demand for those products every season. At the same time, we'll focus on improving our operational performance and efficiencies that enable us to improve our profitability.

Our commitment to operational excellence is evident in the substantial multiyear investment of time and money that we're making in our new ERP system, and in modernizing our global business processes. As you know, we launched an initial SAP implementation in Canada in April.

Over the past six months, our team has been applying key learnings as they develop the plan for our U.S. implementation currently scheduled for late 2013. We believe this investment is critical to position Columbia Sportswear for growth and improved profitability.

As I said earlier, our team has done an excellent job of handling the difficult task of managing costs and improving operating margin in a slow growth environment. We're confident that our brand portfolio holds substantial growth potential, and we're working together to reach our long-term goal and profitability objectives.

That concludes my remarks. I'd now like to open the call to questions. Operator, can you help us with that?

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from the line of Joan Payson with Barclays. Please proceed with your question.

<Q – Joan Payson – Barclays Capital, Inc.>: Good afternoon. Congratulations on the quarter.

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

<Q – Joan Payson – Barclays Capital, Inc.>: I guess just to start off if we could talk about the US business and the difference in growth between the direct-to-consumer and wholesale channels and it sounds like wholesale in particular accelerated from last quarter and maybe if you could just talk about the drivers there?

<A – Timothy Boyle – Columbia Sportswear Co.>: Yes, you know, our business in the US is obviously where we are closely focused and it's an area where we have seen probably the largest change in the nature of our channels, also changing from two or more brand enhancing sporting goods and specialty operation business. But at the same time, we have had a number of stores open in the US, so our direct-to-consumer business has responded nicely. Maybe I will ask Tom just to be more specific about that and how that breaks out.

<A – Thomas Cusick – Columbia Sportswear Co.>: Yes, from a retail perspective, we operated seven more stores in the US, 58 versus 51 a year ago. And so the growth there was driven by a combination of both new stores and comp store growth on the retail side of the business.

<Q – Joan Payson – Barclays Capital, Inc.>: And then on the wholesale side?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yeah, so, as we noted, I believe in my commentary, a contribution of growth from both a wholesale and a retail perspective was pretty equal in the single digit millions of dollars range.

<Q – Joan Payson – Barclays Capital, Inc.>: Okay, thank you. And then in terms of, I guess, the dynamic of gross margins in the third quarter. And the benefits you saw there, maybe you could talk about the shift in dynamics going into the fourth quarter and which drivers are sort of reversing into that?

<A – Timothy Boyle – Columbia Sportswear Co.>: Well, the fourth, as you might remember is going to be impacted significantly by weather. And so our basket of property -- excuse me -- gross margins will be a function of how well we have done positioning ourselves for that. But the outlook we have given you basically contemplates what we believe the results will be.

<A – Thomas Cusick – Columbia Sportswear Co.>: And maybe I could just add a little bit more color there. When we look at Q3 and Q4, obviously Q3 came in from a margin perspective better than we'd planned 90 days ago, and Q4 has come off a bit. And I think overall, we are guiding margin up roughly 10 bps for the year. And so when you get inside the numbers for Q3 and Q4 at the gross margin, really, the constants are, we've got currency benefit of equal proportions in Q3 and Q4, we've got a little bit more air freight benefit than we'd planned in Q3, but we expect to see a continuation of that benefit in Q4. And then the real movement is really a function of -- we shipped a higher proportion of full price product in the third quarter, which helped the margin. And that was really a result of early receipt of inventory. So we were in a better position and we had a much better assignment from an inventory and order standpoint, as compared to the third quarter of last year.

And then, really, the real shift is the promotional and closeout activity. And we will see a little bit more of that in the fourth quarter at the expense of the third quarter. So, again, that's why the margin is coming off a little bit in Q4 relative to the prior guidance.

<Q – Joan Payson – Barclays Capital, Inc.>: Okay. That's helpful. Thanks.

Operator: Thank you. Our next question comes from the line of Kate McShane with Citibank. Please proceed with your question.

<Q – Kate McShane – Citigroup Global Markets (United States)>: Hi. Thanks. Good afternoon.

<A – Timothy Boyle – Columbia Sportswear Co.>: Hey, Kate.

<A – Thomas Cusick – Columbia Sportswear Co.>: Hi there.

<Q – Kate McShane – Citigroup Global Markets (United States)>: Tim, can you just remind us – I think, this did come up on the last quarterly call. But can you remind us how nimble you are to chase if weather does turn much colder this year than what's built from your expectations? And is there any difference in flexibility with apparel versus footwear?

<A – Timothy Boyle – Columbia Sportswear Co.>: Well, in nimbleness, we're not very nimble. We've basically made our bet and we have our inventories in place here. The real delta will be what the pricing we'll be able to get based on the weather.

I think there is relatively low – let me put it this way. I think that retailers were cautious in their purchases. So there may be some openings if the weather gets cold. But it's really going to be a function of what we're able to charge for our residual inventories.

Retail will have a certain component as well just in terms of how well the stores do – our own stores. But I think in terms of being able to chase inventory both in footwear and apparel, we're locked and loaded with what we've got.

<Q – Kate McShane – Citigroup Global Markets (United States)>: Okay. Thanks. And if I could just ask one more question on average selling prices or average price per product this winter versus last winter? Is it flat or is it up versus last year?

<A – Timothy Boyle – Columbia Sportswear Co.>: It's up. It's up.

<Q – Kate McShane – Citigroup Global Markets (United States)>: And that's from mix primarily or absolute price increase?

<A – Timothy Boyle – Columbia Sportswear Co.>: It's a little bit of both, actually. So we've had some cost increases in our more basic merchandise as well as the mix has tilted a bit towards more expensive product.

<Q – Kate McShane – Citigroup Global Markets (United States)>: Okay. Great. Thank you so much.

Operator: Thank you. Ladies and gentlemen, 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 good afternoon. A couple of quick ones here. Just first, on the Swire commentary. I was hoping you could just clarify, some of the cash investments you're making in '13 and '14 – is that, thinking about it from an investment

standpoint, strictly CapEx or, when we go into 2014, is there some investments that are being made to step up SG&A to facilitate growth? Thanks.

<A – Thomas Cusick – Columbia Sportswear Co.>: Hi, Andrew. This is Tom. Really, the vast lion share of the funding will be to fund working capital and operating expense. The CapEx plans are actually quite small.

<Q – Andrew Burns – D. A. Davidson & Co.>: Okay. Thanks. And the second question is just getting into your outlet stores; there is a lot of carryover product. It strikes me as an amazingly good value to the consumer. So I mean I would think looking at the stores and the discounts in the outlets that you'd be planning for some strong comps in the fourth quarter, given that compelling product. Is that in guidance?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yeah. That is factored in. Obviously, without much of a winter in the fourth quarter of last year, we feel like we have a pretty easy comparison, relative to Q4 2011, and that is factored into our Q4 '12 retail guidance.

<Q – Andrew Burns – D. A. Davidson & Co.>: Last one, here, just in terms of the first half order book shaping up, can you give us any update on the retailer response for Omni-Freeze and how you think that launch is progressing?

<A – Timothy Boyle – Columbia Sportswear Co.>: Yes, this is Tim. So the reception was really very gratifying. It's relatively expensive product from Columbia. It's a bit of a complex story and our retailers have really responded well and they are anxious to help us tell this story, because it adds a significant amount of theater to their selling floor and we think that there is a big opportunity here for the company especially in the southern tier and in periods of time when their stores are maybe not as robust from a sales perspective as otherwise would be.

But people are cautious because, this is new technology. Again, it's a complex story. It has to be explained. And so, I think we've sold the right quantity and we sold it into the right places and now we are going to see how it works from a – from a consumer standpoint. But we're very excited about it I think it's going to be really good for us.

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

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

Operator: Thank you. Ladies and gentlemen, our next question comes from the line of Christian Buss with Credit Suisse. Please proceed with your question.

<Q – Darla Shay – Credit Suisse Securities (USA) LLC (Broker)>: Hi. Thank you for taking my call. This is actually Darla Shay on for Christian. Can you give us some detail on your third quarter SG&A, it came in much better than we expected and then also where you see further improvements for fiscal '13?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yes, so as it relates to the third quarter, we came in mid-single digit millions of dollars under the outlook 90 days ago and that's really a function of both discretionary spend and currency in pretty equal contributions there. And as it relates to 2013, obviously we are not providing an outlook there today, we're still working through our 2013 plans, but we are certainly committed to managing the expense side of the business diligently in '13 similar to how we've done this year.

<Q – Darla Shay – Credit Suisse Securities (USA) LLC (Broker)>: Okay, great. And then from your conversations, how do you think retailers inventory levels are shaping up for the fourth quarter,

and then also early '13 and then what kind of impact does this have in terms of your near term outlook?

<A – Timothy Boyle – Columbia Sportswear Co.>: Well I think as I said earlier, I think retailers were relatively cautious when they purchased fall product from all their dealers. They had carryover, in some cases and they were concerned that weather patterns would be a repeat of '11. So it really is a function of what happens on the weather standpoint for the balance of the year in terms of how that – for us, how our margins stack up.

We've given you what we think will happen and so we hope that it's colder and more dramatic than that. As it relates to '13, I think retailers have also been cautious that, the underlying economic news is not robust, especially in Europe, and so retailers are maintaining that cautious outlook for '13.

<Q – Darla Shay – Credit Suisse Securities (USA) LLC (Broker)>: Okay. Thank you so much.

Operator: [Operator Instructions] Our next question comes from the line of Eric Tracy with Janney Capital Markets. Please proceed with your question.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Hey guys, good afternoon.

<A – Timothy Boyle – Columbia Sportswear Co.>: Hi, Eric.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Tim, I guess, for you, I just wanted to try to think about, I know you don't get this specific in terms of marketing spend next year, but how are you thinking about potentially ramping that to try to catalyze sales growth, relative to trying to contain the cost there? I mean it seems like, and you talked about sort of the difficulty communicating some of the new innovation. Is there an opportunity to maybe ramp that up to help drive the top line?

<A – Timothy Boyle – Columbia Sportswear Co.>: You know we've really had several key initiatives in the company here, one is, obviously, to grow our operating margins. We want to get ourselves to at least average. I mean that's not even really an aspirational point. We have got to get ourselves to at least average. And we frankly think we need to make larger investments in marketing. So those are both underway but it's an equation that has to be diligently managed. We will have a very significant investment in Omni-Freeze ZERO in the first half of the year together with some of our retailers in terms of their promotions of the product inside the store, as well as marketing efforts around the initiative and so, we have plans for those.

We really think that we -- it's over the long-term is where we will see a growth in our marketing spend. It's going to be important to make the brand stronger and to tell consumers the stories of these rather complicated innovations. So we understand that and we know we need to do it and that's part of the plan to get ourselves bigger.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: And so is there an opportunity then to -- it sounds like I think you said the, against the Omni- Freeze, sort of an up mid-single-digit order book for spring. So an opportunity then if in fact, you know, the marketing investments do in fact drive some sales, a greater ability to chase in the season for the spring business?

<A – Timothy Boyle – Columbia Sportswear Co.>: I would characterize the beginning of '13 as really our launch season here. And I think from my perspective frankly we'd rather have consumers have it a little bit more difficult to find than having it over exposed. So our plan will be to take a cautious approach on the inventory levels and really make it sell like crazy. And if we sell out, we will probably celebrate.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Okay. And then just lastly for Tom, again, you don't have to get too specific. Just in terms of broad strokes gross margin next year, the puts and takes again, I know you weren't as impacted by product cost, but maybe just walk us through the different pieces and maybe cadences of how we should think about that.

<A – Thomas Cusick – Columbia Sportswear Co.>: Yes, so obviously, we are not guiding for '13 today but as it relates to spring '13, we believe we have priced align in a very surgical manner. We think the sourcing environment's, obviously, more favorable for spring '13 than it was for spring '12. And we will have some tailwind in the front half of the year relative to currency and expect some headwind in the back half as it relates to the euro. And that's really about all I can say on the margin at this point. I think, as we look at the first half, it's going to be, really a function of fall '12 weather and sell-through. And you know, what degree of off-price business we're pushing in the first part of 2013.

<Q – Eric Tracy – Janney Montgomery Scott LLC>: Okay, fair enough. I appreciate it guys. Best of luck.

<A – Thomas Cusick – Columbia Sportswear Co.>: Thank you.

Operator: Thank you. Our next question comes from the line of Robby Ohmes with Bank of America. Please proceed with your question.

<Q – Robby Ohmes – Bank of America Merrill Lynch>: Thanks, hi guys. How are you?

<A – Thomas Cusick – Columbia Sportswear Co.>: Good.

<A – Timothy Boyle – Columbia Sportswear Co.>: Good.

<Q – Robby Ohmes – Bank of America Merrill Lynch>: Couple of questions. First, Tim you mentioned the recent deceleration in Asia. Can you give us a little more color on what's going out over there is there – I mean obviously we've heard a little bit about macro But tell us what the promotional environment looks like and if you feel that that's pressured the business or is it an excess inventory situation for the industry, overall maybe a little more color on what's going on over there and when you think it could approve? And then I have a few other questions.

<A – Timothy Boyle – Columbia Sportswear Co.>: Yeah, my comments were mostly macro in nature. I think our business is strong and we're going to have a good year in China but I think the high teens are better growth rates that were present for many of us in the business there. We'll be dampened and so the expectation is that this is just a more cautious year. I think, so in terms of my view of the future when it will change, I think China is obviously significantly dependent on exports and they'll have to be a robust demand from Europe as well as the U.S. and other places in the world before we see a significant change in the demand area. But keep in mind that the growth rates there are still -- even at a depressed level, more significant than they have been in Europe, or the U.S.

<Q – Robby Ohmes – Bank of America Merrill Lynch>: And this Swire transaction in 2014, is that – is there a change of strategy and approach to China that a companies had transaction, you know, doing the joint venture or is it just you will be booking more of the profit on the income statement?

<A – Timothy Boyle – Columbia Sportswear Co.>: Well, you know, we are often looking at these markets where we have independent distribution businesses, and where we think we have something to offer in terms of making the business bigger. And together with Swire we think there's an opportunity to this significant market bring some of our special product characteristics and knowledge and together with the people at Swire who know that market, so intimately. We think

that this can be really an enormous business for us. So that's the primary reason for focusing on China. I think it's a great investment for the company. It's going to be very good for our shareholders and we are very excited about the potential there.

<Q – Robby Ohmes – Bank of America Merrill Lynch>: Thanks. So then Tim I wanted to ask you about Sorel. Sorel is up in the U.S. and down in Europe. Is there anything more to it than just a macro difference, or is there actually a difference in the way Sorel is positioned in Europe or the competition versus Sorel and maybe I don't know if you've looked at Merrell's business I know in footwear's come under pressure in Europe. Is there something similar to what they have been seeing and what Sorel is seeing versus your ability to grow it over in the U.S. versus Europe?

<A – Timothy Boyle – Columbia Sportswear Co.>: No, I think the positioning same globally, frankly, on the Sorel business and where our growth has been it's been in the women's business, which has been good for us in many markets. You know, if you look at the Sorel business over a period of couple years, last year it grew 70% in Europe, and that just may have been too explosive.

So maybe averaging the years together, I think, we have the right approach. It's a solid brand. It's very strong in some markets. In others, it's been more difficult. But frankly, I think, we're on the right pace there, and the product is in demand. We need some weather to make sure this winter footwear stuff sells.

<Q – Robby Ohmes – Bank of America Merrill Lynch>: And my last question, and I'll let you guys move to the next person. In the U.S. right now, when you walk your key customers and you look at the outerwear on the floor and you look at the carryover that's been placed back on the floor this year, do you have a – do you think that it's more your brand that got carried over than other people or can you just give us a sense of who's got a lot of last year's styles out on the floor in retail right now from a competitive perspective?

<A – Timothy Boyle – Columbia Sportswear Co.>: Yeah. It's hard to know. I know there were some competitors that had heavy markdowns at the end of last year to retailers. I know that several retailers took advantage of buys from competitors that loaded up on last year's stuff.

I don't know whether or not they carried it over, but I think there was certainly some discounting late in the year or early first quarter last year. I think, based on how our relationships with our retailers go, I think, we have a good position, which would be up on par to slightly better than our competitors. But other than that, I can't really help you.

<Q – Robby Ohmes – Bank of America Merrill Lynch>: Got it. All right. Thanks so much, Tim.

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

Operator: Thank you. [Operator Instructions] One moment while we poll for questions.

Our next question comes from the line of Corbin Weyer with Robert W. Baird. Please proceed with your question.

<Q – Corbin Weyer – Robert W. Baird & Co. Equity Capital Markets>: Yeah. Calling in for Mitch Kummetz. Thanks for taking my question.

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

<Q – Corbin Weyer – Robert W. Baird & Co. Equity Capital Markets>: Tom, just looking at the inventory, maybe, you could – I'm hoping you could help us out there just breaking that composition out into different buckets?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yeah. So, I mean, the inventory really came in as we planned. As we stated for the last couple of quarters, we were anticipating inventory to – exiting the year to come back in line with first half '13 sales growth, so up 10% following an up 24% and 21% growth in Q2 and Q1, respectively. We feel pretty good about where inventory is trending.

And similar to last quarter, if we look at just fall '11 through our current inventory, including what we intend to carry over to spring '13, that represents 95% of the total inventory. From an unsold perspective, we're at about 70% apparel, 30% footwear. So we think we're in pretty good shape. And again, average unit cost is driving that growth on a mid-single-digit unit decline. So I think that's important to note as well.

<Q – Corbin Weyer – Robert W. Baird & Co. Equity Capital Markets>: Okay. That's helpful. Thank you. And then just looking at the spring order books, I know you guys don't want to get specific on the number there at all, but maybe just some color and maybe how that kind of breaks out geographically and what you're seeing there?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yeah. So the spring book is up slightly, as we mentioned, in our first half outlook for '13. And I would say, the area probably of biggest challenge, as would be expected, would be our direct business in Europe, just given the challenges we have there.

<Q – Corbin Weyer – Robert W. Baird & Co. Equity Capital Markets>: Okay. And then just last, I don't know if you guys would be able to give us a sense on what you're planning for door count in 2013?

<A – Thomas Cusick – Columbia Sportswear Co.>: From a U.S. retail perspective?

<Q – Corbin Weyer – Robert W. Baird & Co. Equity Capital Markets>: Yeah.

<A – Thomas Cusick – Columbia Sportswear Co.>: Yeah. So we're still in the middle of our '13 planning globally but we're currently planning for 10 additional outlets in the U.S., and similar expansion to historic levels in Japan and Korea. And that's about all we can tell you at this point. We can give you certainly more color on that in the February call when we provide a little more detail on 2013.

<Q – Corbin Weyer – Robert W. Baird & Co. Equity Capital Markets>: Sure. Appreciate that, very helpful. That's all I got. Thanks for taking my question.

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

<Q – Liz Dunn – Macquarie Capital (USA), Inc.>: Hi. Thanks for taking my question. Congrats on the quarter. Most of my questions have been answered. But I just had a quick point of clarification on the Swire thing. So the investment spending that you'll do does that mean that we might see operating margins retreat from the sort of low double-digit level that was mentioned in the CFO commentary on the web, or how should we think about that?

<A – Thomas Cusick – Columbia Sportswear Co.>: I think when we get to 2014, we should expect operating margin expansion from that investment.

<Q – Liz Dunn – Macquarie Capital (USA), Inc.>: Okay. Well, relative to the amount quoted in that CFO statement, that's what you're saying?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yes. So currently Swire is operating at a double-digit EBITDA, North of our current EBITDA and assuming that trend continues, that would

be incremental to our EBITDA and earnings from that joint venture are incremental to the earnings we currently generate selling into Swire via the distributor model. So we'll preserve that profitability, as well as our majority share of the earnings from the JV.

<Q – Liz Dunn – Macquarie Capital (USA), Inc.>: Okay. And did I understand correctly that that business is currently growing at a mid-teens level, or did I mistake that?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yeah, I think Tim had mentioned that. That business has grown in the last few years at a higher rate than that. And, it's too early to comment on what the growth rate is for 2012.

<A – Timothy Boyle – Columbia Sportswear Co.>: Yeah . Liz, we wanted to make sure investors knew – we have a long history with Swire, obviously, and they have an extremely long history in China, north of 140 years. So we have a great deal of confidence in their ability and, frankly, they've shown that they have the ability to manage the SG&A growth well in a rapidly growing and changing environment. So we think this is literally one of the best investments that the company has ever made and will make. So we're really excited about it and we're anxious to get in there and continue to learn more.

<Q – Liz Dunn – Macquarie Capital (USA), Inc.>: Great. Thanks for the color. Good luck.

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

<A – Thomas Cusick – Columbia Sportswear Co.>: Thank you.

Operator: Thank you. Our final question comes from the line of [Michael Plasaya [ph] with Voyant Advisors] (37:58). Please proceed with your question.

<Q>: Hi. Good afternoon. Thanks for taking my call. Could you just clarify for me the inventory guidance? I thought I had you guys guiding for fiscal '12 inventory to be in line with fiscal '11?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yeah that comment – the comments that we've made over the last few conference calls that has been exiting the year. We've indicated that we expect that inventory to trend down in the back half of the year and come in line with spring 2013 sales growth, exiting the year and the only caveat there would be any abnormal timing around spring '13 inventory receipts at the end of the year.

<Q>: So is growth of about 1.5% is the number that I should be looking at now, is that sound about right?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yes. I think we indicated low single digit first half growth in my and Tim's commentary today.

<Q>: Okay. Great. Thank you. And has there been any shift or way to quantify the shift in the mix between direct to consumer and then also the wholesale revenue in the quarter?

<A – Thomas Cusick – Columbia Sportswear Co.>: Maybe just a step back and take that one from an annualized perspective consistent with what we indicated 90 days ago, we're anticipating the direct to consumer business to represent about 29% of our total business for 2012 and that compares to roughly 25% last year.

<Q>: So is this something that's helping out the receivables a little bit?

<A – Thomas Cusick – Columbia Sportswear Co.>: Certainly to some degree, yes.

<Q>: Okay. And then the final one here is there was a decline in payables that seemed fairly sharp. Could you give some color?

<A – Thomas Cusick – Columbia Sportswear Co.>: Yes, that's really almost entirely a function of the earlier inventory receipts towards the latter part of Q2, early Q3 that would have been settled by the end of September.

<Q>: Okay, wonderful. Thank you for taking my questions.

<A – Thomas Cusick – Columbia Sportswear Co.>: Thanks.

Operator: And that's all the time I have for questions today. I'd like to turn the floor back over to management for closing comments.

Timothy P. Boyle, President, Chief Executive Officer & Director

Very well, thank you very much for listening in today. We're looking forward to talk to you in February about our fourth quarter results. Thank you.

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

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2012. CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.