
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
February 11, 2016

COLUMBIA SPORTSWEAR COMPANY

(Exact name of registrant as specified in its charter)

Oregon
(State or other jurisdiction
of incorporation)

000-23939
(Commission
File Number)

93-0498284
(I.R.S. Employer
Identification No.)

14375 Northwest Science Park Drive
Portland, Oregon 97229
(Address of principal executive offices) (Zip code)

(503) 985-4000
(Registrant's telephone number, including area code)

No Change
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 11, 2016, Columbia Sportswear Company (the "Company") issued a press release reporting its fourth quarter and fiscal year 2015 financial results and financial outlook for fiscal year 2016. A copy of the Company's press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

Attached hereto as Exhibit 99.2 and incorporated by reference herein is financial information and commentary by Thomas B. Cusick, Executive Vice President of Finance and Chief Financial Officer of Columbia Sportswear Company, for the Company's fourth quarter and fiscal year of 2015 and forward-looking statements relating to the financial outlook for fiscal year 2016, as posted on the Company's investor relations website, <http://investor.columbia.com>, on February 11, 2016. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

ITEM 7.01 REGULATION FD DISCLOSURE

In its February 11, 2016 press release, the Company also announced that its Board of Directors approved a cash dividend of \$0.17 per share of common stock to be paid on March 17, 2016 to its shareholders of record on March 4, 2016.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

- 99.1 Press Release, dated February 11, 2016 (furnished pursuant to Items 2.02 and 7.01 hereof).
 - 99.2 Commentary by Thomas B. Cusick, Executive Vice President of Finance and Chief Financial Officer of Columbia Sportswear Company, dated February 11, 2016 (furnished pursuant to Items 2.02 and 7.01 hereof).
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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 hereunto duly authorized.

COLUMBIA SPORTSWEAR COMPANY

Dated: February 11, 2016

By: /S/ THOMAS B. CUSICK

Thomas B. Cusick
Executive Vice President of Finance and Chief
Financial Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release, dated February 11, 2016 (furnished pursuant to Items 2.02 and 7.01 hereof).
99.2	Commentary by Thomas B. Cusick, Executive Vice President of Finance and Chief Financial Officer of Columbia Sportswear Company, dated February 11, 2016 (furnished pursuant to Items 2.02 and 7.01 hereof).

**Contact:**

Ron Parham
Sr. Director of Investor Relations
& Corporate Communications
Columbia Sportswear Company
(503) 985-4584
rparham@columbia.com

**COLUMBIA SPORTSWEAR COMPANY REPORTS RECORD FOURTH QUARTER AND FULL YEAR
SALES AND EARNINGS;****2015 NET INCOME INCREASES 27 PERCENT ON 11 PERCENT SALES GROWTH****4th Quarter 2015 Highlights:**

- Net sales increased 3 percent (7 percent constant-currency) to a fourth-quarter record \$699.4 million.
- Operating income hit a fourth-quarter record of \$82.3 million, or 11.8 percent of net sales.
- Net income increased 14 percent to a fourth-quarter record \$63.4 million, or \$0.90 per diluted share.
- Repurchased \$55.5 million of the company's common stock.
- The board of directors approved a regular quarterly dividend of \$0.17 per share, payable March 17, 2016 to shareholders of record on March 4, 2016.

Fiscal Year 2015 Highlights:

- Net sales increased \$225.6 million, or 11 percent (15 percent constant-currency), to a record \$2.33 billion.
- Operating income increased 26 percent to a record \$249.7 million, or 10.7 percent of net sales.
- Net income increased 27 percent to a record \$174.3 million, or \$2.45 per diluted share.
- Repurchased \$70.1 million of the company's common stock and paid \$43.5 million in dividends.

Fiscal Year 2016 Outlook Highlights:

- Mid-single-digit net sales growth, including approximately 1 percentage point negative effect from changes in currency exchange rates.
- Operating income of between \$257 million and \$267 million, representing operating margin of up to 10.8 percent of net sales.
- Net income of between \$179 million and \$186 million, or approximately \$2.55 to \$2.65 per diluted share.

PORTLAND, Ore. - February 11, 2016 - Columbia Sportswear Company (NASDAQ: COLM) today announced record fourth quarter net sales of \$699.4 million for the period ending December 31, 2015, a 3 percent increase (7 percent constant-currency) compared with net sales of \$677.0 million for the fourth quarter of 2014. Fourth quarter 2015 operating income increased to a fourth quarter record \$82.3 million. Fourth quarter 2015 net income increased 14 percent to \$63.4 million, or \$0.90 per diluted share, also a fourth quarter record, compared with fourth quarter 2014 net income of \$55.6 million, or \$0.79 per diluted share.

Full year 2015 net sales increased \$225.6 million, or 11 percent (15 percent constant-currency), to a record \$2.33 billion, while operating income increased 26 percent to a record \$249.7 million, representing operating margin of 10.7 percent compared with operating margin of 9.5 percent in 2014. Full year 2015 net income, including five months of incremental results from the prAna brand, increased 27 percent to a record \$174.3 million, or \$2.45 per diluted share, compared with full year 2014 net income of \$137.2 million, or \$1.94 per diluted share.

Chief Executive Officer Tim Boyle commented, “2015 was another outstanding year for Columbia Sportswear Company. Record net sales, record operating income, expanded operating margin, and record net income validate that our strategies are driving growth and improved profitability. The Columbia, Sorel, and prAna brands each generated double digit constant-currency net sales growth, concentrated in North America. In Europe, the Columbia brand achieved mid-20-percent constant-currency growth and began reclaiming share in key markets.

“We had high expectations entering the year and are encouraged that we exceeded those expectations despite unseasonably warm weather, macroeconomic challenges, and currency headwinds in many of our key markets. We believe this illustrates that active consumers appreciate the versatility and relevance of our brands, each offering products that connect them with their passions year-round in all weather conditions.”

Boyle concluded, “Looking forward to 2016, our balance sheet gives us the financial flexibility to continue to drive sales growth, expand gross margins, increase brand awareness through investments in demand-creation, and prioritize SG&A investments strategically to further strengthen our brands and improve profitability.”

Fourth Quarter Results

(All comparisons are between fourth quarter 2015 and fourth quarter 2014, unless otherwise noted.)

Fourth quarter consolidated net sales growth of 3 percent (7 percent constant-currency) was driven by U.S. net sales growth of 10 percent to \$446.2 million, reflecting growth from the Columbia, Sorel, prAna and Mountain Hardwear brands. This growth was partially offset by:

- a 15 percent net sales decline (6 percent constant-currency) in the Europe/Middle East/Africa (EMEA) region to \$58.2 million, including mid-teen constant-currency net sales growth in the company’s Europe-direct business (flat in U.S. dollars) that was more than offset by a decline of more than 30 percent in net sales to EMEA distributors;
- a 4 percent net sales decline (2 percent growth constant-currency) in the Latin America/Asia Pacific (LAAP) region to \$149.7 million, including net sales growth of more than 40 percent to LAAP distributors that was more than offset by net sales declines in the company’s Asian markets, although Japan and China posted net sales growth on a constant-dollar basis; and
- a 7 percent net sales decline (10 percent growth in constant-currency) in Canada.
(See “Geographical Net Sales” table below.)

Global Columbia brand net sales of \$528.9 million increased less than 1 percent compared with the fourth quarter of 2014 (up 3 percent constant-currency). Global Sorel brand net sales increased 14 percent (21 percent constant-currency) to \$105.3 million. Global prAna brand net sales increased 39 percent (39 percent constant-currency) to \$27.7 million, and global Mountain Hardwear brand net sales increased 2 percent (5 percent constant-currency) to \$35.2 million. (See “Brand Net Sales” table below.)

Global Apparel, Accessories & Equipment net sales increased 1 percent (4 percent constant-currency) to \$515.6 million, and Footwear net sales increased 10 percent (16 percent constant-currency) to \$183.8 million. (See “Categorical Net Sales” table below.)

Fourth quarter income from operations totaled \$82.3 million, or 11.8 percent of net sales, compared to \$82.1 million, or 12.1 percent of net sales, for the same period in 2014.

Fourth quarter net income increased 14 percent to \$63.4 million, or \$0.90 per diluted share. Net income for same period in 2014 totaled \$55.6 million, or \$0.79 per diluted share.

Fiscal Year 2015 Results

(All comparisons are between fiscal 2015 and fiscal 2014, unless otherwise noted.)

Consolidated 2015 net sales increased 11 percent (15 percent constant-currency) to \$2.33 billion, compared with 2014 net sales of \$2.10 billion. Organic growth equated to approximately 8 percent (12 percent constant-currency), excluding five months of incremental net sales of approximately \$56.0 million from the prAna brand, which the company acquired in May 2014.

Consolidated 2015 net sales growth of 11 percent included:

- 21 percent growth in U.S. net sales, to \$1.46 billion, including five months of incremental prAna net sales of approximately \$48.5 million. Organic U.S. net sales increased 17 percent.
- 11 percent net sales growth in Canada (30 percent constant-currency) to \$168.6 million.
- A 10 percent net sales decline in the EMEA region (flat constant-currency) to \$233.2 million, reflecting a low single-digit net sales increase (low 20-percent constant-currency) in the company's Europe-direct markets, more than offset by a mid-20-percent decline in net sales to EMEA distributors.
- A 5 percent net sales decline in the LAAP region (2 percent growth constant-currency) to \$469.2 million, reflecting mid-20-percent growth in net sales to LAAP distributors, more than offset by lower sales in Korea and Japan although, on a constant-currency basis, Japan posted net sales growth. Net sales in China were essentially flat (2 percent growth constant-currency). (See "Geographical Net Sales" table below.)

Global Columbia brand net sales increased 7 percent (10 percent constant-currency) to \$1.86 billion. Global Sorel brand net sales increased 26 percent (34 percent constant-currency) to \$209.2 million. Global prAna brand net sales increased 133 percent to \$125.3 million, including approximately \$56.0 million of incremental net sales in the first five months of 2015. Global Mountain Hardwear brand net sales declined 3 percent (increased 1 percent constant-currency) to \$116.3 million. (See "Brand Net Sales" table below.)

Global Apparel, Accessories & Equipment net sales increased 9 percent (12 percent constant-currency) to \$1.82 billion. Global Footwear net sales increased 19 percent (26 percent constant-currency) to \$505.0 million. (See "Categorical Net Sales" table below.)

Full year 2015 income from operations, including accretion from the prAna brand, increased 26 percent to \$249.7 million, or 10.7 percent of net sales, compared with full year 2014 income from operations of \$198.8 million, or 9.5 percent of net sales.

Full year 2015 net income totaled \$174.3 million, or \$2.45 per diluted share, an increase of 27 percent compared with 2014 net income of \$137.2 million, or \$1.94 per diluted share.

Balance Sheet, Cash Flow and Share Repurchase Activity

During the year ended December 31, 2015, the company generated \$95.1 million in operating cash flow, invested \$69.9 million in capital expenditures and returned \$113.6 million to shareholders, comprising share repurchases of \$70.1 million and dividends of \$43.5 million.

At December 31, 2015, cash and short term investments totaled \$370.4 million, of which approximately 56 percent was held in foreign jurisdictions where a repatriation of those funds to the United States would likely result in a significant tax cost to the company.

Consolidated inventories of \$473.6 million at December 31, 2015 were 23 percent higher than the \$384.7 million balance at December 31, 2014, consisting primarily of earlier receipt of Spring 2016 production and current Fall 2015 styles.

During 2015, the company repurchased 1,385,682 shares of common stock at an aggregate purchase price of approximately \$70.1 million, including repurchases of 1,126,808 shares for \$55.5 million in the fourth quarter. Approximately \$173.5 million remains available under the current repurchase authorization, which does not obligate the company to acquire any specific number of shares or to acquire shares over any specified period of time.

Dividend

The board of directors authorized a regular quarterly dividend of \$0.17 per share, payable on March 17, 2016 to shareholders of record on March 4, 2016.

2016 Financial Outlook

All projections related to anticipated future results are forward-looking in nature and are subject to risks and uncertainties which may cause actual results to differ, perhaps materially. A more detailed version of the company's 2015 financial results and 2016 outlook can be found in the "**CFO Commentary on Fourth Quarter and Full Year 2015 Financial Results and 2016 Financial Outlook**", available on the company's investor relations website: <http://investor.columbia.com/results.cfm>.

The company currently expects mid-single-digit 2016 net sales growth compared to 2015 net sales of \$2.33 billion, including approximately 1 percentage point negative effect from changes in foreign currency exchange rates.

The company expects fiscal year 2016 gross margins to improve by up to 40 basis points, and for selling, general and administrative expenses to increase at a rate slightly faster than net sales, resulting in approximately 40 basis points of SG&A expense deleverage, including a planned increase in global demand-creation spend to 5.4 percent of sales from 5.2 percent in 2015.

Based on the above assumptions, the company expects operating income to increase up to 7 percent, to between \$257 million and \$267 million, resulting in anticipated 2016 operating margin of up to 10.8 percent. Net income after non-controlling interest is expected to be between approximately \$179 million and \$186 million, or approximately \$2.55 to \$2.65 per diluted share. The strengthening of the U.S. Dollar is expected to have an unfavorable impact of approximately \$(0.28) on full year 2016 earnings per share, compared to an estimated unfavorable impact of \$(0.10) per share in 2015, comprising lower gross margins within many of our foreign subsidiaries as a result of increased costs of inventory, and, to a lesser degree, the translation of net income, revaluation of foreign-currency denominated assets and liabilities, and net losses on the settlement of intercompany transactions.

The company's annual net sales are weighted more heavily toward the fall/winter season, while operating expenses are more equally distributed throughout the year, resulting in a highly seasonal profitability pattern weighted toward the second half of the fiscal year.

CFO's Commentary on Fourth Quarter/FY2015 Results and 2016 Outlook Available Online

At approximately 4:15 p.m. ET today, a commentary by Tom Cusick, executive vice president of finance and chief financial officer, reviewing the company's fourth quarter and fiscal year 2015 financial results and 2016 outlook will be furnished to the SEC on Form 8-K and published on the company's website at <http://investor.columbia.com/results.cfm>. Analysts and investors are encouraged to review this commentary prior to participating in the conference call.

Conference Call

The company will host a conference call on Thursday, February 11, 2016 at 5:00 p.m. ET to review its fourth quarter and fiscal year 2015 financial results and 2016 outlook. Dial 877-407-9205 to participate. The call will also be webcast live on the Investor Relations section of the company's website at <http://investor.columbia.com> where it will remain available until approximately February 9, 2017.

First Quarter 2016 Reporting Schedule

Columbia Sportswear plans to report financial results for first quarter 2016 on Thursday, April 28, 2016 at approximately 4:00 p.m. ET. Following issuance of the earnings release, a commentary reviewing the company's first quarter financial results will be furnished to the SEC on Form 8-K and published on the investor relations section of the company's

website at <http://investor.columbia.com/results.cfm>. A public webcast of Columbia's earnings conference call will follow at 5:00 p.m. ET at www.columbia.com.

Supplemental Constant-Currency Financial Information

The company reports its financial information in accordance with accounting principles generally accepted in the United States ("GAAP"). During periods of significant foreign currency exchange rate volatility, to supplement financial information reported in accordance with GAAP, the company discloses constant-currency net sales information, which is a non-GAAP financial measure, to provide a framework to assess how the business performed excluding the effects of changes in the exchange rates used to translate net sales generated in foreign currencies into U.S. dollars. The company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into U.S. dollars at the exchange rates that were in effect during the comparable period of the prior year. Management believes that this non-GAAP financial measure reflects an additional and useful way of viewing an aspect of our operations that, when viewed in conjunction with our GAAP results, provides a more comprehensive understanding of our business and operations. In particular, investors may find the non-GAAP measures useful by reviewing our net sales results without the significant volatility in foreign currency exchange rates. This non-GAAP financial measure also facilitates management's internal comparisons to our historical net sales results and comparisons to competitors' net sales results. Constant-currency financial measures should be viewed in addition to, and not in lieu of or superior to, our financial measures calculated in accordance with GAAP. The company provides a reconciliation of this non-GAAP measure to the most directly comparable financial measure calculated in accordance with GAAP. (See "Supplemental Financial Information - Constant-currency Basis" tables below.) The constant-currency information presented may not be comparable to similarly titled measures reported by other companies.

About Columbia Sportswear Company

Columbia Sportswear Company has assembled a portfolio of brands for active lives, making it a leader in the global active lifestyle apparel, footwear, accessories and equipment industry. Founded in 1938 in Portland, Oregon, the company's brands are today sold in approximately 100 countries. In addition to the Columbia® brand, Columbia Sportswear Company also owns the Mountain Hardwear®, Sorel®, prAna®, Montrail® and OutDry® brands. To learn more, please visit the company's websites at www.columbia.com, www.mountainhardwear.com, www.sorel.com, www.pranacom.com, www.montrail.com and www.outdry.com.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the federal securities laws, including statements regarding anticipated results, net sales and net sales growth, gross margins, operating expenses, operating income, operating margins, earnings per share, inventory costs, the effects of changes in foreign currency exchange rates, net losses and net income. Forward-looking statements often use words such as "will," "anticipate," "estimate," "expect," "should" and "may" and other words and terms of similar meaning or reference future dates. The company's expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis; however, each forward-looking statement involves a number of risks and uncertainties, including those set forth in this document, those described in the company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q under the heading "Risk Factors," and those that have been or may be described in other reports filed by the company, including reports on Form 8-K. Potential risks and uncertainties that may affect our future revenues, earnings and performance and could cause the actual results of operations or financial condition of the company to differ materially from the anticipated results expressed or implied by forward-looking statements in this document include: loss of key customer accounts; our ability to effectively implement IT infrastructure and business process initiatives; the effects of unseasonable weather; trends affecting consumer traffic and spending in brick and mortar retail channels; our ability to implement our growth strategy; unfavorable economic conditions generally, the financial health of our customers and changes in the level of consumer spending and apparel preferences; changes in international, federal or state tax, labor and other laws and regulations that affect our business, including changes in corporate tax rates; risks inherent in doing business in foreign markets, including fluctuations in currency exchange rates; our ability to attract and retain key personnel; higher than expected rates of order cancellations; increased consolidation of our retail customers; our ability to effectively source and deliver our products to customers in a timely manner; our dependence on independent manufacturers and suppliers and our ability to source finished products and components at competitive prices from them; the effectiveness of our sales and marketing efforts; intense competition in the industry; business disruptions and acts of terrorism, cyber-attacks or military activities around the globe; and our ability to establish and protect our

intellectual property. The company cautions that forward-looking statements are inherently less reliable than historical information. The company does not undertake any duty to update any of the forward-looking statements after the date of this document to conform them to actual results or to reflect changes in events, circumstances or its expectations. New factors emerge from time to time and it is not possible for the company to predict or assess the impact of all such factors or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

- Financial tables follow -

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

	December 31,	
	2015	2014
Current Assets:		
Cash and cash equivalents	\$ 369,770	\$ 413,558
Short-term investments	629	27,267
Accounts receivable, net	371,953	344,390
Inventories	473,637	384,650
Deferred income taxes	—	57,001
Prepaid expenses and other current assets	33,400	39,175
Total current assets	1,249,389	1,266,041
Property, plant, and equipment, net	291,687	291,563
Intangible and other non-current assets	305,077	234,605
Total assets	\$ 1,846,153	\$ 1,792,209
Current Liabilities:		
Short-term borrowings	\$ 1,940	\$ —
Accounts payable	217,230	214,275
Accrued liabilities	141,862	144,288
Income taxes payable	5,038	14,388
Deferred income taxes	—	169
Total current liabilities	366,070	373,120
Note payable to related party	15,030	15,728
Other long-term liabilities	49,240	48,127
Equity:		
Columbia Sportswear Company shareholders' equity	1,399,800	1,343,603
Non-controlling interest	16,013	11,631
Total equity	1,415,813	1,355,234
Total liabilities and equity	\$ 1,846,153	\$ 1,792,209

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Net sales	\$ 699,414	\$ 676,964	\$ 2,326,180	\$ 2,100,590
Cost of sales	382,466	369,905	1,252,680	1,145,639
Gross profit	316,948	307,059	1,073,500	954,951
	45.3%	45.4%	46.1%	45.5%
Selling, general and administrative expenses	237,188	226,849	831,971	763,063
Net licensing income	2,533	1,890	8,192	6,956
Income from operations	82,293	82,100	249,721	198,844
Interest income, net	272	143	1,531	1,004
Interest expense on note payable to related party	(273)	(284)	(1,099)	(1,053)
Other non-operating income (expense)	453	(435)	(2,834)	(274)
Income before income tax	82,745	81,524	247,319	198,521
Income tax expense	(17,949)	(24,535)	(67,468)	(56,662)
Net income	64,796	56,989	179,851	141,859
Net income attributable to non-controlling interest	1,446	1,386	5,514	4,686
Net income attributable to Columbia Sportswear Company	\$ 63,350	\$ 55,603	\$ 174,337	\$ 137,173
Earnings per share attributable to Columbia Sportswear Company:				
Basic	\$ 0.91	\$ 0.80	\$ 2.48	\$ 1.97
Diluted	0.90	0.79	2.45	1.94
Weighted average shares outstanding:				
Basic	69,884	69,795	70,162	69,807
Diluted	70,616	70,592	71,064	70,681

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

	Twelve Months Ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 179,851	\$ 141,859
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56,521	54,017
Loss on disposal or impairment of property, plant, and equipment	5,098	481
Deferred income taxes	(11,709)	(6,978)
Stock-based compensation	11,672	11,120
Excess tax benefit from employee stock plans	(7,873)	(4,927)
Changes in operating assets and liabilities:		
Accounts receivable	(40,419)	(31,478)
Inventories	(103,296)	(62,086)
Prepaid expenses and other current assets	4,411	(4,869)
Other assets	(2,524)	4,291
Accounts payable	11,418	41,941
Accrued liabilities	(2,017)	35,051
Income taxes payable	(10,994)	1,166
Other liabilities	4,966	6,195
Net cash provided by operating activities	<u>95,105</u>	<u>185,783</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of business, net of cash acquired	—	(188,467)
Purchases of short-term investments	(38,208)	(48,243)
Sales of short-term investments	64,980	112,895
Capital expenditures	(69,917)	(60,283)
Proceeds from sale of property, plant, and equipment	144	71
Net cash used in investing activities	<u>(43,001)</u>	<u>(184,027)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from credit facilities	53,429	52,356
Repayments on credit facilities	(51,479)	(52,205)
Proceeds from issuance of common stock under employee stock plans	17,442	22,277
Tax payments related to restricted stock unit issuances	(4,895)	(3,141)
Excess tax benefit from employee stock plans	7,873	4,927
Repurchase of common stock	(70,068)	(15,000)
Cash dividends paid	(43,547)	(39,836)
Proceeds from note payable to related party	—	16,072
Net cash used in financing activities	<u>(91,245)</u>	<u>(14,550)</u>
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(4,647)</u>	<u>(11,137)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(43,788)</u>	<u>(23,931)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>413,558</u>	<u>437,489</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 369,770</u>	<u>\$ 413,558</u>
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING ACTIVITIES:		
Capital expenditures incurred but not yet paid	\$ 4,698	\$ 7,196

COLUMBIA SPORTSWEAR COMPANY
Supplemental Financial Information
Net Sales Growth - Constant-currency Basis
(In millions, except percentage changes)
(Unaudited)

Three Months Ended December 31,

	Reported Net Sales 2015	Adjust for Foreign Currency Translation	Constant- currency Net Sales 2015 ⁽¹⁾	Reported Net Sales 2014	Reported Net Sales % Change	Constant- currency Net Sales % Change ⁽¹⁾
Geographical Net Sales:						
United States	\$ 446.2	\$ —	\$ 446.2	\$ 404.6	10%	10%
LAAP	149.7	9.1	158.8	155.2	(4)%	2%
EMEA	58.2	5.9	64.1	68.3	(15)%	(6)%
Canada	45.3	8.6	53.9	48.9	(7)%	10%
Total	<u>\$ 699.4</u>	<u>\$ 23.6</u>	<u>\$ 723.0</u>	<u>\$ 677.0</u>	3%	7%
Brand Net Sales:						
Columbia	\$ 528.9	\$ 16.5	\$ 545.4	\$ 527.9	—%	3%
Sorel	105.3	6.0	111.3	92.1	14%	21%
prAna	27.7	—	27.7	20.0	39%	39%
Mountain Hardwear	35.2	1.1	36.3	34.6	2%	5%
Other	2.3	—	2.3	2.4	(4)%	(4)%
Total	<u>\$ 699.4</u>	<u>\$ 23.6</u>	<u>\$ 723.0</u>	<u>\$ 677.0</u>	3%	7%
Categorical Net Sales:						
Apparel, Accessories and Equipment	\$ 515.6	\$ 14.4	\$ 529.9	\$ 510.1	1%	4%
Footwear	183.8	9.2	193.1	166.9	10%	16%
Total	<u>\$ 699.4</u>	<u>\$ 23.6</u>	<u>\$ 723.0</u>	<u>\$ 677.0</u>	3%	7%

⁽¹⁾ Constant-currency net sales information is a non-GAAP financial measure, which excludes the effect of changes in foreign currency exchange rates vs. the U.S. dollar between comparable reporting periods. The Company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into U.S. dollars at the exchange rates that were in effect during the comparable period of the prior year.

COLUMBIA SPORTSWEAR COMPANY
Supplemental Financial Information
Net Sales Growth - Constant-currency Basis
(In millions, except percentage changes)
(Unaudited)

Twelve Months Ended December 31,

	Reported Net Sales 2015	Adjust for Foreign Currency Translation	Constant- currency Net Sales 2015	Reported Net Sales 2014	Reported Net Sales % Change	Constant- currency Net Sales % Change
Geographical Net Sales:						
United States	\$ 1,455.2	\$ —	\$ 1,455.2	\$ 1,198.4	21%	21%
LAAP	469.2	29.8	499.0	491.6	(5)%	2%
EMEA	233.2	26.1	259.3	259.2	(10)%	—%
Canada	168.6	28.1	196.7	151.4	11%	30%
Total	<u>\$ 2,326.2</u>	<u>\$ 84.0</u>	<u>\$ 2,410.2</u>	<u>\$ 2,100.6</u>	11%	15%
Brand Net Sales:						
Columbia	\$ 1,864.7	\$ 65.9	\$ 1,930.6	\$ 1,750.3	7%	10%
Sorel	209.2	13.2	222.4	166.2	26%	34%
prAna	125.3	—	125.3	53.7	133%	133%
Mountain Hardwear	116.3	4.3	120.6	119.8	(3)%	1%
Other	10.7	0.6	11.3	10.6	1%	7%
Total	<u>\$ 2,326.2</u>	<u>\$ 84.0</u>	<u>\$ 2,410.2</u>	<u>\$ 2,100.6</u>	11%	15%
Categorical Net Sales:						
Apparel, Accessories and Equipment	\$ 1,821.2	\$ 53.9	\$ 1,875.1	\$ 1,676.2	9%	12%
Footwear	505.0	30.1	535.1	424.4	19%	26%
Total	<u>\$ 2,326.2</u>	<u>\$ 84.0</u>	<u>\$ 2,410.2</u>	<u>\$ 2,100.6</u>	11%	15%



14375 NW Science Park Drive
Portland, OR 97229

February 11, 2016

CFO Commentary on Fourth Quarter and Full Year 2015 Financial Results and 2016 Financial Outlook

Financial Information

Please reference accompanying financial information in the corresponding earnings release at <http://investor.columbia.com/results.cfm>

Conference Call

The company will host a conference call on Thursday, February 11, 2016 at 5:00 p.m. ET to review fourth quarter and FY2015 results, as well as its 2016 financial outlook. To participate, please dial (877) 407-9205 in the U.S. The call will be webcast live on the Investor Relations section of the company's website <http://investor.columbia.com> where it will remain available until February 9, 2017.

Fourth Quarter Summary

Net sales increased \$22.4 million, or 3 percent (7 percent constant-currency) to a record \$699.4 million compared with net sales of \$677.0 million for the fourth quarter of 2014.

Gross margin contracted approximately 10 basis points to 45.3 percent of net sales. Selling, general & administrative (SG&A) expenses increased \$10.3 million, or 5 percent, resulting in 40 basis points of operating expense deleverage.

Record operating income of \$82.3 million represented 11.8 percent of net sales, compared with fourth quarter 2014 operating income of \$82.1 million, or 12.1 percent of net sales.

Net income increased \$7.8 million, or 14 percent, to a record \$63.4 million, or \$0.90 per diluted share, compared to fourth quarter 2014 net income of \$55.6 million, or \$0.79 per diluted share.

During the quarter, the company repurchased 1,126,808 shares for approximately \$55.5 million.

FY2015 Summary

Net sales increased \$225.6 million, or 11 percent (15 percent constant-currency), to a record \$2.33 billion.

Gross margin expanded approximately 60 basis points to 46.1 percent of net sales. SG&A expenses increased \$68.9 million, or 9 percent, resulting in 50 basis points of operating expense leverage.

Operating income increased \$50.9 million, or 26 percent, to a record \$249.7 million, and represented operating margin of 10.7 percent, compared with 2014 operating margin of 9.5 percent.

Net income increased 27 percent to a record \$174.3 million, or \$2.45 per diluted share, compared to full year 2014 net income of \$137.2 million, or \$1.94 per diluted share.

During 2015 the company repurchased 1,385,682 shares for approximately \$70.1 million.

FY2016 Financial Outlook Summary

Our full year 2016 financial outlook anticipates:

- Mid-single-digit percent net sales increase compared with 2015 net sales of \$2.33 billion, including approximately 1 percentage point negative effect from changes in currency exchange rates;
- operating income of \$257 million to \$267 million, representing operating margin of up to 10.8 percent; and
- net income of between approximately \$179 million and \$186 million, or \$2.55 to \$2.65 per diluted share.

The **Full Year 2016 Financial Outlook** section beginning on page 7 below contains a more detailed discussion of the factors contributing to this outlook.

Fourth Quarter Financial Results

(All comparisons are between fourth quarter 2015 and fourth quarter 2014, unless otherwise noted.)

Net Sales

Consolidated net sales increased \$22.4 million, or 3 percent (7 percent constant-currency), to a record \$699.4 million, compared with \$677.0 million. The increase in fourth quarter 2015 net sales included:

Regions

- U.S. net sales increased \$41.6 million, or 10 percent, to \$446.2 million. The increase in U.S. net sales reflected increased direct-to-consumer (DTC) sales and shipments of higher Fall 2015 advance orders to wholesale customers. During the fourth quarter of 2015, the company operated 109 U.S. retail stores (85 outlet; 24 branded) and 5 branded ecommerce sites, compared with 93 stores (74 outlet, 19 branded) and 5 branded ecommerce sites during the same period in 2014.
- Net sales in the LAAP region declined \$5.5 million, or 4 percent, (increased 2 percent constant-currency) to \$149.7 million, primarily reflecting a low-twenty percent net sales decline in Korea (mid-single-digit constant-currency) reflecting the extremely competitive nature of the outdoor sector in that country, a mid-single-digit net sales decline in Japan (mid-single-digit growth in constant-currency), and a low single-digit net sales decrease in China (low single-digit increase in constant-currency). These declines were partially offset by growth of more than 40 percent in net sales to independent distributors driven by shifts in the timing of shipments of Fall 2015 and Spring 2016 advance orders.
- Net sales in the Europe, Middle East, Africa (EMEA) region declined \$10.1 million, or 15 percent, (declined 6 percent constant-currency) to \$58.2 million. Europe-direct net sales were essentially unchanged, but increased 16 percent on a constant-currency basis, reflecting increased advance orders from European wholesale customers. These results were more than offset by a decline in net sales to EMEA distributors, primarily reflecting lower net sales to the company's Russian distributor amid macroeconomic challenges in that region.
- Net sales in Canada declined \$3.6 million, or 7 percent, to \$45.3 million, (increased 10 percent constant-currency), reflecting lower wholesale net sales, partially offset by higher DTC net sales.

Brands

- Columbia global brand net sales increased \$1.0 million, or less than 1 percent, (increased 3 percent constant-currency), to \$528.9 million, primarily reflecting increased U.S. DTC and wholesale net sales, and increased net sales to LAAP distributors, partially offset by lower net sales in all other regions.
 - Sorel global brand net sales increased \$13.2 million, or 14 percent (21 percent constant-currency), to \$105.3 million, driven primarily by increased wholesale and DTC net sales in the U.S.
 - prAna global brand net sales increased \$7.7 million, or 39 percent (39 percent constant-currency), to \$27.7 million, primarily reflecting growth in North America.
 - Mountain Hardwear global brand net sales increased less than \$1.0 million, or 2 percent (5 percent constant-currency), to \$35.2 million, primarily reflecting growth in the U.S., China and LAAP distributor markets, partially offset by lower net sales in Korea and the EMEA region.
-

Product Categories

- Global Apparel, Accessories & Equipment net sales increased \$5.5 million, or 1 percent (4 percent constant-currency), to \$515.6 million, primarily driven by increased prAna brand net sales, partially offset by a decline of less than one percent in Columbia brand net sales.
- Global Footwear net sales increased \$16.9 million, or 10 percent (16 percent constant-currency), to \$183.8 million, reflecting growth from the Sorel and Columbia brands.

Gross Margin

Fourth quarter 2015 gross margins contracted 10 basis points to 45.3 percent, primarily reflecting:

- a higher volume of lower margin close-out product sales, and
- unfavorable foreign currency hedge rates in Canada, Europe and Japan;

partially offset by:

- lower inventory provisions primarily in Korea, and
- a higher proportion of direct-to-consumer sales.

Selling, General and Administrative (SG&A) Expense

Fourth quarter 2015 SG&A expense increased \$10.3 million, or 5 percent, to \$237.2 million, or 33.9 percent of net sales, compared to 33.5 percent of net sales in last year's fourth quarter, resulting in 40 basis points of SG&A expense deleverage. The increased SG&A expense included:

- expenses related to the company's expanding global DTC operations,
- information technology costs, and
- personnel costs to support strategic initiatives and business growth;

partially offset by:

- favorable foreign currency translation effects.

Operating Income

Consolidated operating income increased less than 1 percent, to a fourth-quarter record \$82.3 million, or 11.8 percent of net sales, compared with fourth quarter 2014 operating income of \$82.1 million, or 12.1 percent of net sales.

Income Tax Expense

The effective tax rate for the fourth quarter was 21.7 percent, compared to a 30.1 percent rate in the fourth quarter of 2014. The lower effective tax rate primarily reflected the utilization of foreign tax credits and reductions in associated valuation allowances in certain international tax jurisdictions, and incremental tax benefits from the resolution of audits in various jurisdictions.

Net Income

Consolidated fourth quarter 2015 net income increased 14 percent to \$63.4 million, or \$0.90 per diluted share, compared with net income of \$55.6 million, or \$0.79 per diluted share, in the fourth quarter of 2014.

Regular Quarterly Cash Dividend

At its regular board meeting on January 29, 2016, the board of directors authorized a regular quarterly cash dividend of \$0.17 per share, payable on March 17, 2016 to shareholders of record on March 4, 2016.

FY2015 Financial Results:

(All comparisons are between fiscal 2015 and fiscal 2014, unless otherwise noted.)

Net sales increased \$225.6 million, or 11 percent (15 percent constant-currency), to a record \$2.33 billion, including:

- Organic growth of approximately 8 percent (12 percent constant-currency), and
 - incremental net sales for the first five months of 2015 of approximately \$56.0 million from the prAna brand, which the company acquired in May 2014.
 - Net sales through the company's global DTC channels represented approximately 34 percent of consolidated net sales, and grew at a slightly faster rate compared to the company's global wholesale channels.
 - Mid-twenty-percent growth in net sales to LAAP distributors was more than offset by mid-twenty-percent declines in net sales to EMEA distributors, primarily reflecting the challenging macroeconomic conditions in Russia.
-

Regions

- U.S. net sales increased \$256.8 million, or 21 percent, to \$1.46 billion. The increase in U.S. net sales primarily reflected nearly equal percentage growth in DTC and wholesale channels, including approximately \$48.5 million of incremental prAna net sales from the first five months of 2015. The DTC sales growth reflected the addition of 16 stores, incremental sales contributed by stores opened in 2014, and growth in ecommerce sales. The wholesale growth included increases from all major channels of distribution.
- Net sales in the LAAP region declined \$22.4 million, or 5 percent (increased 2 percent constant-currency), to \$469.2 million, primarily due to a mid-twenty percent net sales decline in Korea, reflecting the extremely competitive nature of the outdoor sector in that country, and a high single-digit percent decline in net sales in Japan (high single-digit increase in constant-currency). These declines were partially offset by a mid-twenty percent increase in net sales to LAAP distributors, driven by increased advance orders and favorable shifts in the timing of shipments. Net sales in China were essentially flat (low single-digit percent increase in constant-currency).
- Net sales in the EMEA region declined \$26.0 million, or 10 percent (flat in constant-currency). Net sales in our Europe-direct markets increased low single-digit percent (low twenty percent constant-currency), offset by a mid-twenty percent decrease in sales to EMEA distributors due to the challenging macroeconomic conditions in Russia.
- Net sales in Canada increased \$17.2 million, or 11 percent (30 percent constant-currency), to \$168.6 million, reflecting increased wholesale and DTC net sales.

Brands

- Columbia global brand net sales increased \$114.4 million, or 7 percent (10 percent constant-currency), to \$1.86 billion, driven by growth in the U.S., LAAP distributor markets, and Europe-direct markets, partially offset by declines in EMEA distributor markets, Korea and Japan.
- Sorel global brand net sales exceeded \$200 million for the first time, increasing \$43.0 million, or 26 percent (34 percent constant-currency) to \$209.2 million, driven primarily by increased wholesale and DTC net sales in North America.
- prAna global brand net sales increased \$71.6 million, or 133 percent, primarily reflecting growth in North America, and included incremental net sales of approximately \$56.0 million during the first five months of 2015.
- Mountain Hardwear global brand net sales decreased \$3.5 million, or 3 percent (increased 1 percent constant-currency), to \$116.3 million, reflecting lower net sales in Korea and the EMEA region, partially offset by growth in the U.S.

Product Categories

- Global Apparel, Accessories & Equipment net sales increased \$145.0 million, or 9 percent (12 percent constant-currency), to \$1.82 billion, primarily driven by the Columbia and prAna brands.
- Global Footwear net sales exceeded \$500 million for the first time, increasing \$80.6 million, or 19 percent (26 percent constant-currency), to \$505.0 million, including growth from the Sorel and Columbia brands.

Gross Margin

Gross margins expanded 60 basis points to 46.1 percent, primarily driven by:

- lower provisions for slow-moving inventory,
- a more favorable channel mix comprising a higher proportion of direct-to-consumer net sales and a lower proportion of sales to international distributors, which generally carry lower relative gross margins than wholesale and direct-to-consumer channels;

partially offset by:

- unfavorable foreign currency hedge rates, and
 - lower margin on close-out product sales.
-

Selling, General and Administrative (SG&A) Expense

SG&A expenses increased \$68.9 million, or 9 percent, to \$832.0 million, representing 35.8 percent of net sales, compared to \$763.1 million, or 36.3 percent of net sales in 2014, representing 50 basis points of SG&A expense leverage. The increased SG&A expense included:

- personnel costs to support strategic initiatives and business growth,
- expenses related to the company's expanding global DTC operations,
- expenses from a full year of prAna SG&A expense, and
- demand-creation investments;

partially offset by:

- a benefit from foreign currency translation.

Excluding prAna, SG&A expense increased \$49.8 million, or 7%, on 8% organic sales growth. Marketing expense totaled 5.2% of sales in both 2015 and 2014.

Net licensing income totaled \$8.2 million, compared with \$7.0 million in 2014.

Operating Income

Operating income increased \$50.9 million, or 26 percent, to \$249.7 million, representing 120 basis points of operating margin leverage to 10.7 percent, compared with 2014 operating margin of 9.5 percent. Over the past two years, operating margin has expanded 290 basis points.

Income Tax Expense

The full year 2015 income tax rate was 27.3 percent, compared with the 2014 rate of 28.5 percent. The decrease in our effective tax rate was primarily due to a tax benefit from the utilization of net operating loss carry-forwards and reductions in associated valuation allowances in certain international tax jurisdictions, as well as a benefit from the utilization of foreign tax credits. These benefits were partially offset by a reduction in the tax benefits we recognized from the resolution of audits compared to 2014. Additionally, in 2015 we generated a higher proportion of taxable income in the United States where tax rates are generally higher than in international jurisdictions.

Net Income

Net income for 2015 increased 27 percent to \$174.3 million, or \$2.45 per diluted share, compared to full year 2014 net income of \$137.2 million, or \$1.94 per diluted share.

Balance Sheet

At December 31, 2015, cash and short-term investments totaled \$370.4 million, compared to \$440.8 million at December 31, 2014. At December 31, 2015, approximately 56 percent of cash and short-term investments were held in foreign jurisdictions where a repatriation of those funds to the United States would likely result in a significant tax cost to the company.

Consolidated accounts receivable at December 31, 2015 totaled \$372.0 million, an 8 percent increase on 3 percent fourth quarter net sales growth. Consolidated Days Sales Outstanding (DSO) at December 31, 2015 stood at 48 days, an increase of 2 days compared with December 31, 2014.

Consolidated inventory of \$473.6 million at December 31, 2015 increased \$89.0 million, or 23 percent, compared to December 31, 2014. The increased inventory is concentrated in North America and primarily reflects more timely production and receipt of Spring 2016 styles, with the remainder primarily comprising Fall 2015 styles. We expect inventory growth to normalize with sales growth in the second half of the year as we clear excess Fall 2015 inventory.

Fiscal Year 2015 Cash Flow

Operating cash flow for the year ended December 31, 2015 was \$95.1 million, compared to \$185.8 million in 2014.

Capital expenditures totaled \$69.9 million in 2015 compared to \$60.3 million in 2014. During 2015 we repurchased 1,385,682 shares for \$70.1 million, including the repurchase of 1,126,808 shares for \$55.5 million in the fourth quarter. At December 31, 2015, approximately \$173.5 million remained available under the current repurchase authorization. The share repurchase authorization does not obligate the company to acquire any specific number of shares or to acquire shares over any specified period of time.

During 2015, the company returned a total of \$113.6 million to shareholders, comprising share repurchases of \$70.1 million and dividends of \$43.5 million.

Full Year 2016 Financial Outlook

Our objective in providing a forward-looking financial outlook is to help investors understand our business and the variables that we consider when planning our business and evaluating our own performance.

All projections related to anticipated future results are forward-looking in nature and may change, perhaps significantly. Our annual net sales are weighted more heavily toward the Fall/Winter season, while operating expenses are more equally distributed throughout the year, resulting in a highly seasonal net sales and profitability pattern weighted toward the second half of the fiscal year.

Spring and Fall season advance wholesale orders typically drive a significant portion of our annual net sales and are one of several significant factors we use to formulate our full year outlook. However, among many risks inherent in our global business, our projected full year net sales and profitability may be materially affected by unfavorable weather patterns and other factors that affect consumer demand and store traffic and lead to higher-than-anticipated order cancellations and lower reorders by our wholesale customers and/or lower-than-projected net sales through our DTC channels, particularly during the fourth quarter.

We are facing macroeconomic, competitive and/or geopolitical uncertainty in certain markets, most notably in Russia, Korea, China and several emerging markets, making it more difficult to forecast our net sales and profitability in those markets. In addition, since 2014, the U.S. dollar has strengthened significantly against the Ruble, Canadian dollar, Yen, Euro, and the currencies of several emerging markets.

Taking the above factors into consideration, and assuming macro and market conditions in key markets do not worsen, our initial fiscal year 2016 outlook assumes:

- mid-single-digit percent global net sales growth compared to 2015, including approximately 1 percentage point negative effect from changes in foreign currency exchange rates);
- operating income of \$257 million to \$267 million, representing operating margin up to approximately 10.8 percent; and
- net income of between approximately \$179 million and \$186 million, or \$2.55 - \$2.65 per diluted share, compared with net income of \$174.3 million, or \$2.45 per diluted share, in 2015.

The above projections are based on the following expectations:

- Mid-single-digit percent net sales growth from the Columbia brand, low-double-digit percent net sales growth from the Sorel brand, and mid-twenty percent net sales growth from the prAna brand. Mountain Hardwear brand sales are expected to decrease at a low-single-digit percent rate.
 - Low-double-digit percent net sales growth in the U.S. business with DTC growth, particularly e-commerce, outpacing wholesale growth.
 - Low-single-digit percent net sales growth from the EMEA region with the Europe-direct business contributing mid-teen growth, largely offset by declines in the EMEA Distributor business due to the continued impact of macroeconomic challenges in Russia.
 - Low-single-digit percent net sales growth from the LAAP region driven by growth in Japan and China, partially offset by declines in Korea and LAAP Distributors.
 - Low-single-digit percent net sales decrease in Canada (mid-single-digit percent increase constant-currency).
 - Gross margin expansion of approximately 40 basis points compared with 2015, reflecting:
 - a higher proportion of DTC net sales, with a corresponding lower proportion of lower-gross margin distributor and wholesale net sales;
 - selective price increases in our non-U.S. subsidiaries to partially offset the unfavorable effects of foreign currency pressures; and
-

- a favorable sourcing environment;
- partially offset by:
- unfavorable foreign currency hedge rates.
- SG&A expense growth rate slightly higher than anticipated consolidated net sales growth, resulting in approximately 40 basis points of SG&A expense deleverage. The increase in projected SG&A expenses consists primarily of:
 - increased personnel expenses to support strategic initiative and business growth;
 - increased expenses to support continued global DTC expansion and operations;
 - increased demand creation spending, which is anticipated to increase to approximately 5.4 percent of 2016 net sales compared with 5.2 percent of 2015 net sales; and
 - increased expenses related to ongoing information technology initiatives;
 partially offset by:
 - a benefit from foreign currency translation.
 - Licensing income of approximately \$11.0 million.
 - An estimated full-year effective income tax rate of approximately 27.5 percent, comparable to the effective income tax rate of 27.3 percent in 2015. The actual rate could differ based on the geographic mix of pre-tax income and other discrete events that may occur during the year.
 - An unfavorable impact of approximately \$(0.28) on full year 2016 earnings per share, compared to an estimated unfavorable impact of \$(0.10) per share in 2015, due to changes in currency exchange rates, comprising lower gross margins within many of our foreign subsidiaries as a result of increased costs of inventory, and to a lesser degree, the translation of net income, revaluation of foreign-currency denominated assets and liabilities, and net losses on the settlement of intercompany transactions.
 - Capital expenditures of approximately \$70 million, comprising investments in DTC business expansion, information technology, and project-based and maintenance capital.

The above outlook anticipates:

- a lower net sales growth rate in the first half of the year than in the second half;
- a more pronounced negative impact from currency on first- and third-quarter gross margins as we ship a higher percentage of international wholesale advance orders for spring and fall, respectively, in those quarters; and
- more pronounced SG&A deleverage in the first half of the year, given the lower anticipated net sales growth rate and the fixed cost structure of the business.

As a result, we expect first half operating profit to be approximately \$10 million to \$20 million lower than the comparable 2015 period, and 2016 profitability and profitability growth compared with 2015 to be heavily concentrated in the second half of the year.

Supplemental Constant-Currency Financial Information

The company reports its financial information in accordance with accounting principles generally accepted in the United States (“GAAP”). During periods of significant foreign currency exchange rate volatility, to supplement financial information reported in accordance with GAAP, the company discloses constant-currency net sales information, which is a non-GAAP financial measure, to provide a framework to assess how the business performed excluding the effects of changes in the exchange rates used to translate net sales generated in foreign currencies into U.S. dollars. The Company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into U.S. dollars at the exchange rates that were in effect during the comparable period of the prior year. Management believes that this non-GAAP financial measure reflects an additional and useful way of viewing an aspect of our operations that, when viewed in conjunction with our GAAP results, provides a more comprehensive understanding of our business and operations. In particular, investors may find the non-GAAP measures useful by reviewing our net sales results without the significant volatility in foreign currency exchange rates. This non-GAAP financial measure also facilitates management’s internal comparisons to our historical net sales results and comparisons to competitors’ net sales results. Constant-currency financial measures should be viewed in addition to, and not in lieu

of or superior to, our financial measures calculated in accordance with GAAP. The Company provides a reconciliation of this non-GAAP measure to the most directly comparable financial measure calculated in accordance with GAAP. (See “Supplemental Financial Information - Constant-currency Basis” tables included in the earnings release announcing fourth quarter and full-year financial results located on the investor relations section of the company’s website at <http://investor.columbia.com/results.cfm>) The constant-currency information presented may not be comparable to similarly titled measures reported by other companies.

First Quarter 2016 Reporting Schedule

Columbia Sportswear plans to report first quarter 2016 financial results on Thursday, April 28, 2016 at approximately 4:00 p.m. ET. Following issuance of the earnings release, a commentary reviewing the results will be furnished to the SEC on Form 8-K and published on the investor relations section of the company’s website at <http://investor.columbia.com/results.cfm>.

A public webcast of Columbia’s earnings conference call will follow at 5:00 p.m. ET at www.columbia.com. **To receive email notification of future announcements, please visit <http://investor.columbia.com/events.cfm> and register for E-Mail Alerts.**

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the federal securities laws, including statements regarding anticipated results, net sales and net sales growth, gross margins, operating expenses, licensing income, net losses, operating income, operating margins, earnings per share, income tax rates, projected growth in global direct-to-consumer and wholesale businesses, projected growth or decline in specific geographies, countries and brands, inventory, capital expenditures, volatility of foreign currency exchange and hedge rates, and net income. Forward-looking statements often use words such as “will,” “anticipate,” “estimate,” “expect,” “should” and “may” and other words and terms of similar meaning or reference future dates. The company’s expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis; however, each forward-looking statement involves a number of risks and uncertainties, including those set forth in this document, those described in the company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q under the heading “Risk Factors,” and those that have been or may be described in other reports filed by the company, including reports on Form 8-K. Potential risks and uncertainties that may affect our future revenues, earnings and performance and could cause the actual results of operations or financial condition of the company to differ materially from the anticipated results expressed or implied by forward-looking statements in this document include: loss of key customer accounts; our ability to effectively implement IT infrastructure and business process initiatives; the effects of unseasonable weather; trends affecting consumer traffic and spending in brick and mortar retail channels; our ability to implement our growth strategy; unfavorable economic conditions generally, the financial health of our customers and changes in the level of consumer spending and apparel preferences; changes in international, federal or state tax, labor and other laws and regulations that affect our business, including changes in corporate tax rates; risks inherent in doing business in foreign markets, including fluctuations in currency exchange rates; our ability to attract and retain key personnel; higher than expected rates of order cancellations; increased consolidation of our retail customers; our ability to effectively source and deliver our products to customers in a timely manner; our dependence on independent manufacturers and suppliers and our ability to source finished products and components at competitive prices from them; the effectiveness of our sales and marketing efforts; intense competition in the industry; business disruptions and acts of terrorism, cyberattacks or military activities around the globe; and our ability to establish and protect our intellectual property. The company cautions that forward-looking statements are inherently less reliable than historical information. The company does not undertake any duty to update any of the forward-looking statements after the date of this document to conform them to actual results or to reflect changes in events, circumstances or its expectations. New factors emerge from time to time and it is not possible for the company to predict or assess the impact of all such factors or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

End

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