

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 0-23939

COLUMBIA SPORTSWEAR COMPANY
(Exact name of registrant as specified in its charter)

Oregon 93-0498284

(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification Number)

6600 North Baltimore Portland, Oregon 97203

(Address of principal executive offices) (Zip Code)

(503) 286-3676

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange
Act of 1934 during the preceding 12 months (or for such shorter period
that the registrant was required to file such reports), and (2) has
been subject to such filing requirements for the past 90 days.

YES [X] NO []

The number of shares of Common Stock outstanding on June 30, 1999, was
25,290,664.

COLUMBIA SPORTSWEAR COMPANY

JUNE 30, 1999

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ITEM 1 - Financial Statements

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COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	June 30, 1999	December 31, 1998
	-----	-----
<S>	<C>	<C>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,578	\$ 6,777
Accounts receivable, net of allowance of \$3,309 and \$3,395, respectively	77,640	105,967
Inventories (Note 2)	107,991	74,059
Deferred tax asset	8,719	8,895
Prepaid expenses and other current assets	5,242	2,485
	-----	-----
Total current assets	204,170	198,183
Property, plant, and equipment, net	70,442	68,692
Intangibles and other assets	2,336	2,603
	-----	-----
Total assets	\$ 276,948	\$ 269,478
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Notes payable	\$ 39,131	\$ 34,727
Accounts payable	42,106	37,514
Accrued liabilities	14,167	16,236
Current portion of long-term debt	241	201
	-----	-----
Total current liabilities	95,645	88,678
Long-term debt	26,795	27,275
Deferred tax liability	4,105	4,111
	-----	-----
Total liabilities	126,545	120,064
Commitments and contingencies	-	-

Shareholders' Equity:		
Preferred stock; 10,000 shares authorized; none issued and outstanding	-	-
Common stock; 50,000 shares authorized; 25,291 and 25,267 issued and outstanding	125,219	124,990
Retained earnings	32,284	32,282
Accumulated other comprehensive income	(3,204)	(3,478)
Unearned portion of restricted stock issued for future services	(3,896)	(4,380)
	-----	-----
Total shareholders' equity	150,403	149,414
	-----	-----
Total liabilities and shareholders' equity	\$ 276,948	\$ 269,478
	=====	=====

See accompanying notes to condensed consolidated financial statements

</TABLE>

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COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Net sales	\$ 71,416	\$ 67,177	\$ 160,630	\$ 142,115
Cost of sales	40,116	38,794	96,716	84,795
	-----	-----	-----	-----
Gross profit	31,300	28,383	63,914	57,320
Selling, general, and administrative	30,659	26,647	62,247	54,977
	-----	-----	-----	-----
Income from operations	641	1,736	1,667	2,343
Interest expense, net	1,037	784	1,663	1,222
	-----	-----	-----	-----
Income (loss) before income tax	(396)	952	4	1,121
Income tax expense (benefit) (Note 3)	(158)	388	2	(1,544)
	-----	-----	-----	-----
Net income (loss) (Note 6)	\$ (238)	\$ 564	\$ 2	\$ 2,665
	=====	=====	=====	=====

Net income (loss) per share (Note 4):

Basic	\$ (0.01)	\$ 0.02	\$ 0.00	\$ 0.12
Diluted	\$ (0.01)	\$ 0.02	\$ 0.00	\$ 0.12
Weighted average shares outstanding :				
Basic	25,291	25,236	25,286	22,205
Diluted	25,515	25,622	25,515	22,590

See accompanying notes to condensed consolidated financial statements

</TABLE>

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<TABLE>

<CAPTION>

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	1999	1998
<S>	<C>	<C>
Cash Flows From Operating Activities:		
Net income	\$ 2	\$ 2,665
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	5,700	3,668
Non-cash compensation	484	485
Loss on disposal of property, plant, and equipment	34	41
Deferred income tax provision	170	(4,500)
Changes in operating assets and liabilities:		
Accounts receivable	27,238	4,226
Inventories	(34,419)	(60,370)
Prepaid expenses and other current assets	(2,809)	(553)
Intangibles and other assets	79	(908)
Accounts payable	5,096	35,446
Accrued liabilities	(1,969)	179
Net cash used in operating activities	(394)	(19,621)
Cash Flows From Investing Activities:		
Additions to property, plant, and equipment	(7,386)	(22,529)
Proceeds from sale of property, plant, and equipment	12	98
Net cash used in investing activities	(7,374)	(22,431)
Cash Flows From Financing Activities:		
Net borrowings on notes payable	5,908	30,290
Repayment on long-term debt	(440)	(76)
Proceeds from options exercised	229	102
Proceeds from initial public offering	-	107,934
Distributions paid to shareholders	-	(95,128)
Net cash provided by financing activities	5,697	43,122
Net Effect of Exchange Rate Changes on Cash	(128)	96
Net Increase (Decrease) in Cash and Cash Equivalents	(2,199)	1,166
Cash and Cash Equivalents, Beginning of Period	6,777	4,001
Cash and Cash Equivalents, End of Period	\$ 4,578	\$ 5,167

See accompanying notes to condensed consolidated financial statements
</TABLE>

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COLUMBIA SPORTSWEAR COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared by the management of Columbia Sportswear Company (the Company) and in the opinion of management contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Company's financial position as of June 30, 1999, and the results of operations for the three months and six months ended June 30, 1999 and 1998 and of cash flows for the six months ended June 30, 1999 and 1998. It should be understood that accounting measurements at interim dates inherently involve greater reliance on estimates than at year end. The results of operations for the three months and six months ended June 30, 1999 are not necessarily indicative of the results to be expected for the full year.

Certain information and footnote disclosures normally included in financial

statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998.

Certain reclassifications of amounts reported in the prior period financial statements have been made to conform to classifications used in the current period financial statements.

NOTE 2. INVENTORIES

Inventories consist of the following (in thousands):

<TABLE>
<CAPTION>

	June 30, 1999	December 31, 1998
	-----	-----
<S>	<C>	<C>
Raw materials	\$ 5,351	\$ 4,071
Work in process	16,417	5,576
Finished goods	86,223	64,412
	-----	-----
	\$ 107,991	\$ 74,059
	=====	=====

</TABLE>

NOTE 3. INCOME TAXES

Prior to the Company's initial public offering completed on April 1, 1998, the Company operated as an "S" corporation, and as a result was not subject to federal or most state income taxes. In connection with the public offering, the Company terminated its "S" corporation status. As a result, the Company is now subject to federal and state income taxes. The Company recognized a non-recurring, non-cash benefit of approximately \$2 million to earnings in the first quarter of 1998 to record deferred income taxes for the tax effect of cumulative temporary differences between financial statement and income tax bases of the Company's assets and liabilities.

NOTE 4. NET INCOME PER SHARE

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," requires dual presentation of basic and diluted earnings per share ("EPS"). Basic EPS is based on the weighted average number of common shares outstanding. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

There were no adjustments to net income in computing diluted net income per share for the three months and six months ended June 30, 1999 and 1998. A reconciliation of the common

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shares used in the denominator for computing basic and diluted net income per share is as follows:

<TABLE>
<CAPTION>

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	-----	-----	-----	-----
<S>	1999	1998	1999	1998
	<C>	<C>	<C>	<C>
Weighted average common shares outstanding, used in computing basic net income (loss) per share	25,291	25,236	25,286	22,205
Effect of dilutive stock options		224	386	229
		-----	-----	-----
		385	385	385

Weighted-average common shares outstanding, used in computing diluted net income (loss) per share	25,515	25,622	25,515	22,590
---	--------	--------	--------	--------

Net income (loss) per share of common stock:

Basic and diluted	\$ (0.01)	\$ 0.02	\$ 0.00	\$ 0.12
-------------------	-----------	---------	---------	---------

</TABLE>

NOTE 5. SEGMENT INFORMATION

The Company operates in one industry segment: the design, production, marketing and selling of active outdoor apparel, including outerwear, sportswear, rugged footwear, and accessories. The geographic distribution of the Company's net sales, income (loss) before income tax, and identifiable assets are summarized in the following table (in thousands). Inter-geographic net sales, which are recorded at a negotiated mark-up and eliminated in consolidation, are not material.

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
	<C>	<C>	<C>	<C>
Net sales to unrelated entities:				
United States	\$ 53,157	\$ 55,679	\$ 116,478	\$ 115,640
Canada	6,565	4,238	13,757	8,791
Other International	11,694	7,260	30,395	17,684
	\$ 71,416	\$ 67,177	\$ 160,630	\$ 142,115

Income (loss) before income tax:

United States	\$ 957	\$ 3,939	\$ 1,031	\$ 4,915
Canada	1,055	258	2,331	332
Other International	(1,583)	(1,781)	(1,458)	(2,224)
Less interest and other income (expense) and eliminations		(825)	(1,464)	(1,900)
	\$ (396)	\$ 952	\$ 4	\$ 1,121

</TABLE>

<TABLE>
<CAPTION>

	June 30, 1999	December 31, 1998
	<C>	<C>
Assets:		
United States	\$ 269,238	\$ 247,125
Canada	15,714	16,696
Other international	26,223	33,571
	311,175	297,392
Eliminations	(34,227)	(27,914)
	\$ 276,948	\$ 269,478

</TABLE>

NOTE 6. COMPREHENSIVE INCOME

The schedule detailing the components of comprehensive income is as follows:

<TABLE>

<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,		
	1999	1998	1999	1998	
<S>	<C>	<C>	<C>	<C>	
Net income (loss)	\$	(238) \$	564 \$	2 \$	2,665
Foreign currency translation adjustments		380	(25)	326	468
Accumulated derivative loss		(52)	-	(52)	-
Comprehensive income	\$	90 \$	539 \$	276 \$	3,133

</TABLE>

NOTE 7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As part of the Company's risk management programs, the Company uses or used a variety of financial instruments, including foreign currency option and forward exchange contracts. The Company does not hold or issue derivative financial instruments for trading purposes.

Effective April 1, 1999, the Company adopted SFAS No. 133 - "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 requires that all derivative financial instruments, such as foreign exchange contracts, be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity (as a component of comprehensive income). The adoption of SFAS No. 133 did not have a material effect on the Company's primary financial statements, but did decrease comprehensive income by \$0.1 million for the quarter ended June 30, 1999.

Foreign Currency Exchange Risk Management

The Company uses a combination of foreign currency option and forward exchange contracts to hedge against the currency risk associated with Japanese yen, Canadian dollar and European euro denominated firmly committed and anticipated transactions for the next twelve months.

The Company accounts for these instruments as cash flow hedges. In accordance with SFAS No. 133, such financial instruments are marked-to-market with the offset to other comprehensive income and then subsequently recognized as a component of gross margin when the underlying transaction is recognized. The Company measures hedge effectiveness of foreign currency option and forward exchange contracts based on the forward price of the underlying commodity. Hedge ineffectiveness was not material during the quarter ended June 30, 1999.

At June 30, 1999, the Company had foreign currency option and forward exchange contracts outstanding with an aggregate notional amount of approximately \$10.0 million and \$21.3 million, respectively. The fair value of these instruments is negligible as of June 30, 1999 and has been recorded in accounts receivable with the offset to other comprehensive income and earnings. The fair value of these instruments will be recognized in earnings within the next twelve months.

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ITEM 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward Looking Statements

The statements in this report concerning certain expected future expenses as a percentage of net sales, future financing and working capital requirements and availability, and the Year 2000 issue constitute forward - looking statements that are subject to risks and uncertainties. These risks could cause actual results or activities to differ materially from those expected. Factors that could adversely affect selling, general and administrative expense as a percentage of net sales include, but are not limited to, increased competitive factors (including increased competition, new product offerings by competitors

and price pressures), unfavorable seasonal differences in sales volume, changes in consumer preferences, as well as an inability to increase sales to department stores or to open and operate new concept shops on favorable terms. Other factors could include a failure to manage growth effectively and unavailability of independent manufacturing, labor or supplies at reasonable prices. In addition, unfavorable business conditions, disruptions in the outerwear, sportswear and rugged footwear industries or changes in the general economy could have adverse effects. Factors that could materially affect future financing requirements include, but are not limited to, the ability to obtain additional financing on acceptable terms. Factors that could materially affect future working capital requirements include, but are not limited to, the factors listed above and the industry factors and general business conditions noted above. Factors that could materially affect the Year 2000 issue include, but are not limited to, unanticipated costs associated with any required modifications to the Company's computer systems and associated software, failures of external systems of suppliers, business partners or governmental agencies.

Results of Operations

The following table sets forth, for the periods indicated, selected Company income statement data expressed as a percentage of net sales.

<TABLE>
<CAPTION>

	Quarter Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	56.2	57.7	60.2	59.7
Gross profit	43.8	42.3	39.8	40.3
Selling, general and administrative expense	42.9	39.7	38.8	38.7
Income from operations	0.9	2.6	1.0	1.6
Interest expense, net	1.5	1.2	1.0	0.9
Income (loss) before income tax	(0.6)	1.4	0.0	0.8
Income tax expense (benefit)	(0.2)	0.6	0.0	(1.1)
Net income (loss)	(0.3)%	0.8%	0.0%	1.9%

</TABLE>

Three Months Ended June 30, 1999 Compared to Three Months Ended June 30, 1998

Net sales: Net sales increased 6.3% to \$71.4 million for the three month period ended June 30, 1999 from \$67.2 million for the comparable period in 1998. Domestic sales decreased 4.3% to \$53.2 million for the three month period ended June 30, 1999 from \$55.6 million for the comparable period in 1998. Net international sales, excluding Canada, increased 60.3% to \$11.7 million for the three month period ended June 30, 1999 from \$7.3 million for the comparable period in 1998. Canadian net sales increased 57.1% to \$6.6 million for the three month period ended June 30, 1999 from \$4.2 million for the comparable period in 1998. These increases were primarily attributable to increased sales of spring sportswear and footwear units predominately in Europe and Canada.

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Gross Profit: Gross profit as a percentage of net sales was 43.8% for the three months ended June 30, 1999 compared to 42.3% for the comparable period in 1998. The increase in gross margin was due to increased European sales of spring product, which generally have a higher gross profit margin than domestic spring margin, and strong reorders of domestic spring product resulting in minimal close-outs during the three months ended June 30, 1999.

Selling, General and Administrative Expense: Selling, general, and administrative expense increased 15.4% to \$30.7 million for the three months ended June 30, 1999 from \$26.6 million for the comparable period in 1998, primarily as a result of an increase in variable selling and operating expenses to support the higher level of sales and the additional depreciation expense attributable to the continuing investment in global infrastructure. As a percentage of sales, selling, general, and administrative expenses increased to 42.9% for the three months ended June 30, 1999 from 39.7% for the comparable period in 1998, reflecting the additional depreciation associated with the recent capitalization of the distribution center expansion and enterprise

information system. The Company believes that in the longer term it will be able to leverage selling, general, and administrative expense as a percentage of sales as its international operations become more established and its sportswear and footwear sales expand.

Interest Expense: Interest expense increased by 32.3% for the three months ended June 30, 1999 from the comparable period in 1998. The increase was attributable to the issuance of long-term senior promissory notes in the third quarter of 1998 to finance the expansion of the domestic distribution center coupled with less interest being capitalized due to the completion of the distribution center and enterprise information system installations.

Six Months Ended June 30, 1999 Compared to Six Months Ended June 30, 1998

Net sales: Net sales increased 13.0% to \$160.6 million for the six month period ended June 30, 1999 from \$142.1 million for the comparable period in 1998. Domestic sales increased 0.8% to \$116.5 million for the six month period ended June 30, 1999 from \$115.6 million for the comparable period in 1998. Net international sales, excluding Canada, increased 71.8% to \$30.4 million for the six month period ended June 30, 1999 from \$17.7 million for the comparable period in 1998. Canadian net sales increased 56.8% to \$13.8 million for the six month period ended June 30, 1999 from \$8.8 million for the comparable period in 1998. These increases were primarily attributable to increased sales of spring sportswear and footwear units predominately in Europe and Canada.

Gross Profit: Gross profit as a percentage of net sales was 39.8% for the six months ended June 30, 1999 compared to 40.3% for the comparable period in 1998. The decrease in gross margin was due to increased domestic sales of fall carryover close-out products, reduced domestic sales of current fall products and a higher portion of lower margin sportswear and footwear sales during the six months ended June 30, 1999 when compared to the prior year.

Selling, General and Administrative Expense: Selling, general, and administrative expense increased 13.1% to \$62.2 million for the six months ended June 30, 1999 from \$55.0 million for the comparable period in 1998, primarily as a result of an increase in variable selling and operating expenses to support the higher level of sales and additional depreciation expense related to the continuing investment in global infrastructure. As a percentage of sales, selling, general, and administrative expenses increased slightly to 38.8% for the six months ended June 30, 1999 from 38.7% for the comparable period in 1998, reflecting the additional depreciation from the remaining components of the distribution center expansion and enterprise information system being capitalized in the first six months of 1999. The Company believes that in the longer term it will be able to leverage selling, general, and administrative expense as a percentage of sales as its international operations become more established and its sportswear and footwear sales expand.

Interest Expense: Interest expense increased by 36.1% for the six months ended June 30, 1999 from the comparable period in 1998. The increase was attributable to the issuance of long-term senior promissory notes in the third quarter of 1998 to finance the expansion of the

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domestic distribution center and the reduction in capitalized interest following completion of the distribution center and enterprise information system.

Seasonality of Business

The Company's business is impacted by the general seasonal trends that are characteristic of many companies in the outdoor apparel industry in which sales and profits are highest in the third calendar quarter. The Company's products are marketed on a seasonal basis, with a product mix weighted substantially toward the fall season. Results of operations in any period should not be considered indicative of the results to be expected for any future period. The sale of the Company's products is subject to substantial cyclical fluctuation or impact from unseasonal weather conditions. Sales tend to decline in periods of recession or uncertainty regarding future economic prospects that affect consumer spending, particularly on discretionary items. This cyclical nature and any related fluctuation in consumer demand could have a material adverse effect on the Company's results of operations and financial condition.

Liquidity and Capital Resources

The Company's primary ongoing funding requirements are to finance working capital and continued growth of the business. At June 30, 1999, the Company had total cash equivalents of \$4.6 million compared to \$5.2 million at June 30, 1998. Cash used in operating activities was \$0.4 million for the six months ended June 30, 1999 and \$19.6 million for the comparable period in 1998. This decrease was primarily due to a decrease in accounts receivable which provided additional cash to fund the Company's first six months of operations in 1999.

The Company's primary capital requirements are for working capital, investing activities associated with expansion of its distribution center, information systems development and general corporate needs. Net cash used in investing activities was \$7.4 million for the six months ended June 30, 1999 and \$22.4 million for the comparable period in 1998 as a result of decreasing capital investment and completion of the enterprise information system installation and distribution center expansion.

Cash provided by financing activities was \$5.7 million for the six months ended June 30, 1999 compared to \$43.1 million for the comparable period in 1998. The decrease in net cash provided by financing activities was primarily due to repayments of short-term borrowings.

To fund its working capital requirements, the Company has available unsecured revolving lines of credit with aggregate seasonal limits ranging from approximately \$113 to \$133 million. As of June 30, 1999, \$14.1 million was outstanding under these lines of credit. Additionally, the Company maintains credit agreements in order to provide the Company unsecured lines of credit with a combined limit of approximately \$105 million available as an import line of credit for issuing documentary letters of credit.

In connection with current capital projects, the Company entered into a note purchase agreement on August 11, 1998. Pursuant to the note purchase agreement, the Company issued senior promissory notes in the aggregate principal amount of \$25 million, bearing an interest rate of 6.68% and maturing August 11, 2008. Proceeds from the notes have been used to finance the expansion of the Company's distribution center in Portland, Oregon. Up to an additional \$15 million in shelf notes may be issued under the note purchase agreement.

Year 2000 Compliance

The Company has made extensive efforts over the past several years to upgrade or replace all enterprise level software and hardware platforms. A part of the selection criteria for new software and hardware systems is global software support and Year 2000 compliance. The Company has replaced its management information system with an enterprise system that integrates Electronic Data Interchange (EDI) and inventory management capabilities and will address the Year 2000 issue on all core Company business systems. These include, but are not limited to, purchasing, manufacturing, inventory management, distribution, sales order processing, and financial

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applications. The Company has other ancillary systems such as sales reporting, product development, retail, merchandising and design that are in the process of being modified or scheduled to be modified as required to address Year 2000 issues by the end of the third quarter. Desktop productivity systems, networking and communications are also integral to the Company's operations and have been surveyed for Year 2000 compliance. Non-compliant components and software have been upgraded or replaced in approximately ninety percent (90%) of the Company's worldwide desktop computer inventory. The remaining non-compliant hardware and software is on schedule to be upgraded or replaced by the end of the third quarter. Non-information technology systems such as Company-owned manufacturing equipment, office equipment and local office telephone systems have been assessed for related Year 2000 risks and are currently being updated and/or replaced. The Company has passed the National Retail Federation (NRF) survival 2000 project test and is listed on the NRF website. The majority of the Company's product sourcing is performed through independent manufacturers primarily in Southeast Asia. The Company has surveyed its key suppliers and the preliminary results indicate that the Year 2000 issue will not impact the Company's ability to effectively source its products.

The Company's enterprise management information systems were implemented primarily to improve its business processes rather than solely to address Year 2000 compliance issues. The costs associated with bringing the Company's ancillary, desktop productivity, networking, communication and non-information

technology systems into Year 2000 compliance have been assessed and the Company estimates that expenditures for the project will be approximately \$0.9 million for the year ended December 31, 1999, of which \$0.2 million has been incurred as of June 30, 1999, with costs being paid out of working capital. This estimate, based on currently available information, will be updated as the Company continues its assessment and proceeds with implementation and testing, and may require further revision.

The Company has undergone what it believes is a reasonable and thorough review of Year 2000 issues on its operations, liquidity and financial condition and identified the related issues and risks. As a result of this review, the Company believes no identified issues or reasonably foreseeable circumstances should have a material effect on the Company.

The most reasonable likely worst case scenario facing the Company regarding Year 2000 compliance is the inability of purportedly compliant software or systems to perform as intended. A corporate Year 2000 steering committee developed a contingency plan strategy which identifies critical business processes and systems and their associated risks to and impact on the Company. A comprehensive contingency plan drafted from this strategy will be in place by the end of the third quarter. The Company will continue to take appropriate measures to assure that its operating systems are prepared for Year 2000 related issues. It should be understood that the Company is reliant on many external parties and their related systems which could affect the Company's ability to meet possible eventualities. Such external entities include, but are not limited to, certain United States and foreign governmental agencies, material suppliers, and product manufacturers as well as service providers such as freight forwarders, transportation, and utilities companies.

Euro Currency Conversion

On January 1, 1999, the euro was adopted as the national currency of these participating European Union ("EU") countries - Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain. The Company has committed resources to conduct risk assessments and to take corrective actions, where required, to ensure that the enterprise information system is not adversely affected by the implementation of the euro. The Company is undertaking a review of the euro implementation both in participating and non-participating EU countries where it has operations. Progress regarding euro implementation is reported periodically to management.

The Company has not experienced any significant operational disruptions to date and does not expect the continued implementation of the euro to cause any significant operational disruptions. In addition, the Company has not incurred and does not expect to incur any significant costs

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from the continued implementation of the euro which could materially affect the Company's liquidity or capital resources.

ITEM 3 - Quantitative and Qualitative Disclosures about Market Risk

Not Applicable

PART II. OTHER INFORMATION

ITEM 4 - Submission of Matters to a Vote of Security Holders

The Company held its Annual Meeting of Shareholders on June 9, 1999 where the following matters were submitted to a vote of the shareholders, with the results set forth below:

1. Election of six directors to serve until the 2000 Annual Meeting of Shareholders or until their respective successors are duly qualified and elected:

<TABLE>

<CAPTION>

	In Favor -----	Withheld or Abstained -----
<S> Gertrude Boyle	<C> 23,976,196	<C> 29,634

Timothy P. Boyle	23,977,761	28,069
Sarah Bany	23,976,036	29,794
John Stanton	23,981,751	24,079
Edward S. George	23,981,971	23,859
Murrey R. Albers	23,976,961	28,869

2. Approval of the Company's Employee Stock Purchase Plan:

In Favor	Opposed	Abstained and Broker Nonvotes
-----	-----	-----
23,869,850	55,395	80,585

3. Approval of the Company's Executive Incentive Compensation Plan:

In Favor	Opposed	Abstained and Broker Nonvotes
-----	-----	-----
23,814,287	165,610	25,933

ITEM 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

10.1 Third Amendment to Credit Agreement dated June 30, 1999 between Wells Fargo Bank National Association and Columbia Sportswear Company.

10.2 The 1999 Employee Stock Purchase Plan, as amended.

10.3 Executive Incentive Compensation Plan.

27.1 Financial Data Schedule.

(b) Reports on Form 8-K

None.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COLUMBIA SPORTSWEAR COMPANY

Date: August 10, 1999

PATRICK D. ANDERSON

Patrick D. Anderson
Chief Financial Officer and
Authorized Officer

THIRD AMENDMENT TO CREDIT AGREEMENT

THIS THIRD AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of June 30, 1999, by and between COLUMBIA SPORTSWEAR COMPANY, an Oregon corporation ("Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

WHEREAS, Borrower is currently indebted to Bank pursuant to the terms and conditions of that certain Credit Agreement between Borrower and Bank dated as of July 31, 1997, as amended from time to time ("Credit Agreement").

WHEREAS, Bank and Borrower have agreed to certain changes in the terms and conditions set forth in the Credit Agreement and have agreed to amend the Credit Agreement to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Credit Agreement shall be amended as follows:

1. The definition of "Available Credit" is amended to read as follows:

""Available Credit" means, at any time, the amount by which the aggregate of the outstanding principal amount of the Loans at such time is less than (a) \$70,000,000.00 during the period of August 1, 1999, through December 15, 1999, and (b) \$50,000,000.00 at all other times from the date of this Agreement through the Maturity Date."

2. The definition of "Maturity Date" is amended to read as follows:

""Maturity Date" means June 30, 2000."

3. The first sentence of Section 2.1(a) is amended to read as follows:

"(a) On the terms and subject to the conditions contained in this Agreement, Bank agrees to make loans (each a "Loan") to Borrower from time to time until the Maturity Date in an aggregate amount not to exceed at any time outstanding (i) \$70,000,000.00

during the period of August 1, 1999 through December 15, 1999, and (ii) \$50,000,000.00 at all other times from the date of this Agreement through the Maturity Date."

4. The Note, a form of which is attached to the Credit Agreement as Exhibit A, shall be amended, replaced and superseded by a promissory note in the form of Exhibit A hereto, which note Borrower shall execute contemporaneously with the execution of this Amendment.

5. Except as specifically provided herein, all terms and conditions of the Credit Agreement remain in full force and effect, without waiver or modification. All terms defined in the Credit Agreement shall have the same meaning when used in this Amendment. This Amendment and the Credit Agreement shall be read together, as one document.

6. Borrower hereby remakes all representations and warranties contained in the Credit Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment there exists no Event of Default as defined in the Credit Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY BANK AFTER OCTOBER 3, 1989 CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY BANK TO BE ENFORCEABLE.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

WELLS FARGO BANK,
COLUMBIA SPORTSWEAR COMPANY NATIONAL ASSOCIATION

By: _____ By: _____
Title: James L. Franzen
Vice President

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EXHIBIT A

REVOLVING LOANS PROMISSORY NOTE

\$70,000,000.00

June 30, 1999

FOR VALUE RECEIVED, the undersigned, COLUMBIA SPORTSWEAR COMPANY, an Oregon corporation ("Borrower"), hereby promises to pay to the order of Wells Fargo Bank, National Association ("Bank") on the Maturity Date the principal sum of Seventy Million Dollars (\$70,000,000.00), or such lesser amount as shall equal the aggregate outstanding principal balance of all Loans made by Bank to Borrower pursuant to the Credit Agreement referred to below.

This promissory note is the Note referred to in, and subject to the terms of, that certain Credit Agreement between Borrower and Bank dated as of July 31, 1997, as amended, modified, restated or supplemented from time to time (the "Credit Agreement"). Capitalized terms used herein shall have the respective meanings assigned to them in the Credit Agreement.

Borrower further promises to pay interest on the outstanding principal balance hereof at the interest rates, and payable on the dates, set forth in the Credit Agreement. All payments of principal and interest hereunder shall be made by Bank at Bank's office in lawful money of the United States and in same day or immediately available funds.

Bank is authorized but not required to record the date and amount of each advance made hereunder, the date and amount of each payment of principal and interest hereunder, and the resulting unpaid principal balance hereof, in Bank's internal records, and any such recordation shall be prima facie evidence of the accuracy of the information so recorded; provided however, that Bank's failure to so record shall not limit or otherwise affect Borrower's obligations hereunder and under the Credit Agreement to repay the principal hereof and interest hereon.

The Credit Agreement provides, among other things, for acceleration (which in certain cases shall be automatic) of the maturity hereof upon the occurrence of certain stated events, in each case without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Borrower.

In the event of any conflict between the terms of this promissory note and the terms of the Credit Agreement, the terms of the Credit Agreement shall control.

This promissory note shall be governed by and construed in accordance with the laws of the State of Oregon.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY BANK AFTER OCTOBER 3, 1989 CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY BANK TO BE ENFORCEABLE.

COLUMBIA SPORTSWEAR COMPANY

By: _____

Title: _____

COLUMBIA SPORTSWEAR COMPANY(R)
1999 EMPLOYEE STOCK PURCHASE PLAN

ARTICLE I-PURPOSE

- 1.01. Purpose

ARTICLE II-DEFINITIONS

- 2.01. Compensation
2.02. Eligible Employee
2.03. Subsidiary Corporation
2.04. Offerings

ARTICLE III-ELIGIBILITY AND PARTICIPATION

- 3.01. Initial Eligibility.
3.02. Commencement of Participation
3.03. Restrictions on Participation.

ARTICLE IV-OFFERINGS

- 4.01. Quarterly Offerings.

ARTICLE V-PAYROLL DEDUCTIONS

- 5.01. Amount of Deduction.
5.02. Participant's Account.
5.03. Changes in Payroll Deductions.
5.04. Leave of Absence.

ARTICLE VI-GRANTING OF OPTIONS

- 6.01. Number of Option Shares.
6.02. Purchase Price.

ARTICLE VII-EXERCISE OF OPTIONS

- 7.01. Automatic Exercise.
7.02. Withdrawal of Account.
7.03. Fractional Shares.

ARTICLE VIII-WITHDRAWAL

- 8.01. In General.
8.02. Effect on Subsequent Participation.
8.03. Termination of Employment.
8.04. Leave of Absence

ARTICLE IX-INTEREST

- 9.01. Payment of Interest

ARTICLE X-STOCK

- 10.01. Maximum Shares.
10.02. Participant's Interest in Option Stock.
10.03. Registration of Stock.
10.04. Restrictions on Exercise.

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ARTICLE XI-ADMINISTRATION

- 11.01. Administration of the Plan.

ARTICLE XII-CUSTODIANSHIP

- 12.01. Delivery and Custody of Shares
12.02. Records and Statements

ARTICLE XIII-MISCELLANEOUS

- 13.01. Transferability.
13.02. Use of Funds
13.03. Adjustment Upon Changes in Capitalization.
13.04. Effective Date.
13.05. No Employment Rights.
13.06. Governing Law.
13.07. Expense of the Plan.
13.08. Dividends and Other Distributions.
13.09. Voting and Shareholder Communications.
13.10. Tax Withholding.
13.11. Responsibility and Indemnity.
13.12. Conditions and Approvals.
13.13. Amendment of the Plan.
13.14. Termination of the Plan.

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ARTICLE I-PURPOSE

- 1.01. Purpose.

Columbia Sportswear Company's Employee Stock Purchase Plan is intended to provide a method whereby employees of the Company and its subsidiary corporations (hereinafter referred to as the "Company") will have an opportunity

to acquire a proprietary interest in the Company through the purchase of shares of the Common Stock of the Company. It is the intention of the Company to have the Plan qualify as an "employee stock purchase plan" under ss.423 of the Internal Revenue Code of 1986 as amended (the "Code"). The provisions of the Plan shall be construed so as to extend and limit the operation of the Plan in a manner consistent with the requirements of that section of the Code.

ARTICLE II-DEFINITIONS

2.01. Compensation

"Compensation" shall mean regular cash Compensation including salary, cash bonuses, payments in lieu of vacation, sick leave and commissions, but excluding severance pay, relocation bonuses, expense reimbursements, stock options or any other special payments.

2.02. Eligible Employee

"Eligible Employee" means any employee of the Company or a Subsidiary Corporation:

- (a) whose customary employment is for twenty (20) or more hours per week and more than five (5) months per year, and
- (b) who is a citizen of a country whose laws do not prohibit corporations of other countries from granting stock options to its citizens.

2.03. Subsidiary Corporation

"Subsidiary Corporation" shall mean any present or future corporation which:

- (a) would be a "subsidiary corporation" of Company, as that term is defined in ss.424(f) of the Code, and
- (b) is a domestic "subsidiary corporation" incorporated under the laws of any state, or
- (c) if not a domestic corporation, is designated as a Subsidiary Corporation by the Board of Directors.

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2.04. Offerings

- a) "Offerings" shall mean the quarterly offerings of the Company's Common Stock as described in Article IV.
- b) "Offering Commencement Date" shall mean the first day of January, April, July, or October, as the case may be, on which the particular Offering begins, as described in Article IV.
- c) "Offering Termination Date" shall mean December 31, March 31, June 30, or September 30 as the case may be, on which the particular Offering terminates, as described in Article IV.

ARTICLE III-ELIGIBILITY AND PARTICIPATION

3.01. Initial Eligibility.

Any Eligible Employee who has completed ninety (90) days' employment and is employed by the Company on the date his or her participation in the Plan is to become effective may participate in Offerings under the Plan which commence on or after the last day of such ninety (90) day period; provided, however, that the Board of Directors may decrease or increase (up to two years) this minimum requirement for any future Offering.

3.02. Commencement of Participation.

An Eligible Employee may become a participant in an Offering under the Plan by

filing with the Company no later than 10 days prior to the Offering Date, on forms furnished by the Company, a subscription and payroll deduction authorization. Once filed, a subscription and payroll deduction authorization shall remain in effect for subsequent Offerings unless amended or terminated. Payroll deductions for a participant shall commence on the applicable Offering Commencement Date and shall end on the Offering Termination Date of the Offering to which such authorization is applicable, unless sooner terminated by the participant as provided in Article VIII.

3.03. Restrictions on Participation.

Notwithstanding any provisions of the Plan to the contrary, no employee shall be granted an option to participate in the Plan:

- (a) if, immediately after the grant, such employee would own stock, and/or hold outstanding options to purchase stock, possessing 5% or more of the total combined voting power or value of all classes of stock of the Company (for purposes of this paragraph, the rules of ss.424(d) of the Code shall apply in determining stock ownership of any employee); or
- (b) which would allow an employee's right to purchase shares under all stock purchase plans of the Company and its partners and subsidiaries to which Section 423 of the Code applies to accrue at a rate that exceeds \$15,000 in fair market value of the stock (determined at the time such option is granted) for each calendar year in which such option is outstanding.

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ARTICLE IV-OFFERINGS

4.01. Quarterly Offerings.

The Plan will be implemented and operated through quarterly offerings of the Company's Common Stock (the "Offerings"). The initial Offerings in 1999 shall commence on the first day of July and October 1999 and terminate on September 30, and December 31 respectively. Thereafter, Offerings will begin on the 1st day of January, April, July, and October each year and terminate on March 31, June 30, September 30 and December 31, respectively. As used in the Plan, "Offering Commencement Date" means the first day of January, April, July, or October, as the case may be, on which the particular Offering begins and "Offering Termination Date" means the March 31, June 30, September 30 or December 31, as the case may be, on which the particular Offering terminates.

ARTICLE V-PAYROLL DEDUCTIONS

5.01. Amount of Deduction.

At the time a participant files his or her authorization for payroll deduction, he or she shall elect to have deductions made from his or her pay on each payday during the time he or she is a participant in an Offering at the rate of any whole percentage, from 1% to 15% of his or her Compensation in effect during each pay period subject to the maximum dollar limitations set forth in ss.3.03(b).

5.02. Participant's Account.

All payroll deductions made for a participant shall be credited to his or her account under the Plan.

5.03. Changes in Payroll Deductions.

A participant may discontinue his or her participation in the Plan as provided in Article VIII, but no other change can be made during an Offering.

5.04. Leave of Absence.

If a participant goes on a leave of absence authorized by the Company after the

Offering Commencement date for any given offering period, such participant shall have the right to elect:

- (a) to withdraw the balance in his or her account pursuant to ss.7.02, or
- (b) to discontinue contributions to the Plan but remain a participant in the Plan during the present Offering to the extent that he or she had prior payroll deductions credited to his or her account, or
- (c) to remain a participant in the Plan during the present Offering if the participant is still receiving Compensation from the Company and has authorized deductions from such Compensation consistent with the provisions of ss. 5.01.

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ARTICLE VI-GRANTING OF OPTIONS

6.01. Number of Option Shares.

On the offering Commencement Date of each Offering, a participating employee shall be deemed to have been granted an option to purchase, exclusively through payroll deductions described in Article V, a maximum number of shares of the stock of the Company equal to the lesser of (a) 3,000 shares or (b) a number of shares equal to: (i) that percentage of the employee's Compensation which he has elected to have withheld (but not in any case in excess of 15%) multiplied by (ii) the employee's Compensation during the period of the Offering (iii) divided by the purchase price of the option shares determined as provided in ss. 6.02 below.

6.02. Purchase Price.

The purchase price of the option shares shall be the lesser of (i) 85% of the fair market value of the shares at the Offering Commencement Date (or, if it is not a business date, on the nearest subsequent business date) or (ii) 85% of the fair market value of the shares at the Offering Termination Date (or, if it is not a business date, on the nearest prior business date). However, the Board of Directors may establish a different purchase price for any subsequent Offering based upon a different formula or fixed amount provided that (1) such changes cannot be made during an Offering to affect that current Offering and (2) in no event can the price go below 85% of fair market value of the shares as calculated in (i) and (ii) above. Fair market value as of any day shall mean the closing price as reported on the Nasdaq stock market or, if the stock is traded on a stock exchange, the closing price for the stock on the principal such exchange.

ARTICLE VII-EXERCISE OF OPTIONS

7.01. Automatic Exercise.

Unless a participant gives written notice to the Company as hereinafter provided, his or her option for the purchase of stock with payroll deductions made during any Offering will be deemed to have been exercised automatically on the Offering Termination Date applicable to such Offering, for the purchase of the number of full or fractional shares of stock which the accumulated payroll deductions in his or her account at that time will purchase at the applicable option price (but not in excess of the number of shares for which options have been granted to the employee pursuant to ss. 6.01 and ss. 3.03). Any excess cash balance remaining in an employee's account after an Offering Termination Date because it was less than the amount required to purchase a full share shall be retained in the employee's account for the next offering period; any excess amount will be repaid to the employee.

7.02. Withdrawal of Account.

By written notice to the Director of Human Resources of the Company, at any time prior to the tenth day before an Offering Termination Date applicable to any Offering, a participant may elect to withdraw all the accumulated payroll deductions in his or her account at such time and thereby discontinue participation in that particular Offering.

7.03. Fractional Shares.

Offerings may be made and exercised in full and fractional shares of stock, unless the Board of Directors determines that fractional shares will not be issued. If the Board of Directors makes such a determination that fractional shares will not be issued under the Plan, any accumulated payroll deductions which would have been used to purchase fractional shares will be used to purchase stock at the end of the next offering period.

ARTICLE VIII-WITHDRAWAL

8.01. In General.

As indicated in ss.7.02, a participant may discontinue participation and withdraw payroll deductions credited to his or her account under the Plan at any time prior to the tenth day before an Offering Termination Date applicable to any Offering by giving written notice to the Director of Human Resources of the Company. All of the participant's payroll deductions credited to his or her account will be paid to him promptly, without interest, after receipt of his or her notice of withdrawal, and no further payroll deductions under this plan will be made from his or her pay during such Offering.

8.02. Effect on Subsequent Participation.

A participant's withdrawal from any Offering will not have any effect upon his or her eligibility to participate in any succeeding Offering or in any similar plan which may hereafter be adopted by the Company.

8.03. Termination of Employment.

Upon termination of the participant's employment, (including retirement and death) any payroll deductions credited to his or her account will be returned to him or her, or, in the case of his or her death, to the person or persons entitled thereto under ss.13.01.

8.04. Leave of Absence.

A participant who goes on a Company authorized leave of absence, and is enrolled in a current Offering shall be entitled to withdraw funds from the Plan pursuant to the provisions of ss. 7.02.

ARTICLE IX-INTEREST

9.01. Payment of Interest

No interest will be paid or allowed on any money paid into the Plan or credited to the account of any participant employee.

ARTICLE X-STOCK

10.01. Maximum Shares.

There are 500,000 shares of the Company's authorized but unissued or reacquired Common Stock reserved for purposes of the Plan. The number of shares reserved for the Plan is subject to adjustment upon changes in capitalization of the Company as provided in ss.13.04. If the total number of shares for which options are exercised on any Offering Termination Date in accordance with Article VI exceeds the maximum number of shares allowable under this ss. 10.01, the Company shall make a pro rata allocation of the shares available for delivery and distribution in as nearly a uniform manner as shall be practicable and as it shall determine to be equitable, and the balance of payroll deductions credited to the account of each participant under the Plan shall be returned to him as promptly as possible, without interest.

10.02. Participant's Interest in Option Stock.

The participant will have no interest in stock covered by his or her option until such option has been exercised.

10.03. Registration of Stock.

Stock to be delivered to a participant under the Plan will be registered in the name of the participant, or if the participant so directs by written notice to the Director of Human Resources of the Company at any time prior to the tenth day before an Offering Termination Date applicable thereto, in the names of the participant and one such other person as may be designated by the participant, as joint tenants with rights of survivorship or as tenants by their entireties, to the extent permitted by applicable law.

10.04. Restrictions on Exercise.

The Board of Directors may, in its discretion, require as conditions to the exercise of any option that the shares of Common Stock reserved for issuance upon the exercise of the option shall have been duly listed, upon official notice of issuance, upon the Nasdaq stock exchange, and that a Registration Statement under the Securities Act of 1933, as amended, with respect to said shares shall be effective.

ARTICLE XI-ADMINISTRATION

11.01. Administration of the Plan.

The Plan shall be administered by the Board of Directors. The Board of Directors may promulgate rules and regulations for the operation of the Plan, adopt forms for use in connection with the Plan, and decide any question of interpretation of the Plan or rights arising thereunder. The Board of Directors may consult with counsel for the Company on any matter arising under the Plan. All determinations and decisions of the Board of Directors shall be conclusive. Notwithstanding the foregoing, the Board of Directors, if it so desires, may delegate to the Compensation Committee of the Board the authority for general administration of the Plan.

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ARTICLE XII-CUSTODIANSHIP

12.01. Delivery and Custody of Shares

Shares purchased by participants pursuant to the Plan will be delivered to and held in the custody of such investment or financial firm (the "Custodian") as shall be appointed by the Board of Directors. The Custodian may hold in nominee or street name shares purchased pursuant to the Plan, and may commingle shares in its custody pursuant to the Plan in a single account without identification as to individual participant. By appropriate instruction to the Custodian on forms to be provided for that purpose, a participant may from time to time (a) transfer into the participant's own name of all or part of the shares held by the Custodian for the participant's account and delivery of such shares to the participant; (b) transfer of all or part of the shares held for the participant's account by the Custodian to a regular individual brokerage account in the participant's own name, at participant's own expense, if any, either with the firm then acting as Custodian or with another firm, or (c) obtain sale of all or part of the shares held by the Custodian for the participant's account, at participant's own expense, if any, at the market price at the time the order is executed and remittance of the net proceeds of sale to the participant. Upon termination of participation in the plan, the participant may elect to have the shares held by the Custodian for the account of the participant transferred and delivered in accordance with (a) above, transferred to a brokerage account in accordance with (b), or sold in accordance with (c).

12.02. Records and Statements

The Custodian will maintain the records of the Plan. As soon as practicable after each Offering Termination Date each participant will receive a statement showing the activity of his or her account since the preceding Purchase Date and the balance on the Purchase Date as to both cash and shares. Participants will

be furnished such other reports and statements, and at such intervals, as the Board of Directors shall determine from time to time.

ARTICLE XIII-MISCELLANEOUS

13.01. Transferability.

Neither payroll deductions credited to a participant's account nor any rights with regard to the exercise of an option or to receive stock under the Plan may be assigned, transferred, pledged, or otherwise disposed of in any way by the participant other than by will or the laws of descent and distribution, and any such attempted assignment, transfer, pledge or other disposition shall be without effect.

13.02. Use of Funds

No payroll deductions received or held by the Company under this Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions from other general assets.

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13.03. Adjustment Upon Changes in Capitalization.

The number of shares reserved for the Plan is subject to adjustment in the event of any stock dividend, stock split, combination of shares, recapitalization or other similar change in the outstanding Common Stock of the Company. The determination of whether an adjustment shall be made and the manner of any such adjustment shall be made by the Board of Directors of the Company, which determination shall be conclusive.

13.04. Effective Date.

The Plan shall become effective July 1, 1999 subject to approval by the holders of the majority of the Common Stock present and represented at a special or annual meeting of the shareholders held on or before the date that is one year after the effective date of the Plan. If the Plan is not so approved, the Plan shall not become effective.

13.05. No Employment Rights.

The Plan does not, directly or indirectly create in any employee or class of employees any right with respect to continuation of employment by the Company, and it shall not be deemed to interfere in any way with the Company's right to terminate, or otherwise modify, an employee's employment at any time.

13.06. Governing Law.

The laws of the State of Oregon will govern all matters relating to this Plan, except to the extent that such laws are superseded by the laws of the United States.

13.07. Expense of the Plan.

The Company will pay all expenses incident to operation of the Plan, including costs of record keeping, accounting fees, legal fees, commissions and issue or transfer taxes on purchases pursuant to the Plan and on delivery of shares to a participant or into his or her brokerage account. The Company will not pay expenses, commissions or taxes incurred in connection with the sale or transfer of shares by the Custodian at the request of a participant.

13.08. Dividends and Other Distributions.

Cash dividends and other cash distribution, if any, on shares held by the Custodian will be paid currently to the participants entitled thereto unless the Company subsequently adopts a dividend reinvestment plan and the participant directs that his or her cash dividends be invested in accordance with such plan.

Stock dividends and other distribution in shares of the Company on shares held by the Custodian shall be issued to the Custodian and held by it for the account of the respective participants entitled thereto.

13.09. Voting and Shareholder Communications.

In connection with voting on any matter submitted to the shareholders of the Company, the Custodian will furnish to each participant a proxy authorizing the participant to vote the shares held by the custodian for his or her account. Copies of all general communications to shareholders of the Company will be sent to participants in the Plan.

13.10. Tax Withholding.

Each participant who has purchased shares under the Plan shall immediately upon notification of the amount due, if any, pay to the Company in cash amounts necessary to satisfy any applicable federal, state and local tax withholding determined by the Company to be required. If the Company determines that additional withholding is required beyond any amount deposited at the time of purchase, the participant shall pay such amount to the Company on demand.

13.11. Responsibility and Indemnity.

Neither the Company, its Board of Directors, the Custodian, any Subsidiary Corporation, nor any member, officer, agent, or employee of any of them, shall be liable to any participant under the Plan for any mistake of judgment or for any omission or wrongful act unless resulting from gross negligence, willful misconduct or intentional misfeasance. The Company will indemnify and save harmless its Board of Directors, the Custodian and any such member, officer, agent or employee against any claim, loss, liability or expense arising out of the Plan, except such as may result from the gross negligence, willful misconduct or intentional misfeasance of such entity or person.

13.12. Conditions and Approvals.

The obligations of the Company under the Plan shall be subject to compliance with all applicable state and federal laws and regulations, compliance with the rules of any stock exchange on which the Company's securities may be listed, and approval of such federal and state authorities or agencies as may have jurisdiction over the Plan or the Company.

13.13. Amendment of the Plan.

The Board of Directors of the Company may from time to time amend the Plan in any and all respects, except that without the approval of the shareholders of the Company, the Board of Directors may not increase the number of shares reserved for the Plan, except as described in ss. 13.04 or decrease the purchase price of shares offered pursuant to the Plan.

13.14. Termination of the Plan.

The Plan shall terminate when all of the shares reserved for purposes of the Plan have been purchased, provided that the Board of Directors in its sole discretion may at any time terminate the Plan without any obligation on account of such termination, except as hereinafter in this paragraph provided. Upon termination of the Plan, the cash and shares, if any, held in the account of each participant shall forthwith be distributed to the participant or to the participant's order, provided that if prior to the termination of the Plan, the Board of Directors and shareholders of the Company shall have adopted and approved a substantially similar plan, the Board of Directors may in its discretion determine that the account of each participant under this Plan shall be carried forward and continued as the account of such participant under such other plan, subject to the right of any participant to request distribution of the cash and shares, if any, held for his or her account.

COMPANY

By: _____

Title: _____

Columbia Sportswear Company
Executive Incentive Compensation Plan

Article 1

Name of Plan. The name of the Plan shall be the Columbia Sportswear Company Executive Incentive Compensation Plan (the Plan).

Article 2

Effective Date of Plan. The effective date of the Plan shall be January 1, 1999. The Plan shall be subject to the approval of a majority of the shareholders of Columbia Sportswear Co. (the Company) at the first annual shareholders meeting to be held after the effective date. No payments will be made under the Plan unless and until such approval is obtained.

Article 3

Purpose of Plan. The purpose of this Plan is to provide an incentive to key executive officers of the Company who contribute to its success by offering an opportunity to such persons to earn compensation in addition to their salaries, based upon company success.

Article 4

Administration of Plan. The Plan shall be administered by the Compensation Committee (the Committee) of the Board of Directors (the Board) of the Company. The Committee shall have the full power and authority to administer the Plan. In applying and interpreting the provisions of the Plan, the decisions of the Committee shall be final.

Article 5

Eligibility. The Committee shall determine the key executive officers of the Company who shall participate in the Plan for any fiscal year as soon as practicable following the beginning thereof, but no later than 90 days after the beginning of the year. Such determination shall be in writing and shall be communicated to eligible executives as soon as practicable.

Article 6

Performance Targets. From time to time, the Committee shall establish performance goals based on the amount of Company revenues, sales, earnings, or earnings per share, or the growth of Company revenues, sales, earnings, or earnings per share. The performance goals to be applied for any calendar year shall be determined by the Committee no later than 90 days after the beginning of the year. Each eligible executive's bonus shall be determined, in such manner as the Committee shall prescribe, by the extent to which the Company attains these goals. The specific performance goals to which each eligible executive's bonus is tied shall be at the discretion of the Committee. The audited financial statements of the Company will be used to measure all financial goals. The Committee shall have the discretion to include or exclude any extraordinary items and/or to adjust its performance goals to take into account changes in accounting, however, any decision to include or exclude extraordinary items or to adjust performance goals to reflect changes in accounting shall be made by the Committee at or prior to the time the Committee establishes performance goals for the calendar year as prescribed above in this Article 6.

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Article 7

Amount of Bonus. Upon determining that an executive is eligible to participate in the Plan, the Committee shall determine a target bonus for such executive. The target bonus shall be stated as a percentage of the eligible executive's base salary.

After the end of the year, the Committee shall determine the extent to which the Company has reached the performance goals established for the eligible executives. An eligible executive shall receive no bonus if less than 85% of the applicable performance goal is reached. An eligible executive shall receive 66% of the target bonus if 85% of the applicable performance goal is reached. If 100% of the applicable performance goal is reached, an eligible executive shall

receive 100% of the target bonus. Achievement of between 85% and 100% of the performance goal shall result in a prorated bonus of between 66% and 100% of the target bonus.

If the performance goal is exceeded, an eligible executive's bonus will be greater than the target bonus. If 115% of the performance goal is achieved, the amount of bonus will be 125% of the target bonus. Achievement between 100% and 115% of the performance goal shall result in a prorated bonus of between 100% and 125% of the target bonus. The maximum bonus shall be 125% of the target bonus.

The Committee shall have the discretion to reduce the amount payable to any participant for a calendar year by up to 100% based upon factors which it determines, in its discretion, warrant such reduction.

Notwithstanding any other provision of the Plan, the maximum amount payable to any participant under the Plan for a calendar year will not exceed \$2 million.

Article 8

Time of Payment. Payments will be made as soon as practicable after the Committee has certified the amounts payable under the Plan based upon audited financial results of the Company for the calendar year. No payment will be made under the Plan in respect of any calendar year unless the predetermined performance goals have been satisfied.

Article 9

Term of Plan. The Plan shall remain in effect until terminated by the Board.

Article 10

Separation. In case of separation from the Company due to death, disability, or retirement an individual or his or her beneficiaries shall receive a bonus, which is prorated for the period of time that the eligible executive was employed by the Company during the year in which the eligible employee died, became disable or retired. The amount of such payment shall be determined and payable after the end of such year. In case of separation from the Company for any other reason, an eligible executive shall not be entitled to a bonus under this Plan for the year in which the separation occurs.

Article 11

Amendment of the Plan. The Board shall have the power to amend or terminate this Plan, in whole or in part, at any time, except that the Board shall not have the right to change the performance goals established by the Committee under Article 6, above. The Plan shall not create any rights of future participation in any employee. No person eligible to receive a bonus under this Plan shall have any rights to pledge, assign, or otherwise dispose of any unpaid portion of such bonus.

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