

— PARTICIPANTS

Corporate Participants

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

Gertrude Boyle – Chairman, Columbia Sportswear Co.

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

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

Bryan L. Timm – President & Chief Operating Officer, Columbia Sportswear Co.

Other Participants

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

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

Pallav Saini – Analyst, Canaccord Genuity, Inc.

Lindsay Beth Drucker Mann – Analyst, Goldman Sachs & Co.

John Kernan – Analyst, Cowen & Co. LLC

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

Rafe Jason Jadrosich – Analyst, Bank of America Merrill Lynch

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

Corinna Lynn Freedman – Analyst, BB&T Capital Markets

Jay Sole – Analyst, Morgan Stanley & Co. LLC

Christian Roland Buss – Analyst, Credit Suisse Securities (USA) LLC (Broker)

— MANAGEMENT DISCUSSION SECTION

Operator: Greetings and welcome to the Columbia Sportswear Third Quarter 2015 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 your host, Mr. Ron Parham, Senior Director of Investor Relations and Corporate Communications. Thank you, Mr. Parham. You may begin.

Ron Parham, Senior Director-Investor Relations & Corporate Communications

All right. Thanks, Bob. Good afternoon and thanks everyone for joining us today to discuss Columbia Sportswear Company's third quarter and year-to-date financial results and our upward revised 2015 financial outlook that we announced earlier this afternoon.

Shortly after our earnings release crossed the wire, we furnished an 8-K containing a detailed CFO commentary with further analysis of the results and an explanation of the assumptions behind our 2015 outlook. The CFO commentary is also available on our Investor Relations website.

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

I'll ask Gert to cover the safe harbor language.

Gertrude Boyle, Chairman

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

Ron Parham, Senior Director-Investor Relations & Corporate Communications

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

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

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

Thanks, Ron. Welcome, everyone and thanks for joining us this afternoon. We're extremely proud of how well our global teams are executing against our stated initiatives to drive growth, increase demand-creation investments, and improve profitability. As a result, we delivered another phenomenal quarter as 2015 continued to unfold even better than we anticipated.

Outstanding growth in the Columbia, SOREL and prAna brands led the way in North America, while the Columbia brand continues to regain momentum in our Europe direct markets. On a constant currency basis, record third quarter and year-to-date net sales increased 18% and 19% respectively, and are both up 14% as reported.

Our expanded gross margins are enabling us to increase our demand creation investments by 13% this year, on projected net sales growth of 10.5%, while driving significantly improved operating margins.

Third quarter net income grew 39% to a record \$91.1 million or \$1.28 per share, aided by accretion from the prAna brand, while year-to-date net income has grown 36% to a record \$110 million or \$1.56 per share. Each of our brands put up double-digit constant currency growth in the quarter, led by 14% growth from the Columbia brand, 59% growth from SOREL and 22% growth from prAna.

In North America, those three brands were the primary drivers of constant currency third quarter growth of 28%, and year-to-date growth of 29% on an organic basis. Excluding incremental prAna sales, year-to-date constant currency North American sales are up 22%. The Columbia brand's 23% constant currency third quarter growth in North America reflected increases in wholesale

advance orders and 20% growth in direct-to-consumer sales. Better supply chain execution enabled more timely delivery of wholesale customers' increased advance orders compared to our delivery performance in 2014.

The SOREL brand's 59% constant currency third quarter growth also reflected increased advance orders and more timely delivery. A substantial increase in the volume of lightweight fall styles for delivery in the third quarter, along with healthy growth in winter styles, drove a near doubling of SOREL's U.S. net sales and constant currency growth of more than 80% in North America.

Our global supply chain teams did an outstanding job responding to the increased demand for Columbia and SOREL products. Thanks to our more timely deliveries, consumers have been greeted by more complete fall floor sets at our wholesale partner stores, and as a result we've seen stronger season-to-date sales of Columbia's versatile rainwear, sportswear, lightweight insulated jackets, PFG, and trail footwear, as well as SOREL's fall and winter styles. Whenever cooler weather has appeared, we've also seen an immediate bump in sell-throughs of fleece, insulated jackets and winter footwear.

The prAna brand continues to produce growth in excess of 20% during the quarter on strong U.S. wholesale and direct-to-consumer growth. We expect prAna to contribute approximately \$0.11 of accretion to our full-year earnings per share. We continue to be very pleased by the contribution prAna is making to our current growth and profitability, and remain very excited about the long-term potential of prAna, as it gains awareness and builds strong emotional connections with consumers around the world.

Although the Mountain Hardwear brand also achieved double-digit growth in the quarter against easy comparisons, it's important to understand that we're still very early in our efforts to refocus the Mountain Hardwear brand to better resonate with its core consumers.

Turning to our EMEA region, I want to highlight the continued resurgence of the Columbia brand in our Europe direct markets. Our European management team has been working hard to rebuild Columbia's presence in key accounts, focusing on Germany, France and the UK, while streamlining the business' cost structure. Those efforts produced high teen constant currency growth in the third quarter. Year-to-date, they've achieved mid-20% constant currency growth led by trail footwear. Our outlook anticipates sustaining that growth rate for the full year.

Although we still have work to do to reestablish profitability in our Europe direct operations, we are poised to leverage the current momentum to drive further growth and improve profitability in 2016.

In addition to our outstanding wholesale performance in North America and Europe, our U.S. direct-to-consumer business grew 20% in the third quarter, led by expansion of our outlet store fleet and robust e-commerce growth.

Our balance sheet remains very strong. Inventory levels in North America and Europe are well in line with our plans at September 30. In Korea, we reduced year-over-year constant currency inventory levels by 26% and expect year-end comparisons to improve further.

As we've indicated previously, we're committed to strategically increasing demand creation investments behind our brands. Our full-year 2015 outlook anticipates 10.5% sales growth and 75 basis points of gross margin expansion. We're using a portion of those expanded gross profit dollars to increase demand-creation investments 13% in 2015, to 5.4% of net sales from 5.2% last year, while still projecting 30 basis points of SG&A leverage.

As it relates specifically to the Columbia brand, on October 9, we launched the largest integrated global campaign in the history of the Columbia brand.

The Tested Tough brand platform is a \$50 million global campaign that marks the return of the original Tough Mother as one of the inspirations behind our innovative performance products.

Tested Tough differentiates and elevates the Columbia brand around the world. It spans all forms of traditional and digital media, along with a strong emphasis on improving our in-store presentation in wholesale channels. Although the Tested Tough campaign is just getting started, we're very encouraged by some of the early reads on its visibility and engagement in social media channels.

For example, since its October 9 launch, the Columbia brand YouTube channel featuring Tested Tough branded content has been the top-viewed channel in the outdoor industry. We're very excited for the full global rollout of the Tested Tough campaign and are confident that it will connect with consumers and drive continued brand excitement.

Our third quarter and year-to-date results showcase the momentum that the Columbia, SOREL and prAna brands have in North America. The Columbia brand is also gaining traction in Europe and driving continued constant dollar growth in Japan.

Our upward revised financial outlook for 2015 anticipates 14.5% constant currency net sales growth translating into 10.5% growth as reported, to more than \$2.3 billion for the year. We expect full-year operating margins to increase approximately 90 basis points to 100 basis points, and net income to increase 20% to 23%, to \$2.32 to \$2.37 per diluted share.

Keep in mind, these outstanding projected results are despite macroeconomic challenges in Russia and Korea, two markets that have been significant contributors to growth and profitability over the previous decade, as well as slow growth in our China business and challenges in several other smaller developing markets. In addition, these projected results include foreign currency exchange headwinds of approximately \$0.14 per share.

Our improved U.S. wholesale delivery performance in the third quarter will naturally result in a lower U.S. wholesale growth in the fourth quarter. Also keep in mind that our U.S. business is comping against 25% organic growth in last year's fourth quarter, which included very strong performance in our North American direct-to-consumer business. Our exceptional third quarter and year-to-date results, strong balance sheet and upward revised full-year outlook illustrate the earnings power of our brand portfolio and the robust operating platforms that are supporting their growth and enabling our improved profitability.

We are very proud of these results, because they provide further evidence that we are realizing meaningful returns on the strategic actions and investments we have been focused on for the past several years.

- Building an expanded, more versatile and differentiated brand portfolio that enables us to address the needs of a wider variety of consumers;
- driving renewed growth in North America and Europe direct wholesale markets through exceptional innovative products and strong relationships with brand-enhancing retail partners;
- increasing demand creation investments behind integrated global brand platforms that strengthen emotional connections with consumers;
- expanding our profitable direct-to-consumer business, enabling us to tell each of our brand stories more effectively and to respond strategically to business cycles;
- expanding our brands in international markets including China and other emerging markets, where we believe there is substantial untapped long-term potential;
- implementing an integrated IT infrastructure that provides greater visibility across our global supply chain and distribution channels;
- and of course, attracting and retaining talented and committed teammates around the world who make this all happen.

We believe these investments, our people and our powerful balance sheet positioned us better than at any time in our history to expand our business and manage through a wide variety of retail environments, macroeconomic and political disruptions and weather scenarios, all of which are inherent variables to our global business. You can find more details on our Q3 and year-to-date results and our 2015 outlook in Tom's CFO commentary available on our website.

That concludes the prepared remarks. We're ready to take any questions. Operator, could you help us with that?

QUESTION AND ANSWER SECTION

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

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

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

<Q – Bob Drbul – Nomura Securities International, Inc.>: Hi, Tim. I guess I just have a couple of questions. Can you talk about how the direct-to-consumer business comps are performed during some of the warmer weather in September, any insights into October? And I guess can you talk about how your wholesale retail partners are handling the warmer weather in the outerwear categories, what you're seeing from them and what you think about the inventories in the channel right now?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, as you know, we don't report the way a typical retailer would in terms of the comp results on our own direct-to-consumer business. But we're – on our plan and I believe that our results for Q4 are going to reflect the plans that we've laid out and we expect to happen for the balance of the year – it's been an important part of our business, especially in North America and we're pleased with the results.

As it relates to the wholesale channel, we've had – we, as you know, have visibility to our retail customers' sell-through and we've got a lot more inventory in the channel, but our results are equal really with last year in terms of the sell-through.

So, we're pleased with where we are in our business. The results we've seen from competitors would imply that we're taking market share, so I don't really know how much other brands' products would exist in our stores, but as it relates to our products, we're comfortable with our position.

<Q – Bob Drbul – Nomura Securities International, Inc.>: And can you just comment a little bit on SOREL's growth and the performance and the expectation, what you're seeing out there both for its performance and I guess the competition in that category?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, the brand is well-known as a winter footwear brand, but frankly the most gratifying thing has been the results of the sales of the – what we are describing internally and to investors as fall merchandise. So, the wedges in those products which don't require snow on the ground to sell have really been spectacular.

And the product essentially, for all intents and purposes, sold out last year. So, there was a lot of pent-up demand from consumers who couldn't buy the product last year. So, early sales have been good. As you know, the footwear business can be explosive and we've been diligent in managing preseason orders from customers so that we don't have an issue, and I think we've managed that properly. So, we're happy with how the business is progressing there.

<Q – Bob Drbul – Nomura Securities International, Inc.>: And then, I just have a question for Tom. When we look – so, currencies, a \$0.14 hit this year. I know you're not giving 2016 guidance, but can you just give us an early read in terms of what we should expect on foreign exchange as we look forward into the next fiscal year?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. Bob, I would say, if we were to lock in today – at today's rates relative to next year, obviously currency would be a headwind and mostly on the gross margin line, but with that being said, I would say, in 2014 and 2015 each, currency has

been about a 50 basis point headwind. We still have been able to expand gross margin. So, that's kind of how we see it today.

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

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

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

<Q – Jonathan Komp – Robert W. Baird & Co., Inc. (Broker)>: Thank you very much. Just two questions from me. Maybe, Tim, first, I just want to kind of be clear and if you could clarify it, I noticed the full-year revenue projection for the U.S. looks slightly lower than it was last time, low-to-mid-20% growth versus a mid-20% number last time, understanding both of those numbers are very strong. Could you maybe just give any more commentary or just make it clear why that change was made?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. This is Tom. I think that's really – it's a 1 percentage point delta one way or the other and we felt compelled to provide a range there. So, really no meaningful change in the U.S. outlook for the full year.

<A – Tim Boyle – Columbia Sportswear Co.>: You really should look at the results from a first-half, back-half point of view and that's – the deliveries can move around from quarter-to-quarter, but really we're talking about business in the second half, which has been significant, and growth has been good.

<Q – Jonathan Komp – Robert W. Baird & Co., Inc. (Broker)>: Great. That's helpful. And maybe a bigger picture question really on the demand creation side, and this is more looking over the next several years. I know you've gradually been increasing the spend as a percentage of revenue, and some of the recent work with the Tested Tough campaign looks pretty encouraging. So, I'm wondering if you could just provide a little bit more of a longer-term roadmap on how you see the demand creation side playing out over the next few years?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah, certainly. Well, as we've said before, we have many competitors that are spending double-digit marketing funds to create demand and we haven't been spending at that level. In fact, we've been spending below our levels of today. We know we need to increase that spend and we also know that we need to improve our operating margins which are just now getting to close to average. So the goal over time will be frankly to grow our topline, grow our gross margins to provide funds for additional marketing spend, which I don't know that we'll ever get to double-digit, but we need to spend more and we need to be more efficient with that spend. And at the same time, creating better operating margins. So, we've been able to do that incrementally over the last several years and that's the plan is to continue that.

<Q – Jonathan Komp – Robert W. Baird & Co., Inc. (Broker)>: Great. Very helpful. And maybe one last one from me. Tom, just any high-level thoughts you have on some of the input cost directions for next year? Would be helpful if you're willing to share anything at this point.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. Obviously, we're not guiding for 2016. But from a commodity costing standpoint, I'll let Bryan jump in here, if he'd like. But we see the environment for 2016 as being favorable, and labor rates are expected to continue to increase, but commodity costs coming down, currency being a headwind, changes in channel mix, so I think, when you put all those together, I think 2016 could look similar to what we've put up from a gross margin standpoint the last couple of years.

<Q – Jonathan Komp – Robert W. Baird & Co., Inc. (Broker)>: Great. Thank you very much.

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

<Q – Pallav Saini – Canaccord Genuity, Inc.>: Hi, this is Pallav, standing on for Camilo. Thank you for taking my questions. My first question is on the inventory. So, your guidance is implying a 3% – a low-single-digit growth in sales in the last quarter, but your inventory is up about 10%. Can you give us a little more detail on the composition of the inventory? Are you expecting to ship more wholesale orders, is that a part of it? Any color there would be helpful.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. I would say, the vast majority of our inventory growth is comprised of that inventory that sits in North America and to a lesser degree Europe, where we've put up the highest growth rates year-to-date and we expect to through the full year. So, we feel like inventory is in really good shape. In fact, Korea, which has been our most challenged region, that inventory comped down 26% year-over-year. And that's in constant currency terms.

<Q – Pallav Saini – Canaccord Genuity, Inc.>: Got it. Thank you. And my second question is on the – so, you had some advanced wholesale orders this quarter. At what point – if the weather doesn't turn and if the sell-throughs, let's say, are slower than expected, at what point do you start to see any cancellation or slowdown in any re-order business during the season?

<A – Tim Boyle – Columbia Sportswear Co.>: Okay. So, the – we run the business on a future basis. So these advance orders were given to us sometime between November and March of last year – November of last year, March of this year. And we've shipped the bulk of them, and again we receive cancellations and re-orders every day. So the guidance we've given today really contemplates what we believe will happen as it relates to both of those new orders and cancellations.

<Q – Pallav Saini – Canaccord Genuity, Inc.>: Okay. Thank you.

Operator: Thank you. Our next question comes from the line of Lindsay Drucker Mann with Goldman Sachs. Please proceed with your question.

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

<A – Tim Boyle – Columbia Sportswear Co.>: Hey, how are you, Lindsay?

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: There's been some concerns raised by a couple of peers and other industry participants just about the state of the industry, inventory situation, maybe some deceleration in business, heading into October. Obviously your numbers are very strong. I was just hoping you could share some of your perspective on what you're seeing from a – as far as the bigger picture is concerned.

<A – Tim Boyle – Columbia Sportswear Co.>: Well, I'm actually quite optimistic about the business frankly. And I don't really see the deceleration. We end up in this sort of quasi-panic situation in October frequently when it's not minus 20 degrees as people expect. I really can't comment about our competitors. I can tell you our position, we believe, is strong and expanding.

And you have to remember, the results that we're showing today, our business has been under pressure over the last several years and we've been working diligently to improve through a number of different factors including better product, more marketing, et cetera. And so I think our results are frankly the results of an improved business and may not reflect – be reflective of the industry in total. But again, as it relates to the industry, I'm frankly quite encouraged.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Thanks. And I know that you're not giving 2016 guidance, but in prior third quarter updates, you had some visibility or – and actually in some instances given a lot more detail. Is there any light you could shed for us just on your feel for how some of your retail partners are thinking about 2016, maybe what some of the shop talk feels like or certain product innovations otherwise, just to give us a sense. Thanks.

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, the big product innovation for us for spring really globally was this OutDry Extreme, where we have a real disruptive rainwear product where we've moved the waterproof breathable membrane, which is really the functional part of a raincoat, to the exterior of the garment, as opposed to the interior. There's lots and lots of positive reasons for doing that. But at the end of the day, it's very distinctive and it has high performance.

So our business, I think, in North America and Europe direct is going to continue the momentum that we've seen, as well as our footwear business which has been really increasing fairly significantly. Our spring 2015 sell-through we managed was good and we have a division of the company – I'm saying division, I'm really talking about the PFG sub-brand, which frankly is not present by our other customers – other competitors that we have selling outerwear only, which is a spectacular product and growing rapidly. So, we haven't mentioned really spring 2016 much, there was lots of other good stuff to talk about in the quarter. So, that's my take on next year.

<Q – Lindsay Drucker Mann – Goldman Sachs & Co.>: Okay, great. And then just lastly on Europe, you guys have worked hard to turn that division around. And I was just curious as it relates to the continent, what inning you feel like you're in in terms of the turnaround when we can start to see that division accelerate maybe in terms of profit contribution?

<A – Tim Boyle – Columbia Sportswear Co.>: So, we really haven't started to guide on 2016 or beyond. But our expectations are that we'll have continued improvement there. We really have the right team in place led by Franco Fogliato, he's got a solid grasp on the business, and more opportunities come to us all the time. So, that's just going to continue to improve and I hope to be able to give you more guidance on when that will be black ink over there soon. But for me, it's really moving into the right direction.

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

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

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

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

<Q – John Kernan – Cowen & Co. LLC>: Hey guys. Congrats on a fantastic quarter, and thanks for taking my question.

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

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

<Q – John Kernan – Cowen & Co. LLC>: Going back to that European theme, when do you think some of the supply chain initiatives that you put in place and seen so much success on in the United States can start to translate over into improved international profitability?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. I think we're seeing the results frankly in the increased profitability in Europe with some of our supply chain initiatives even though we haven't put the final touches on it, and the final touches being described as installation of the SAP system into that market. But much of the learnings and the advances that we have in the supply chain and focus here has been – has resulted in improved business in Europe. We're not all the way there yet, but frankly, we're much of the way there just based on our current investments.

<Q – John Kernan – Cowen & Co. LLC>: Okay. Thanks. And just – you've got a pretty consistent history of beating the guidance you put out the past several years. Where do you think you're most conservative on the outlook for the fourth quarter?

<A – Tom Cusick – Columbia Sportswear Co.>: Boy. This is Tom. That one is a tough one to ask – I mean, to answer. When we look at what we're comping against, 25% organic growth in the U.S., 15% organic growth globally, we kind of have the perfect storm weather-wise in the fourth quarter of last year. So the comps are quite difficult. We plan the business for a normal winter. So if winter is like it was a year ago, the results will be better. So I guess we plan it as down the middle as we can and I think that's what you see in the guidance today.

<Q – John Kernan – Cowen & Co. LLC>: Okay. That's all I have. Thank you.

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

<Q – Susan Anderson – FBR Capital Markets & Co.>: Good evening. Congrats on a good quarter.

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

<Q – Susan Anderson – FBR Capital Markets & Co.>: I was wondering if you could talk about, it seems like you guys did a really good job on just offering more transitional products in the stores for early fall, which it seems like sold very well. Maybe if you could talk about just any difference this year versus last year? And then also if you could talk about just the difference in performance between the heavier outerwear and the lighter outerwear?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, I think in total, you have to remember that the company's product range is quite broad. So it goes all the way from lightweight shirts which were designed for years in tropical climates and arguably in Houston, Texas it's tropical all-year-round. So we've had great success in the Southern part of United States and in Central America and South America. And then, we have had good success with our lighter-weight garments, insulated garments, but we've also good success with our heavily insulated garments. And we – I think a big portion of that success was the fact that we placed the merchandize in stores earlier.

Early in the year, we can gain maybe a couple of, up to 3 percentage point of sell-through, even in a month as early as August or July, based on having the merchandize in the store, and frankly for our retailers it's just the most profitable sales period, when there is no discounting and actually we can observe trends there that help us to design future seasons' products. So, I think the fact that we delivered in a timely basis this year as opposed to prior periods has been helpful for our sell-through.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Got it. And are you guys – do you feel like you have the same penetration of the heavier outerwear this year or did you try and spread it across both heavy and light, given the potential for warmer weather?

<A – Tim Boyle – Columbia Sportswear Co.>: Yeah. I think it was about the same this year. I don't have the figures right in front of me to be specific about it, but I think it – in terms of the composition of the offering, it was about the same.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Got it. Okay. And then just one more question on Mountain Hardwear. It seems like it's finally starting to gain some momentum, maybe if you could give a little bit more color on just kind of what you guys are doing different there to drive that performance improvement?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, yeah, Mountain Hardwear has been under the category of a challenged brand for us. We had a good quarter this year in this quarter, but I wouldn't read too much into that. We still have a lot of heavy lifting to do there. We're searching for a new leader there. And Scott Kerslake, who is the President of prAna, has been helping us to manage the business on an interim basis. It's a great brand, it's got a tremendous following. It's very well-thought-of in the Alpinist community and those heavy users, and we just haven't been providing products that make the promise of that brand come alive. So, the focus for us over the next several months really is going to be on continuing to improve the product. And with new leadership we think we have – we have the right approach, and it's a great brand, well-thought-of, it will get better.

<Q – Susan Anderson – FBR Capital Markets & Co.>: Got it. Well, thanks so much. Good luck next quarter.

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

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

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

<A – Tim Boyle – Columbia Sportswear Co.>: You bet.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Can you just give a little more color on sort of why the retailers are taking shipments earlier? Is that something being driven from your end or do the retailers want the product flow to them earlier? And then is that also more transitional product and that's why they're taking it earlier?

<A – Tim Boyle – Columbia Sportswear Co.>: No, I think again, we want to make sure that investors view the back half of the business cycle as opposed to any particular quarter. We've continued to improve our logistics and delivery performance. So that we're delivering when retailers want it; in the past, we perhaps delivered three or four days later than what they wanted to start. So we're really talking about just a few days' difference – as well as those retailers, as I said, who want to get the most profitable advance order – excuse me, the most profitable sales period, which sometimes can be quite early in the year, in the summer.

So, we really didn't do anything differently this year, other than to focus on delivering the products when retailers wanted them on an exactly timely basis. So, that – but you really should look at the business from a first-half, second-half basis, especially as it relates to the outerwear business.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: Okay, got it. And then, looks like SOREL is performing really well, but I think Columbia Footwear is also growing, can you talk about some of the key drivers there?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well we have a couple of – as it relates to the Columbia Footwear business, we have a couple of very strong winter items, especially the Minx product, which has been really leading the charge on our winter product, but more importantly, we've had really high quality global sales of the company's trail footwear products. So, that's been one of the most gratifying improvements in the footwear business for Columbia, because it's a non-weather-sensitive business.

As it relates to SOREL, again, well-known as a winter-footwear brand, protective, and we've been transitioning to a real fashion business founded in the protection space, but really the fall business has been quite exceptional there, especially these wedges which have sold very, very well for us. So, we're pleased with the business. Obviously, as Tom said, we'll have a better performance than expected if we have an exceptionally cold winter, but we believe that we've given our best look at a complex business, and what the outcomes will be for the fourth quarter.

<Q – Rafe Jadrosich – Bank of America Merrill Lynch>: And then just last question from me, in terms of South Korea and Russia, two businesses that have been under a little bit of pressure, can you just talk about when those businesses might inflect and turn positive for you?

<A – Tim Boyle – Columbia Sportswear Co.>: Certainly. Well, as it relates to Korea, the industry there really expanded at an enormously rapid rate over the last 10 years and is now contracting. There are players leaving the industry, there are competitors departing the market. We are committed to being there, we have a new leadership there which is very focused on a high degree of profitability; and by the way, that business is profitable for us. But when it will be – when it will get back to the days of growing at a rapid pace and being highly profitable, I'm not sure yet, but it is a profitable business and our expectations are for continued improvements. We've made, as Tom mentioned, significant improvement on the inventory turns, we've reduced our reliance on old inventories, and that business is improving. And as it relates to the Russian business, it's really going to be a function frankly of the – what happens to the price of oil, and that's to be determined.

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

Operator: [Operator Instructions] Our next question comes from the line of Laurent Vasilescu with Macquarie. Please proceed with your question.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Thank you very much and congrats. Last October, you called out that you expected 2015 to be the second consecutive year of double-digit net sales growth. Has your visibility changed this October regarding the following year versus last October?

<A – Tom Cusick – Columbia Sportswear Co.>: Laurent, this is Tom. I guess how I would answer that is we gave our preliminary outlook for 2015 at this time a year ago, because of really the significant disconnect in our outlook – our internal outlook relative to the Street. Given we don't have that disconnect at this time, we've not provided a preliminary outlook for 2016, if I'm answering your question correctly.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Yes. That's very helpful. So then we can expect what guidance – what the Street has for next year then?

<A – Tom Cusick – Columbia Sportswear Co.>: We will be providing our 2016 outlook in our February earnings announcement.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. Fair enough. And then I think on an annual basis, it's been mentioned that DTC is 36% of your overall business. Can you provide some clarity around how much DTC contributes for the third and fourth quarters?

<A – Tom Cusick – Columbia Sportswear Co.>: Well, I don't have that detail in front of me, but I think it'd be fair to say that DTC is a higher percentage in the fourth quarter for certain than the full year. I don't have the third quarter in front of me, but certainly for the fourth quarter that would be the case.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. Great. And then, in terms of input costs, you're seeing leather go down, synthetics go down. Can you articulate how much of a benefit – your gross margin benefit from this quarter and should we see that magnitude increase over the next couple of quarters?

<A – Bryan Timm – Columbia Sportswear Co.>: This is Bryan. There is a lot of puts and takes in our gross margin in terms of what we expect. I would tell you that as it relates to spring 2016, and for that matter fall 2016, as Tom mentioned, we do see a little bit of pressure on the labor and overhead, just due to inflation in Asia. But that's more than offset by the commodity decreases that we're seeing, which is really a factor of oil down, synthetics of course being a derivative of the oil, and so that's where we see some good traction as it relates to both spring and fall for next year.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Great. And then my last question, I think you mentioned a few quarters ago that you guys are the number 58 duty payer in the United States. Now that we're one step closer to the Trans-Pacific Partnership, how should we think about the benefit in terms of gross – basis points for gross margin, if the TPP is enacted?

<A – Tim Boyle – Columbia Sportswear Co.>: Well. Yeah, I mean if TPP is enacted, which there is a question mark there, it will take several years before these savings will be visible frankly. So these savings will be additive over time and gradually reduced. So there will be obviously an important ultimate savings for the company, but more importantly, it signals to the rest of the world that we're interested in trade, and that's where we expect to be rewarded. It's just having a more level playing field globally for trade.

<Q – Laurent Vasilescu – Macquarie Capital (USA), Inc.>: Okay. Great. Congrats, again.

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

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

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

<Q – Corinna Freedman – BB&T Capital Markets>: Hi, good evening, guys. Let me add my congratulations.

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

<Q – Corinna Freedman – BB&T Capital Markets>: Quick question on SOREL. As you add outerwear this year and essentially have an untapped international market, could you maybe share with us the long-term vision for this brand, how big you think it could be and how meaningful it could be to the bottom line?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, we have a lot of discussions internally on this specific subject as you might imagine. And really the focus has been on improving and continuing to make our footwear business the leader. But there is a lot of opportunity in apparel and accessories and possibly even handbags. We constantly look at our biggest competitor in this space, which will be, again, north of \$1 billion. So, when you think about where we could be with this business, if we operate it properly, that's certainly something to shoot for. I don't believe that the outerwear component at that brand is as strong as it could be with SOREL, based on our

company's understanding of how to build outerwear. So we're still experimenting a bit, but frankly, I think there's lots of opportunity to expand the brand into categories which are very relevant to this.

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

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

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

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

<Q – Jay Sole – Morgan Stanley & Co. LLC>: Hey. I just want to follow-up on the DTC. Could you just talk about maybe your update on maybe store opening plans for 2016? And maybe, more importantly, how your website and everything you're doing from an e-commerce standpoint helps drive the wholesale business?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, let me – I'll talk about the e-com business and how important it is for our total business. And then maybe Tom can give you some specifics on the brick-and-mortar store openings. We were one of the last players in our space to actually have commerce business related to our website. And what we found that our traffic to the site increased dramatically. But frankly, our conversion rates are in the range of industry average, which means something like 97% of all people that visit get a very robust marketing message and view of the company and its products, and go somewhere else and buy the products.

So I think it's been very accretive to our marketing efforts as a wholesale business. So just by way of reference, we have direct e-com businesses in U.S., Canada, Japan, Korea, and almost every country in Europe. So we'll have – we'll continue to invest in that area of the business, because it's very accretive to the total brand building experience for the brand.

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. And Jay, on the new store openings, our plans for 2016 aren't locked yet, so I thought what I could do is just provide a brief update on 2015. So we will open 17 stores this year, 10 of those will be in the fourth quarter. They include 12 Columbia outlets, two SOREL stores, one PFG store and two prAna brand stores. And then in Europe, we will open four stores all in the back half; those are outlets in Western Europe. And then China, Korea, Japan are all, it's a bit different model there. The combination of owned and franchised, branded outlet and shop-in-shop, again franchised and owned, in that model we will open nine store – we will have opened nine stores exiting the year in China. We'll be net up 14 stores in Japan, and in Korea we'll be down about 17 stores, from 280 stores to 253 stores in Korea.

<Q – Jay Sole – Morgan Stanley & Co. LLC>: Okay. Got it. That's great. And then maybe just to follow up back up again on the e-commerce question, can you just talk about what you've done from a social media perspective in mobile just to enhance the overall e-commerce presentation that company makes to the consumer?

<A – Tim Boyle – Columbia Sportswear Co.>: Well, we have a very significant investment in that, and especially, led by our Directors of Toughness, which is a new investment for the company in this back half of 2015. I think a more robust description of what are our investments there could be had by our marketing department. I'm not as conversant as I should be probably with this. But I know that we've invested heavily there and the results have been quite good as it relates to the connection to our e-commerce business through social media.

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

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

<Q – Christian Buss – Credit Suisse Securities (USA) LLC (Broker)>: I was wondering if you could talk a little bit about how much the better execution on deliveries contributed to the revenue growth in the quarter, could you quantify that?

<A – Tom Cusick – Columbia Sportswear Co.>: Yeah. Christian, this is Tom. So, if you look at the percentage of our order book that we've delivered in Q3 this year versus last, it's about a \$40 million – it's a \$40 million plus increase year-over-year based on the order book this year.

<Q – Christian Buss – Credit Suisse Securities (USA) LLC (Broker)>: Okay. That's very helpful. And that does help you on the gross margin line as well, because you're not paying late payment penalties or anything like that, correct?

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

<Q – Christian Buss – Credit Suisse Securities (USA) LLC (Broker)>: That's very helpful. Thank you so much and best of luck.

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

Operator: And there are no further questions at this time. I'd like to turn the floor back to Tim Boyle for closing comments.

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

Well, thank you very much for listening in. We're excited about the progress the company has made towards our ultimate goal of exceptional performance in all fronts, and we look forward to talking to you at our next quarterly call.

Operator: This concludes 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 2015. 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.