UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2009

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 **(State or other jurisdiction of incorporation or organization)**	**93-0498284** **(IRS Employer Identification Number)**
14375 Northwest Science Park Drive **Portland, Oregon** **(Address of principal executive offices)**	**97229** **(Zip Code)**

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

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of Common Stock outstanding on April 24, 2009 was 33,897,105.

COLUMBIA SPORTSWEAR COMPANY
MARCH 31, 2009

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PART I. FINANCIAL INFORMATION

Item 1 – *FINANCIAL STATEMENTS*

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

	March 31, 2009	December 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 272,112	$ 230,617
Short-term investments	27,705	22,433
Accounts receivable, net of allowance of $8,326 and $9,542, respectively	213,486	299,585
Inventories, net (Note 2)	223,701	256,312
Deferred income taxes	28,257	33,867
Prepaid expenses and other current assets	28,696	29,705
Total current assets	793,957	872,519
Property, plant and equipment, net of accumulated depreciation of $195,057 and $190,906, respectively	228,264	229,693
Intangibles and other non-current assets (Note 3)	38,174	33,365
Goodwill (Note 3)	12,659	12,659
Total assets	$1,073,054	$1,148,236
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 48,398	$ 104,354
Accrued liabilities	50,023	58,085
Income taxes payable	6,374	8,718
Deferred income taxes	1,907	1,969
Other current liabilities	66	63
Total current liabilities	106,768	173,189
Income taxes payable	20,863	20,412
Other long-term liabilities	11,422	10,545
Total liabilities	139,053	204,146
Commitments and contingencies (Note 9)		
Shareholders' Equity:		
Preferred stock; 10,000 shares authorized; none issued and outstanding	—	—
Common stock (no par value); 125,000 shares authorized; 33,894 and 33,865 issued and outstanding (Note 6)	2,409	1,481
Retained earnings	910,922	909,443
Accumulated other comprehensive income (Note 5)	20,670	33,166
Total shareholders' equity	934,001	944,090
Total liabilities and shareholders' equity	$1,073,054	$1,148,236

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Net sales	$271,966	$297,363
Cost of sales	161,471	166,808
Gross profit	110,495	130,555
Selling, general, and administrative expenses	102,009	103,912
Net licensing income	1,908	843
Income from operations	10,394	27,486
Interest income, net	914	2,262
Income before income tax	11,308	29,748
Income tax expense	(4,410)	(9,817)
Net income	$ 6,898	$ 19,931
Earnings per share:		
Basic	$ 0.20	$ 0.56
Diluted	0.20	0.56
Cash dividends per share	$ 0.16	$ 0.16
Weighted average shares outstanding (Note 6):		
Basic	33,873	35,359
Diluted	33,968	35,513

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Cash flows from operating activities:		
Net income	$ 6,898	$ 19,931
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,150	7,867
Loss on disposal of property, plant, and equipment	41	101
Deferred income taxes	(174)	(655)
Stock-based compensation	1,398	2,000
Excess tax benefit from employee stock plans	(15)	(8)
Changes in operating assets and liabilities:		
Accounts receivable	80,851	58,027
Inventories	27,539	30,877
Prepaid expenses and other current assets	728	(6,460)
Intangibles and other assets	(273)	83
Accounts payable	(58,836)	(49,467)
Accrued liabilities	(6,788)	(3,789)
Income taxes payable	(1,678)	(768)
Other liabilities	941	3,165
Net cash provided by operating activities	58,782	60,904
Cash flows from investing activities:		
Purchases of short-term investments	(5,163)	(51,555)
Sales of short-term investments	—	131,565
Capital expenditures	(5,161)	(9,541)
Proceeds from sale of property, plant, and equipment	1	27
Net cash provided by (used in) investing activities	(10,323)	70,496
Cash flows from financing activities:		
Proceeds from notes payable	18,390	4,663
Repayments on notes payable	(18,390)	(4,663)
Proceeds from long-term debt	—	25
Repayment of long-term debt and other liabilities	(5)	(6)
Proceeds from issuance of common stock	165	64
Excess tax benefit from employee stock plans	15	8
Repurchase of common stock	(307)	(40,260)
Cash dividends paid	(5,419)	(5,605)
Net cash used in financing activities	(5,551)	(45,774)
Net effect of exchange rate changes on cash	(1,413)	(1,331)
Net increase in cash and cash equivalents	41,495	84,295
Cash and cash equivalents, beginning of period	230,617	191,950
Cash and cash equivalents, end of period	$272,112	$276,245
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest, net of capitalized interest	$ 8	$ 15
Cash paid during the period for income taxes	6,398	10,218
Supplemental disclosures of non-cash investing activities:	5,180	4,631
Capital expenditures incurred but not yet paid		

See accompanying notes to condensed consolidated financial statements.

COLUMBIA SPORTSWEAR COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 include all material adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Company's financial position as of March 31, 2009, the results of operations for the three months ended March 31, 2009 and 2008 and cash flows for the three months ended March 31, 2009 and 2008. A significant part of the Company's business is of a seasonal nature; therefore, the results of operations for the three months ended March 31, 2009 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 accounting principles generally accepted in the United States of America ("generally accepted accounting principles") have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The Company, however, believes that the disclosures contained in this report comply with the requirements of Section 13(a) of the Securities Exchange Act of 1934 for a Quarterly Report on Form 10-Q and are adequate to make the information presented not misleading. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

Estimates and assumptions:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions. Some of these more significant estimates relate to revenue recognition, allowance for doubtful accounts, inventory, product warranty, intangible assets and income taxes.

Reclassifications:

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

Concentration of credit risk:

Trade Receivables

At March 31, 2009, the Company had one customer included in both its United States and Canada segments that accounted for approximately 10.5% of consolidated accounts receivable. At December 31, 2008, the Company had one customer in its Europe, Middle East and Africa ("EMEA") segment and one customer in its Canadian segment that accounted for approximately 13.5% and 10.2% of consolidated accounts receivable, respectively. No single customer accounted for greater than or equal to 10% of consolidated net sales for the three months ended March 31, 2009 or 2008.

Cash and Investments

At March 31, 2009, approximately 80% of the Company's cash and cash equivalents were concentrated in domestic and international money market mutual funds. Substantially all of the Company's money market mutual funds were assigned a AAA or analogous rating from Standard & Poor's ("S&P"), Moody's Investor Services ("Moody's") or Fitch Ratings.

The U.S. Treasury Department temporarily guarantees certain amounts held in money market mutual funds up to the balance held at September 19, 2008. To qualify for the guarantee, the fund must be regulated under Rule 2a-7 of the Investment Company Act of 1940 and the managing institution must continue participation in the guarantee program. On September 19, 2008, the Company had a total of approximately $50,000,000 of investments with two institutions qualifying for this guarantee program. At March 31, 2009, the eligible $50,000,000 remained invested and both institutions were actively participating in the guarantee program.

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COLUMBIA SPORTSWEAR COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

All the Company's remaining cash and cash equivalents and short-term investments were deposited with various institutions in the Company's primary operating geographies. All institutions were rated investment grade by both S&P and Moody's and most were rated AA- / Aa1 or better.

Derivatives

The Company uses derivative instruments primarily to hedge the exchange rate risk of anticipated transactions denominated in non-functional currencies. At March 31, 2009, no contract had a remaining maturity longer than one year. All the counterparties to these transactions had a S&P / Moody's short-term credit rating of A-2 / P-1 or better. The net exposure to any single counterparty, which is generally limited to the aggregate unrealized gain of all contracts with that counterparty, was less than $2,000,000 at March 31, 2009. See Note 8 for further disclosures concerning derivatives.

Cash and cash equivalents:

Cash and cash equivalents are stated at cost, which approximates fair value, and include investments with maturities of three months or less at the date of acquisition. Cash and cash equivalents consisted of money market funds and bank deposits.

Short-term investments:

At March 31, 2009, short-term investments consisted of debt security mutual fund shares and a medium-term note, both available for use in current operations, and certificates of deposit with maturities of six months or less. At December 31, 2008, short-term investments consisted of debt security mutual fund shares available for use in current operations and certificates of deposit with maturities of six months or less. All short-term investments are classified as available-for-sale securities and are recorded at fair value with any unrealized gains and losses reported, net of tax, in other comprehensive income. Realized gains or losses are determined based on the specific identification method.

Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The principal estimated useful lives are: buildings and building improvements, 15-30 years; land improvements, 15 years; furniture and fixtures, 3-10 years; and machinery and equipment, 3-5 years. Leasehold improvements are depreciated over the lesser of the estimated useful life of the improvement, which is most commonly 7 years, or the remaining term of the underlying lease.

Product warranty:

Some of the Company's products carry limited warranty provisions for defects in quality and workmanship. A warranty reserve is established at the time of sale to cover estimated costs based on the Company's history of warranty repairs and replacements and is recorded in cost of sales. A summary of accrued warranties for the three months ended March 31, 2009 and 2008 is as follows (in thousands):

	2009	2008
Balance at beginning of period	$9,746	$10,862
Charged to costs and expenses	884	1,217
Claims settled	(961)	(1,250)
Other	(177)	187
Balance at end of period	$9,492	$11,016

Recent accounting pronouncements:

In March 2008, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 161, *Disclosures About Derivative Instruments and Hedging Activities*. This statement is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance and cash flows. The provisions of SFAS No. 161 are effective for the fiscal years and interim quarters beginning after November 15, 2008. The adoption of this statement did not have a material effect on the Company's consolidated financial position, results of operations or cash flows. See Note 8.

COLUMBIA SPORTSWEAR COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. This statement amends Accounting Research Bulletin No. 51, *Consolidated Financial Statements,* to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. The adoption of this statement did not have a material effect on the Company's consolidated financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 141R, *Business Combinations*. This statement replaces SFAS No. 141 and requires the acquirer of a business to recognize and measure the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at fair value. SFAS No. 141R also requires transaction costs related to the business combination to be expensed as incurred. SFAS No. 141R is effective for business combinations for which the acquisition date is on or after fiscal years beginning after December 15, 2008. The adoption of this statement did not have a material effect on the Company's consolidated financial position, results of operations or cash flows.

NOTE 2 - INVENTORIES, NET

Inventories are carried at the lower of cost or market. Cost is determined using the first-in, first-out method. The Company periodically reviews its inventory for excess, close-out and slow moving items and makes provisions as necessary to properly reflect inventory value.

Inventories, net, consist of the following (in thousands):

	March 31, 2009	December 31, 2008
Raw materials	$ 1,342	$ 621
Work in process	1,202	1,065
Finished goods	221,157	254,626
	$223,701	$ 256,312

NOTE 3 - INTANGIBLE ASSETS AND GOODWILL

Intangible assets with indefinite useful lives are not amortized and are periodically evaluated for impairment. Intangible assets that are determined to have finite lives are amortized over their useful lives.

The following table summarizes the Company's identifiable intangible assets balance (in thousands):

	March 31, 2009		December 31, 2008	
	Carrying Amount	Accumulated Amortization	Carrying Amount	Accumulated Amortization
Intangible assets subject to amortization:				
Patents	$ 898	$ (561)	$ 898	$ (534)
Intangible assets not subject to amortization:				
Trademarks and trade names	$26,872		$26,872	
Goodwill	12,659		12,659	
	$39,531		$39,531	

Amortization expense for intangible assets subject to amortization is estimated to be $109,000 per year in 2009 and 2010 and $73,000 per year in 2011 and 2012. These patents are anticipated to become fully amortized in 2012.

Other non-current assets totaled $10,965,000 and $6,129,000 at March 31, 2009 and December 31, 2008, respectively.

NOTE 4 - STOCK-BASED COMPENSATION

1997 Stock Incentive Plan

The Company's 1997 Stock Incentive Plan (the "Plan") provides for issuance of up to 7,400,000 shares of the Company's Common Stock, of which 505,533 shares were available for future grants under the Plan at March 31, 2009. The Plan allows for grants of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units and other stock-based awards. The Company uses original issuance shares to satisfy share-based payments.

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Stock Options

Options to purchase the Company's common stock are granted at prices equal to or greater than the fair market value on the date of grant. Options granted prior to 2001 generally vested and became exercisable ratably over a period of five years from the date of grant and expire ten years from the date of grant. Options granted after 2000 and prior to 2009 generally vest and become exercisable over a period of four years (twenty-five percent on the first anniversary date following the date of grant and monthly thereafter) and expire ten years from the date of the grant, with the exception of most options granted in 2005. Most options granted in 2005 vested and became exercisable one year from the date of grant and expire ten years from the date of grant. Options granted after 2008 generally vest and become exercisable ratably over a period of four years and expire ten years from the date of the grant.

The Company estimates the fair value of stock options using the Black-Scholes model. Key inputs and assumptions used to estimate the fair value of stock options include the exercise price of the award, the expected option term, the expected volatility of the Company's stock over the option's expected term, the risk-free interest rate over the option's expected term, and the Company's estimated annual dividend yield. Assumptions are evaluated and revised as necessary to reflect changes in market conditions and the Company's experience. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by people who receive equity awards.

The following table shows the weighted average assumptions for the three months ended March 31, 2009 and 2008:

	2009	2008
Expected term	4.34 years	4.33 years
Expected stock price volatility	29.64%	24.60%
Risk-free interest rate	1.54%	2.48%
Expected dividend yield	2.19%	1.56%
Estimated average fair value per option granted	$ 6.19	$ 8.36

The following table summarizes stock option activity for the three months ended March 31, 2009:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Options outstanding at December 31, 2008	1,653,639	$ 45.10	6.73	$1,042
Granted	316,065	29.31		
Cancelled	(89,429)	44.39		
Exercised	(10,400)	15.83		
Options outstanding at March 31, 2009	1,869,875	$ 42.63	6.82	$817
Options vested and expected to vest at March 31, 2009	1,788,354	$ 42.91	6.71	$760
Options exercisable at March 31, 2009	1,041,577	$ 45.32	5.05	$409

The aggregate intrinsic value in the table above represents pre-tax intrinsic value that would have been realized if all options had been exercised on the last business day of the period indicated, based on the Company's closing stock price on that day. Total stock option compensation expense for the three months ended March 31, 2009 and 2008 was $609,000 and $1,100,000, respectively. At March 31, 2009 and 2008, unrecognized costs related to stock options totaled approximately $6,497,000 and $9,692,000, respectively, before any related tax benefit. The unrecognized costs related to stock options are being amortized over the related vesting period using the straight-line attribution method. Unrecognized costs related to stock options at March 31, 2009 are expected to be recognized over a weighted average period of 3.02 years. The aggregate intrinsic value of stock options exercised was $149,000 and $76,000 for the three months ended March 31, 2009 and 2008, respectively. The total cash received as a result of stock option exercises for the three months ended March 31, 2009 and 2008 was $165,000 and $64,000, respectively. The realized tax benefit for the deduction from stock option transactions for the three months ended March 31, 2009 and 2008 was $55,000 and $14,000, respectively.

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Restricted Stock Units

Service-based restricted stock units are granted at no cost to key employees and shares granted prior to 2009 generally vest over three years from the date of grant. Service-based restricted stock units granted after 2008 generally vest over a period of four years. Performance-based restricted stock units are granted at no cost to certain members of the Company's senior executive team, excluding the Chairman and the President and Chief Executive Officer, and generally vest over a performance period of between two and one-half and three years with an additional required service period of one year. Restricted stock units vest in accordance with the terms and conditions established by the Compensation Committee of the Board of Directors, and are based on continued service and, in some instances, on individual performance and/or Company performance. For the majority of restricted stock units granted, the number of shares issued on the date the restricted stock units vest is net of the minimum statutory withholding requirements that the Company pays in cash to the appropriate taxing authorities on behalf of its employees. For the three months ended March 31, 2009 and 2008, the Company withheld 11,362 and 1,568 shares, respectively, to satisfy $307,000 and $66,000 of employees' tax obligations, respectively. These shares withheld are not issued, but rather treated as common stock repurchases in the Company's financial statements because they reduce the number of shares that would have been issued upon vesting.

The fair value of service-based and performance-based restricted stock units is discounted by the present value of the estimated future stream of dividends over the vesting period using the Black-Scholes model. The relevant assumptions used in the Black-Scholes model to compute the discount are the vesting period, dividend yield and closing price of the Company's common stock on the date of grant.

The following table presents the weighted average assumptions for the three months ended March 31, 2009 and 2008:

	2009	2008
Vesting period	3.97 years	3.16 years
Expected dividend yield	2.21%	1.56%
Estimated average fair value per restricted stock unit granted	$ 26.63	$ 39.20

The following table summarizes the restricted stock unit activity for the three months ended March 31, 2009:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
Restricted stock units outstanding at December 31, 2008	260,509	$46.32
Granted	115,587	26.63
Vested	(30,209)	59.96
Forfeited	(22,883)	41.44
Restricted stock units outstanding at March 31, 2009	323,004	$38.34

Restricted stock unit compensation expense for the three months ended March 31, 2009 and 2008 was $789,000 and $900,000, respectively. At March 31, 2009 and 2008, unrecognized costs related to restricted stock units totaled approximately $6,532,000 and $10,047,000, respectively, before any related tax benefit. The unrecognized costs related to restricted stock units are being amortized over the related vesting period using the straight-line attribution method. These unrecognized costs at March 31, 2009 are expected to be recognized over a weighted average period of 2.38 years. The total grant date fair value of restricted stock units vested during the three months ended March 31, 2009 and 2008 was $1,811,000 and $200,000, respectively. The realized tax benefit for the deduction from restricted stock unit transactions for the three months ended March 31, 2009 and 2008 was $280,000 and $57,000, respectively.

1999 Employee Stock Purchase Plan

In 1999, the Company's shareholders approved the 1999 Employee Stock Purchase Plan ("ESPP"). There are 750,000 shares of common stock authorized for issuance under the ESPP, which allows qualified employees of the Company to purchase shares on a quarterly basis up to fifteen percent of their respective compensation. The purchase price of the shares is equal to eighty-five percent of the lesser of the closing price of the Company's common stock on the first or last trading day of the respective quarter. Effective July 1, 2005, the Company suspended offerings under the ESPP indefinitely. As of March 31, 2009 a total of 275,556 shares of common stock had been issued under the ESPP.

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COLUMBIA SPORTSWEAR COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

NOTE 5 - COMPREHENSIVE INCOME

Accumulated other comprehensive income, net of applicable taxes, reported on the Company's Condensed Consolidated Balance Sheets consists of foreign currency translation adjustments, unrealized gains and losses on derivative transactions and unrealized gains and losses on available-for-sale securities. A summary of comprehensive income, net of related tax effects, for the three months ended March 31, 2009 and 2008 is as follows (in thousands):

	2009	2008
Net income	$ 6,898	$19,931
Other comprehensive income (loss):		
Unrealized holding gains on available-for-sale securities	260	—
Unrealized derivative holding gains arising during period	1,864	566
Reclassification to net income of previously deferred gains on derivative transactions	(1,652)	(793)
Foreign currency translation adjustments	(12,968)	10,862
Other comprehensive income (loss)	(12,496)	10,635
Comprehensive income (loss)	$ (5,598)	$30,566

Accumulated other comprehensive income, net of related tax effects, consisted of the following (in thousands):

	Foreign currency translation adjustments	Unrealized holding gains on derivative transactions	Unrealized holding gains on available-for-sale securities	Accumulated other comprehensive income
Balance at December 31, 2008	$ 30,550	$ 2,616	$ —	$ 33,166
Activity for the three months ended March 31, 2009	(12,968)	212	260	(12,496)
Balance at March 31, 2009	$ 17,582	$ 2,828	$ 260	$ 20,670

NOTE 6 - EARNINGS PER SHARE

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 shares of common stock outstanding. Diluted EPS reflects the potential dilution that could occur if outstanding securities or other contracts to issue common stock were exercised or converted into common stock. For the calculation of diluted EPS, the basic weighted average number of shares is increased by the dilutive effect of stock options and restricted stock units determined using the treasury stock method.

A reconciliation of the shares of common stock used in the denominator for computing basic and diluted EPS for the three months ended March 31, 2009 and 2008 is as follows (in thousands, except per share amounts):

	2009	2008
Weighted average shares of common stock outstanding, used in computing basic earnings per share	33,873	35,359
Effect of dilutive stock options and restricted stock units	95	154
Weighted-average shares of common stock outstanding, used in computing diluted earnings per share	33,968	35,513
Earnings per share of common stock:		
Basic	$ 0.20	$ 0.56
Diluted	0.20	0.56

Stock options and service-based restricted stock units representing 1,762,856 and 1,248,886 shares of common stock were outstanding for the three months ended March 31, 2009 and 2008, respectively, but these shares were excluded in the computation of diluted EPS because their effect would be anti-dilutive. In addition, performance-based restricted stock units representing 41,625 and 7,670 shares for the three months ended March 31, 2009 and 2008, respectively, were excluded from the computation of diluted EPS because these shares were subject to performance conditions that had not been met.

COLUMBIA SPORTSWEAR COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

Since the inception of the Company's stock repurchase plan in 2004 through March 31, 2009, the Company's Board of Directors has authorized the repurchase of $500,000,000 of the Company's common stock. As of March 31, 2009, the Company has repurchased 8,694,657 shares under this program at an aggregate purchase price of approximately $400,000,000. The Company did not repurchase any shares under this program for the three months ended March 31, 2009. Shares of the Company's common stock may be purchased in the open market or through privately negotiated transactions, subject to market conditions. The repurchase program does not obligate the Company to acquire any specific number of shares or to acquire shares over any specified period of time.

NOTE 7 - SEGMENT INFORMATION

The Company operates in four geographic segments: (1) United States, (2) EMEA, (3) Latin America and Asia Pacific ("LAAP"), and (4) Canada, which are reflective of the Company's internal organization, management, and oversight structure. Each geographic segment operates predominantly in one industry: the design, production, marketing and selling of active outdoor apparel, including sportswear, outerwear, footwear and related accessories and equipment.

The geographic distribution of the Company's net sales, income (loss) before income tax, and identifiable assets are summarized in the following tables (in thousands). Inter-segment net sales, which are recorded at a negotiated mark-up and eliminated in consolidation, are not material.

	Three Months Ended March 31,	
	2009	2008
Net sales to unrelated entities:		
United States	$ 156,278	$ 155,784
EMEA	49,808	65,657
LAAP	46,085	49,027
Canada	19,795	26,895
	$ 271,966	$ 297,363
Income (loss) before income tax:		
United States	$ (2,616)	$ 7,295
EMEA	4,648	9,078
LAAP	5,374	6,937
Canada	2,988	5,181
Interest and other income and eliminations	914	1,257
	$ 11,308	$ 29,748

	March 31, 2009	December 31, 2008
Assets:		
United States	$ 821,587	$ 857,228
EMEA	226,920	246,072
LAAP	78,248	93,773
Canada	82,145	89,463
Total identifiable assets	1,208,900	1,286,536
Eliminations and reclassifications	(135,846)	(138,300)
Total assets	$1,073,054	$1,148,236

NOTE 8 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In the normal course of business, the Company's financial position and results of operations are routinely subject to a variety of risks, including market risk associated with interest rate movements on borrowings and investments and currency rate movements on non-functional currency denominated assets, liabilities and income. The Company regularly assesses these risks and has established policies and business practices that serve to mitigate these potential exposures. As part of the Company's risk management programs, the Company may use a variety of financial instruments, including foreign currency option and forward contracts. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

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COLUMBIA SPORTSWEAR COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

(Unaudited)

The Company's foreign currency risk management objective is to mitigate the uncertainty of anticipated cash flows attributable to changes in exchange rates. Particular focus is put on cash flows resulting from anticipated inventory purchases and the related receivables and payables, including third party or intercompany transactions. The Company manages this risk primarily by using currency forward exchange contracts and options. Anticipated transactions that are hedged carry a high level of certainty and are expected to be recognized within one year. In addition, the Company may use cross-currency swaps to hedge foreign currency denominated payments related to intercompany loan agreements.

The Company hedges against the exchange rate risk associated with anticipated transactions denominated in non-functional currencies. The Company accounts for these instruments as cash flow hedges in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, *as amended*. The effective change in fair value of these financial instruments is initially offset to accumulated other comprehensive income and any ineffective portion offset to current income. Amounts accumulated in other comprehensive income are subsequently reclassified to cost of sales when the underlying transaction is included in income. Hedge effectiveness is determined by evaluating the ability of a hedging instrument's cumulative change in fair value to offset the cumulative change in the present value of expected cash flows on the underlying exposures. For forward contracts and options, the change in fair value attributable to changes in forward points and time value, respectively, are excluded from the determination of hedge effectiveness and included in current cost of sales. Hedge ineffectiveness was not material during the three months ended March 31, 2009 and 2008.

At March 31, 2009, the notional value of outstanding forward contracts designated as hedging anticipated inventory purchases was approximately $70,000,000. At March 31, 2009, deferred gains (net of tax) on both outstanding and matured derivatives accumulated in other comprehensive income are expected to be reclassified to net income during the next twelve months as a result of underlying hedged transactions also being recorded in net income. Actual amounts ultimately reclassified to net income are dependent on the exchange rates in effect when derivative contracts that are currently outstanding mature.

The classification of effective hedge results in the Condensed Consolidated Statement of Operations is the same as that of the underlying exposure. Results of hedges of product costs are recorded in cost of sales when the underlying hedged transaction affects income. Unrealized derivative gains and losses, which are recorded in current assets and liabilities, respectively, are non-cash items and therefore are taken into account in the preparation of the Condensed Consolidated Statement of Cash Flows based on their respective balance sheet classifications.

The Company uses derivative instruments not formally designated and qualifying as hedges pursuant to SFAS No. 133 to hedge the exchange rate risk associated with the remeasurement of monetary assets and liabilities. The change in fair value of these instruments is recognized immediately in cost of sales. At March 31, 2009, the Company did not have any outstanding derivatives not formally designated as hedges.

The Company does not hold derivatives which include credit-related contingent features. In addition, the Company is not a party to any derivative master agreement which includes credit-related contingent provisions. Finally, the Company has not pledged assets or posted collateral as a requirement for entering into or maintaining derivative positions.

The following table presents the balance sheet classification and fair value of derivative instruments designated as cash flow hedges as of March 31, 2009 (in thousands):

	Classification	Fair Value
Derivative instruments in asset positions:		
Currency forward contracts	Accounts receivable	$ 3,092
Derivative instruments in liability positions:		
Currency forward contracts	Accounts receivable	103

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The following table presents the effect and classification of derivative instruments for the three months ended March 31, 2009 (in thousands):

	Statement Of Operations Classification	Gain (loss)
Currency Forward Contracts:		
Derivative instruments designated as cash flow hedges:		
Gain recognized in other comprehensive income, net of tax	—	$ 1,864
Gain reclassified from accumulated other comprehensive income to income for the effective portion, net of tax	Cost of sales	1,652
Loss recognized in income for amount excluded from effectiveness testing and for the ineffective portion	Cost of sales	(117)
Derivative instruments not designated as cash flow hedges:		
Gain recognized in income	Cost of sales	340

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Off-Balance Sheet Arrangements

Letters of credit outstanding for purchase orders for inventory were $7,345,000 and $8,338,000 at March 31, 2009 and December 31, 2008, respectively.

Product purchase obligations for open production purchase orders for sourced apparel, footwear, accessories and equipment, and materials used to manufacture apparel were $316,680,000 and $157,774,000 at March 31, 2009 and December 31, 2008, respectively.

Operating Leases

Future minimum operating lease payments, including rent escalation clauses, were $260,145,000 and $235,119,000 at March 31, 2009 and December 31, 2008, respectively. Future minimum payments do not include real estate taxes, insurance, common area maintenance and other costs for which the Company may be obligated.

There have not been any other material changes relating to the commitments and contingencies reported on the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

NOTE 10 - FAIR VALUE MEASURES

Certain assets and liabilities are reported at fair value on either a recurring or nonrecurring basis. Under SFAS No. 157, fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, under a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1 – observable inputs such as quoted prices in active markets;

Level 2 – inputs, other than the quoted market prices in active markets, which are observable, either directly or indirectly; and

Level 3 – unobservable inputs for which there is little or no market data available, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2009 are as follows (in thousands):

	Total	Level 1 (1)	Level 2 (2)	Level 3
Assets:				
Cash equivalents	$272,112	$272,112	$ —	$ —
Short-term investments	27,705	22,702	5,003	—
Derivative financial instruments	2,989	—	2,989	—

(1) Level 1 assets include money market funds, certificates of deposit and mutual fund shares for which cost approximates fair value.
(2) Level 2 assets include medium-term notes and derivative financial instruments which are valued based on significant observable inputs. See Note 8 for further discussion regarding derivative financial instruments.

There were no assets and liabilities measured at fair value on a nonrecurring basis.

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Item 2 – ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

This quarterly report contains forward-looking statements. Forward-looking statements include any statements related to our expectations regarding future performance or market position, including any statements regarding anticipated sales results across markets, distribution channels and product categories, access to raw materials and factory capacity, and financing and working capital requirements and resources.

These forward-looking statements, and others we make from time to time, are subject to a number of risks and uncertainties. Many factors may cause actual results to differ materially from those projected in forward-looking statements, including the risks described below in Part II, Item 1A, Risk Factors. We do not undertake any duty to update forward-looking statements after the date they are made or to conform them to actual results or to changes in circumstances or expectations.

Our Business

As one of the largest outdoor apparel and footwear companies in the world, we design, develop, market and distribute active outdoor apparel, footwear and related accessories and equipment under the Columbia, Mountain Hardwear, Sorel, Montrail, and Pacific Trail brands. Our brands are distributed through a mix of wholesale distribution channels, independent distributors, our own retail stores and licensees.

As a consumer products company, the popularity of outdoor activities and changing design trends affect the desirability of our products. Therefore, we seek to anticipate and respond to trends and shifts in consumer preferences by adjusting the mix of available product offerings, developing new products with innovative performance features and designs, and by creating persuasive and memorable marketing communications to drive consumer awareness and demand. Failure to respond to consumer needs and preferences in a timely and adequate manner could have a material adverse effect on our sales and profitability.

Strategy and Outlook Update

Our business, like other branded consumer product companies, is heavily dependent upon discretionary consumer spending patterns. Our net sales volumes have been negatively affected by the volatility of the global economy and its impact on consumer purchasing behavior, and retailers' behavior related to advance orders, order cancellations and seasonal reorders. The current macro-economic environment has caused tightening of credit for some of our wholesale customers, independent distributors and consumers and a significant slowing of retail sales. This has resulted in, and could continue to cause, a more cautious approach by many of our wholesale customers and independent distributors when placing advance orders for seasonal products and reducing, delaying delivery of, or cancelling advance orders placed in earlier periods. In addition, the effects of foreign currency exchange rates may amplify potential net sales declines if the U.S. dollar continues to strengthen compared to foreign currencies in our direct markets. We expect our retail revenues to partially offset some of this anticipated wholesale revenue decline.

We believe that we have appropriately factored our historical experiences, incremental sales from our new retail stores, and the estimated effect of changes in foreign currency exchange rates into our plans. However, unfavorable and unprecedented macro-economic conditions have increased the uncertainty of our planning and forecasts. In this challenging economic environment, we are also mindful of our reliance on the overall financial health of our wholesale customers and their ability to continue to access credit markets to fund their purchases and day-to-day operations.

Although we cannot predict future results with certainty and despite current global economic conditions, we are committed to our demand creation and direct-to-consumer initiatives to stimulate increased consumer demand and improve inventory management with minimal disruption to our wholesale distribution channels. Our direct-to-consumer initiatives include our retail expansion strategy and e-commerce platforms for the Columbia and Sorel brands in the United States. With our commitment to investment in these strategies, a well-developed sourcing and distribution infrastructure and a proven design and product development team, we believe that we are well positioned to establish sustainable platforms that will support long-term growth and profitability.

Overview

The following discussion of our results of operations and liquidity and capital resources, including known trends and uncertainties identified by management, should be read in conjunction with the condensed consolidated financial statements and accompanying notes that appear elsewhere in this quarterly report.

All references to quarters relate to the quarter ended March 31 of the particular year. Highlights for the first quarter of 2009 are as follows:

- Net sales decreased $25.4 million, or 9%, to $272.0 million from $297.4 million for the comparable period in 2008. Changes in foreign currency exchange rates compared with the first quarter of 2008 negatively affected the consolidated net sales comparison by approximately five percentage points. The decrease in net sales was primarily driven by our Columbia brand business with the largest decline in the EMEA region, followed by Canada and the LAAP region. Net sales in the United States remained essentially flat in 2009 compared to 2008. Net sales by geographical segment, product category and brand category are summarized in the following table.

	Three Months Ended March 31,		
	2009	2008	% Change
	(In millions, except for percentage changes)		
Geographical Net Sales to Unrelated Entities:			
United States	$ 156.3	$ 155.8	—
EMEA	49.8	65.7	(24)%
LAAP	46.1	49.0	(6)%
Canada	19.8	26.9	(26)%
	$ 272.0	$ 297.4	(9)%
Categorical Net Sales to Unrelated Entities:			
Sportswear	$ 138.2	$ 161.1	(14)%
Outerwear	76.8	69.6	10%
Footwear	40.0	51.3	(22)%
Accessories and Equipment	17.0	15.4	10%
	$ 272.0	$ 297.4	(9)%
Brand Net Sales to Unrelated Entities:			
Columbia	$ 241.6	$ 267.2	(10)%
Mountain Hardwear	23.2	21.8	6%
Sorel	3.0	3.7	(19)%
Montrail	2.6	3.9	(33)%
Pacific Trail	1.6	0.8	100%
	$ 272.0	$ 297.4	(9)%

- Gross profit decreased 330 basis points to 40.6% of net sales from 43.9% of net sales for the comparable period in 2008. This contraction was primarily due to an increased volume of fall 2008 close-out product sales at lower comparative margins resulting from higher than normal order cancellations and a more promotional retail environment.

- Selling, general and administrative (“SG&A”) expense decreased $1.9 million, or 2%, to $102.0 million from $103.9 million for the comparable period in 2008. We expect full year 2009 SG&A expense, as a percentage of net sales, to increase compared to 2008 due primarily to anticipated lower 2009 net sales in our wholesale business in the United States and EMEA region as well as our international distributor business in the EMEA and LAAP regions compared to 2008 net sales, along with an increased fixed cost base resulting from our expanding retail business.

- Net income was $6.9 million or $0.20 per diluted share, compared to $19.9 million or $0.56 per diluted share, for the comparable period in 2008.

- Our backlog for the fall 2009 selling season as of March 31, 2009 decreased $106.4 million, or 15%, to $608.0 million from $714.4 million as of March 31, 2008. Changes in foreign currency exchange rates compared with 2008 contributed approximately four percentage points of decline to the fall 2009 backlog. The decrease in our fall backlog was the result of a decrease in Columbia brand orders led by the United States, followed by the EMEA region and Canada. By product category, the decline primarily reflected decreased orders for outerwear and sportswear. Although we cannot predict with certainty any future results, our reported backlog is one indicator of our anticipated net sales for the fall 2009 selling season. Many factors, however, could cause actual sales to differ materially from reported future order backlog, including the potential cancellation of orders by customers, changes in foreign currency exchange rates and the continued deterioration of macro-economic conditions. We expect that our own retail sales will partially offset some of the anticipated wholesale sales decline for the fall 2009 season. Moreover, our fall 2009 backlog should not be used in forecasting sales beyond the fall 2009 selling season.

Results of Operations

Net income decreased $13.0 million, or 65%, to $6.9 million for the first quarter of 2009 from $19.9 million for the comparable period in 2008. Diluted earnings per share was $0.20 for the first quarter of 2009 compared to $0.56 for the first quarter of 2008.

The following table sets forth, for the periods indicated, the percentage relationship to net sales of specified items in our condensed consolidated statements of operations:

	Three Months Ended March 31,	
	2009	2008
Net sales	100.0%	100.0%
Cost of sales	59.4	56.1
Gross profit	40.6	43.9
Selling, general and administrative expense	37.5	34.9
Net licensing income	0.7	0.2
Income from operations	3.8	9.2
Interest income, net	0.3	0.8
Income before income tax	4.2	10.0
Income tax expense	(1.6)	(3.3)
Net income	2.5%	6.7%

Quarter Ended March 31, 2009 Compared to Quarter Ended March 31, 2008

Net Sales: Consolidated net sales decreased 9% to $272.0 million for the first quarter of 2009 from $297.4 million for the comparable period in 2008. Changes in foreign currency exchange rates compared with the first quarter of 2008 negatively affected the consolidated net sales comparison by approximately five percentage points.

The decrease in net sales was primarily driven by our Columbia brand business in the EMEA region, followed by Canada and the LAAP region. Net sales in the United States remained essentially flat for the first quarter of 2009 compared to the first quarter of 2008. By product category, the decrease in net sales was led by sportswear, followed by footwear, partially offset by increases in net sales of outerwear and accessories and equipment.

Sales by Geographic Region

Net sales in the United States increased $0.5 million, or less than 1%, to $156.3 million for the first quarter of 2009 from $155.8 million for the comparable period in 2008. The increase in net sales in the United States was led by outerwear, followed by accessories and equipment, partially offset by a decrease in net sales of sportswear and footwear. The net sales increase was primarily attributable to our expanded retail business for the Columbia brand, partially offset by decreased net sales in our wholesale business for the Columbia brand. The decrease in wholesale net sales in the United States was primarily the result of lower initial order volumes for the spring 2009 season that are partially attributable to the weak U.S. retail environment resulting from difficult macro-economic conditions.

Net sales in the EMEA region decreased $15.9 million, or 24%, to $49.8 million for the first quarter of 2009 from $65.7 million for the comparable period in 2008. Changes in foreign currency exchange rates compared with the first quarter of 2008 negatively affected the EMEA net sales comparison by approximately eight percentage points. The decrease in net sales in the EMEA region was led by sportswear, followed by footwear and outerwear. Net sales of accessories and equipment in the EMEA region remained essentially flat compared to the first quarter of 2008. The net sales decrease for the EMEA region was primarily due to a decrease in the EMEA direct business. The decrease in EMEA direct net sales was a result of lower initial order volumes reflecting difficult macro-economic conditions and continued product assortment and marketing challenges in that region. Net sales to EMEA distributors decreased slightly reflecting a shift in the timing of shipments. A higher percentage of spring 2009 shipments occurred in the fourth quarter of 2008, while a higher percentage of spring 2008 shipments occurred in the first quarter of 2008.

Net sales in the LAAP region decreased $2.9 million, or 6%, to $46.1 million for the first quarter of 2009 from $49.0 million for the comparable period in 2008. Changes in foreign currency exchange rates compared with the first quarter of 2008 negatively affected the LAAP net sales comparison by approximately four percentage points. The decrease in net sales in the LAAP region was led by sportswear and outerwear, partially offset by net sales increases in footwear and accessories and equipment. The net sales decrease in the LAAP region was driven by LAAP distributors, followed by our Korea business, partially offset by an increase in net sales in our Japan business. The net sales decrease for LAAP distributors primarily related to the timing of shipments as a higher proportion of spring 2009 shipments occurred in the fourth quarter of 2008 while a higher proportion of spring 2008 shipments occurred in the first quarter of 2008. The decrease in Korea net sales was due to unfavorable changes in foreign currency exchange rates compared to the first quarter of 2008 and offset a net sales increase in local currency. The increase in Japan net sales was primarily the result of continued expansion of the wholesale business and favorable changes in foreign exchange rates compared to the first quarter of 2008.

Net sales in Canada decreased $7.1 million, or 26%, to $19.8 million for the first quarter of 2009 from $26.9 million for the comparable period in 2008. Changes in foreign currency exchange rates compared with 2008 negatively affected the Canada net sales comparison by approximately 18 percentage points. The decrease in net sales in Canada was led by sportswear, followed by footwear and outerwear, partially offset by increased net sales of accessories and equipment. The net sales decrease was primarily attributable to intentional reductions in some channels of distribution.

Sales by Product Category

Net sales of sportswear decreased $22.9 million, or 14%, to $138.2 million for the first quarter of 2009 from $161.1 million for the comparable period in 2008. The decrease in sportswear net sales was led by the EMEA region, followed by the United States, Canada and the LAAP region. The sportswear net sales decrease in the EMEA region was primarily attributed to the EMEA direct business. The sportswear net sales decrease in the United States was primarily attributed to the wholesale business for the Columbia brand, partially offset by increased net sales through our expanded retail business. We primarily attribute the decreases in EMEA direct and United States wholesale sportswear net sales to lower initial order volumes for the spring 2009 season resulting from difficult macro-economic conditions in those regions.

Net sales of outerwear increased $7.2 million, or 10%, to $76.8 million for the first quarter of 2009 from $69.6 million for the comparable period in 2008. The increase in outerwear net sales was led by the United States, partially offset by net sales decreases in the LAAP region, Canada and the EMEA region. The outerwear net sales increase in the United States was primarily attributable to a higher volume of fall 2008 close-out product sales compared to the same period in 2008.

Net sales of footwear decreased $11.3 million, or 22%, to $40.0 million for the first quarter of 2009 from $51.3 million for the comparable period in 2008. The decrease in footwear net sales was led by the EMEA region, followed by the United States and Canada, partially offset by an increase in net sales in the LAAP region. The decrease in net sales of footwear for the EMEA region was primarily attributable to the EMEA direct business as a result of lower initial order volumes due to continued product assortment and marketing challenges in that region, coupled with the continued deterioration of macro-economic conditions. The decrease in the United States wholesale net sales was primarily due to lower initial order volumes, partially offset by an increase in net sales in our expanded United States retail business.

Net sales of accessories and equipment increased $1.6 million, or 10%, to $17.0 million for the first quarter of 2009 from $15.4 million for the comparable period in 2008. The increase in accessories and equipment net sales was led by the United States, followed by the LAAP region and Canada. Net sales of accessories and equipment remained essentially flat in the EMEA region. The increase in accessories and equipment net sales in the United States was primarily attributable to increased net sales in our expanded retail business.

Gross Profit: Gross profit, as a percentage of net sales, decreased to 40.6% for the first quarter of 2009 from 43.9% for the comparable period in 2008. Gross profit contraction was primarily due to an increased volume of fall 2008 close-out product sales at lower comparative margins resulting from higher than normal order cancellations and a more promotional retail environment.

Our gross profits may not be comparable to those of other companies in our industry because some include all of the costs related to their distribution network in cost of sales. We, like others, have chosen to include these expenses as a component of SG&A expense.

Selling, General and Administrative Expense**:** SG&A expense includes all costs associated with our design, merchandising, marketing, distribution and corporate functions, including related depreciation and amortization.

SG&A expense decreased $1.9 million, or 2%, to $102.0 million for the first quarter of 2009 from $103.9 million for the comparable period in 2008. The decrease was driven by cost reduction initiatives that began after the first quarter of 2008 and affected the first quarter of 2009. The cost reduction initiatives included reductions in headcount, incentive compensation, benefits, and other discretionary costs as well as reductions to planned marketing spend for 2009. These cost reduction initiatives were partially offset by increased costs associated with our direct-to-consumer initiatives. As a percentage of net sales, SG&A expense increased to 37.5% of net sales for the first quarter of 2009 from 34.9% of net sales for the comparable period in 2008. The increase in SG&A expense as a percentage of sales was largely the result of reduced net sales in our wholesale business in the United States and EMEA region coupled with an increased fixed cost base resulting from our expanding retail business.

Selling expenses, including commissions and advertising, decreased $5.6 million, or 19%, to 8.6% of net sales for the first quarter of 2009 from 9.7% of net sales for the comparable period in 2008. We attribute the decrease in selling expenses as a percentage of net sales to a planned reduction in marketing investments and lower commission expense as certain sales territories in the United States and EMEA have moved in-house. Operating expenses for the in-house territories are included in general and administrative expenses.

General and administrative expenses increased $3.7 million, or 5%, to 28.9% of net sales for the first quarter of 2009 from 25.2% of net sales for the comparable period in 2008. The increase in general and administrative expenses as a percentage of net sales was primarily due to incremental operating costs in support of our direct-to-consumer initiatives in the United States and the movement of certain sales territories in-house. Depreciation and amortization included in SG&A expense totaled $8.0 million for the first quarter of 2009, compared to $7.5 million for the same period in 2008.

Net Licensing Income: We derive net licensing income from income that we earn through licensing our trademarks for apparel and footwear and across a range of categories that complement our current product offerings. Products distributed by our licensees for the first quarter of 2009 included apparel, footwear, socks, bicycles, insulated products including soft-sided coolers, leather accessories, camping gear, eyewear, watches, home furnishings, and other accessories.

Net licensing income increased $1.1 million to $1.9 million for the first quarter of 2009 from $0.8 million for the same period in 2008 and was primarily attributed to increased apparel and footwear licensing in the LAAP region.

Interest Income, Net: Net interest income was $0.9 million for the first quarter of 2009 compared to $2.3 million for the same period in 2008. The decrease in interest income was due to lower interest rates compared to the same period in 2008. Interest expense was nominal for the first quarter of 2009 and for the comparable period in 2008.

Income Tax Expense: The provision for income taxes decreased to $4.4 million for the first quarter of 2009 from $9.8 million for the comparable period in 2008 due to lower income, partially offset by a higher effective income tax rate in the first quarter of 2009 compared to the first quarter of 2008. Our effective income tax rate was 39.0% for the first quarter of 2009 compared to 33.0% for the same period in 2008. The increase in our effective tax rate was primarily due to the fact that we expect a higher percentage of 2009 income to be earned in the United States, which generally has a higher corporate income tax rate than in foreign jurisdictions. We anticipate that our annual effective tax rate will be lower than our first quarter rate. However, many factors could cause our annual effective tax rate to differ materially from our quarterly effective tax rates, including changes in the geographic mix of taxable income and discrete events in future periods.

Liquidity and Capital Resources

Our primary ongoing funding requirements are for working capital, investing activities associated with the expansion of our global operations and general corporate needs. At March 31, 2009, we had total cash and cash equivalents of $272.1 million compared to $230.6 million at December 31, 2008. In addition, we had short-term investments of $27.7 million at March 31, 2009 compared to $22.4 million at December 31, 2008.

Net cash provided by operating activities was $58.8 million for the three months ended March 31, 2009 compared to $60.9 million for the same period in 2008. The change was primarily due to lower net income and a larger decrease in accounts payable, partially offset by a larger decrease in accounts receivable, during the three months ended March 31, 2009 compared to the same period in 2008.

Net cash used in investing activities was $10.3 million for the three months ended March 31, 2009, compared to net cash provided by investing activities of $70.5 million for the comparable period in 2008. For the 2009 period, net cash used in investing activities primarily consisted of $10.3 million for capital expenditures, of which $5.2 million was incurred but not yet paid, and $5.2 million for purchases of short-term investments. For the 2008 period, net cash provided by investing activities primarily consisted of net sales of short-term investments of $80.0 million, partially offset by $14.2 million used for capital expenditures, of which $4.6 million was incurred but not yet paid.

Cash used in financing activities was $5.6 million for the three months ended March 31, 2009, compared to $45.8 million for the comparable period in 2008. For the 2009 period, net cash used in financing activities primarily consisted of a dividend payment of $5.4 million. For the 2008 period, net cash used in financing activities primarily consisted of the repurchase of common stock at an aggregate price of $40.3 million and a dividend payment of $5.6 million.

To fund our domestic working capital requirements, we have available unsecured revolving lines of credit with aggregate seasonal limits ranging from $50.0 million to $125.0 million, of which $25.0 million to $100.0 million is committed. At March 31, 2009, no balance was outstanding under these lines of credit and we were in compliance with covenants associated with these lines of credit. Internationally, our subsidiaries have local currency operating lines in place guaranteed by us with a combined limit of approximately $100.2 million at March 31, 2009, of which $3.3 million is designated as a European customs guarantee. At March 31, 2009, no balance was outstanding under these lines of credit.

We expect to fund our future capital expenditures with existing cash and cash provided by operations. If the need arises, we may need to seek additional financing. Our ability to obtain additional financing will depend on many factors, including prevailing market conditions, our financial condition, and our ability to negotiate favorable terms and conditions. Financing may not be available on terms that are acceptable or favorable to us, if at all.

Our operations are affected by seasonal trends typical in the outdoor apparel industry, and have historically resulted in higher sales and profits in the third calendar quarter. This pattern has resulted primarily from the timing of shipments to wholesale customers for the fall outerwear season. We believe that our liquidity requirements for at least the next 12 months will be adequately covered by existing cash, cash provided by operations and existing short-term borrowing arrangements.

Off-Balance Sheet Arrangements

We maintain unsecured and uncommitted import lines of credit with a combined limit of $125.0 million at March 31, 2009, available for issuing documentary letters of credit. At March 31, 2009, we had letters of credit outstanding in the amount of $7.3 million issued for purchase orders for inventory.

Seasonality and Variability of Business

Our business is affected by the general seasonal trends common to the outdoor apparel industry and is heavily dependent upon discretionary consumer spending patterns. Our products are marketed on a seasonal basis and our product mix is weighted substantially toward the fall season, resulting in sales and profits being highest in the third calendar quarter. We expect the expansion of our owned retail operations to have a modest effect on the seasonality of our business, increasing the proportion of sales and profits that we generate in the fourth calendar quarter.

Results of operations in any period should not be considered indicative of the results to be expected for any future period, particularly in light of the current macro-economic environment. Sales of our products are subject to substantial cyclical fluctuation, the effects of unseasonable weather conditions, and the continued popularity of outdoor activities as part of an active lifestyle in key markets. Our net sales volumes have been affected by the volatility of the global economy, its impact on consumer purchasing patterns and placement of advanced orders, order cancellations and seasonal reorders by retailers. Sales tend to decline in periods of recession or uncertainty regarding future economic prospects that affect consumer spending, particularly on discretionary items. This cyclicality and any related fluctuation in consumer demand could have a material adverse effect on our financial position, results of operations or cash flows.

Critical Accounting Policies and Estimates

Management’s discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”). The preparation of these financial statements requires us to make various estimates and judgments that affect reported amounts of assets, liabilities, sales, cost of sales and expenses and related disclosure of contingent assets and liabilities. We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies and estimates. Because of the uncertainty inherent in these matters, actual results could differ from the estimates we use in applying the critical accounting policies. We base our ongoing estimates on historical experience and other various assumptions that we believe to be reasonable under the circumstances. Many of these critical accounting policies affect working capital account balances, including the policy for revenue recognition, the allowance for uncollectible accounts receivable, the provision for potential excess, close-out and slow moving inventory, product warranty, income taxes and stock-based compensation.

Management and our independent auditors regularly discuss with our audit committee each of our critical accounting estimates, the development and selection of these accounting estimates, and the disclosure about each estimate in Management’s Discussion and Analysis of Financial Condition and Results of Operations. These discussions typically occur at our quarterly audit committee meetings and include the basis and methodology used in developing and selecting these estimates, the trends in and amounts of these estimates, specific matters affecting the amount of and changes in these estimates, and any other relevant matters related to these estimates, including significant issues concerning accounting principles and financial statement presentation.

Revenue Recognition

We record wholesale and licensed product revenues when title passes and the risks and rewards of ownership have passed to the customer, based on the terms of sale. Title generally passes upon shipment or upon receipt by the customer depending on the country of the sale and the agreement with the customer. Retail store revenues are recorded at the time of sale.

In some countries outside of the United States where title passes upon receipt by the customer, predominantly where we sell directly in Western Europe, precise information regarding the date of receipt by the customer is not readily available. In these cases, we estimate the date of receipt by the customer based on historical and expected delivery times by geographic location. We periodically test the accuracy of these estimates based on actual transactions. Delivery times vary by geographic location, generally from one to five days. To date, we have found these estimates to be materially accurate.

At the time of revenue recognition, we also provide for estimated sales returns and miscellaneous claims from customers as reductions to revenues. The estimates are based on historical rates of product returns and claims. However, actual returns and claims in any future period are inherently uncertain and thus may differ from the estimates. If actual or expected future returns and claims are significantly greater or lower than the reserves that we have established, we will record a reduction or increase to net revenues in the period in which we make such a determination. Over the three year period ended December 31, 2008, our actual annual sales returns and miscellaneous claims from customers were approximately two percent of net sales.

Allowance for Uncollectible Accounts Receivable

We make ongoing estimates of the uncollectibility of our accounts receivable and maintain an allowance for estimated losses resulting from the inability of our customers to make required payments. In determining the amount of the allowance, we consider our historical level of credit losses and we make judgments about the creditworthiness of customers based on ongoing credit evaluations. We analyze specific customer accounts, customer concentrations, credit insurance coverage, standby letters of credit, current economic trends, and changes in customer payment terms. Current credit and market conditions may slow our collection efforts as customers experience increased difficulty in accessing credit and paying their obligations, leading to higher than normal accounts receivable. Because we cannot predict future changes in the financial stability of our customers, actual future losses from uncollectible accounts may differ from our estimates and may have a material effect on our consolidated financial position, results of operations or cash flows. If the financial condition of our customers deteriorates and results in their inability to make payments, a larger allowance may be required. If we determine that a smaller or larger allowance is appropriate, we will record a credit or a charge to SG&A expense in the period in which we make such a determination.

Inventory Obsolescence and Product Warranty

We make ongoing estimates of potential future excess, close-out or slow moving inventory and product warranty costs. We evaluate our inventory on hand considering our purchase commitments, sales forecasts, and historical experience to identify excess, close-out or slow moving inventory and make provisions as necessary to properly reflect inventory value at the lower of cost or estimated market value. When we evaluate our reserve for warranty costs, we consider our historical claim rates by season, product mix, current economic trends, and the historical cost to repair, replace, or refund the original sale. If we determine that a smaller or larger reserve is appropriate, we will record a credit or a charge to cost of sales in the period we make such a determination.

Income Taxes

We use the asset and liability method of accounting for income taxes. Under this method, we recognize income tax expense for the amount of taxes payable or refundable for the current year and for the amount of deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. We make assumptions, judgments and estimates to determine our current provision for income taxes, our deferred tax assets and liabilities, and our uncertain tax positions in accordance with Financial Accounting Standards Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*. Our judgments, assumptions and estimates relative to the current provision for income tax take into account current tax laws, our interpretation of current tax laws and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. Changes in tax law or our interpretation of tax laws and the resolution of current and future tax audits could significantly affect the amounts provided for income taxes in our consolidated financial statements. Our assumptions, judgments and estimates relative to the value of a deferred tax asset take into account predictions of the amount and category of future taxable income. Actual operating results and the underlying amount and category of income in future years could cause our current assumptions, judgments and estimates of recoverable net deferred taxes to be inaccurate. Changes in any of the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ from our estimates, which could materially affect our financial position and results of operations.

Our tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. As the calendar year progresses, we periodically refine our estimate based on actual events and earnings by jurisdiction during the year. This ongoing estimation process can result in changes to our expected effective tax rate for the full calendar year. When this occurs, we adjust the income tax provision during the quarter in which the change in estimate occurs so that our year-to-date provision equals our expected annual effective tax rate.

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Stock-Based Compensation

We account for stock-based compensation in accordance with SFAS No. 123(R), *Share-Based Payment*. Under the provisions of SFAS No. 123R, stock-based compensation cost is estimated at the grant date based on the award's fair value and is recognized as expense over the requisite service period using the straight-line attribution method. As allowed under SFAS No. 123R, we estimate stock-based compensation for stock options granted using the Black-Scholes option pricing model, which requires various highly subjective assumptions, including volatility and expected option life. Further, as required under SFAS No. 123R, we estimate forfeitures for stock-based awards granted, which are not expected to vest. If any of these inputs or assumptions changes significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period.

Recent Accounting Pronouncements

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. This statement is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. The provisions of SFAS No. 161 are effective for the fiscal years and interim quarters beginning after November 15, 2008. The adoption of this statement did not have a material effect on our consolidated financial position, results of operations or cash flows. See Note 8 of Notes to Condensed Consolidated Financial Statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. This statement amends Accounting Research Bulletin No. 51, *Consolidated Financial Statements,* to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. The adoption of this statement did not have a material effect on our consolidated financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 141R, *Business Combinations*. This statement replaces SFAS No. 141 and requires the acquirer of a business to recognize and measure the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at fair value. SFAS No. 141R also requires transaction costs related to the business combination to be expensed as incurred. SFAS No. 141R is effective for business combinations for which the acquisition date is on or after fiscal years beginning after December 15, 2008. The adoption of this statement did not have a material effect on our consolidated financial position, results of operations or cash flows.

Item 3 – *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

There has not been any material change in the market risk disclosure contained in our Annual Report on Form 10-K for the year ended December 31, 2008.

Item 4 – *CONTROLS AND PROCEDURES*

Our management has evaluated, under the supervision and with the participation of our chief executive officer and chief financial officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on that evaluation, our chief executive officer and chief financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during our fiscal quarter ended March 31, 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *LEGAL PROCEEDINGS*

In February 2009, the Canadian Border Services Agency ("CBSA") commenced an anti-dumping investigation into certain waterproof shell footwear imported from China and Vietnam, including Columbia and Sorel footwear, to determine if that footwear was being sold at less than "fair value." The investigation covers a majority of the footwear the Company sells in Canada. On April 28, 2009, the Canadian International Trade Tribunal ("CITT"), which is conducting a separate inquiry to determine whether these imported products should be subject to a dumping duty for causing injury to domestic footwear manufacturers, issued a preliminary determination that the dumping of waterproof shell footwear originating in or exported from China or Vietnam has caused injury. The Company is vigorously challenging both the imposition and level of any duties, as well as the contention that the imports harm domestic producers. The Company anticipates a preliminary determination regarding potential duties from the CBSA in late May 2009, and is preparing to challenge injury before the CITT for a final determination in August 2009. An adverse decision could result in significant duties on a majority of the footwear the Company sells in Canada after the date of the preliminary determination.

Item 1A. *RISK FACTORS*

In addition to the other information contained in this Form 10-Q, the following risk factors should be considered carefully in evaluating our business. Our business, financial condition, or results of operations may be materially adversely affected by any of these risks. Please note that additional risks not presently known to us or that we currently deem immaterial may also impair our business and operations. These risk factors include any material changes to and supersede the description of the risk factors associated with our business previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

We May be Adversely Affected by a Prolonged Economic Downturn or Economic Uncertainty

We are a consumer products company and are highly dependent on consumer discretionary spending patterns. As global economic conditions deteriorate or economic uncertainty increases, trends in consumer discretionary spending also become unpredictable and subject to reductions due to uncertainties about the future. Consumer demand for our products may not reach our sales targets, or may decline, when there is an economic downturn or economic uncertainty in our key markets, particularly markets in North America and Europe. Our sensitivity to economic cycles and any related fluctuation in consumer demand may have a material adverse effect on our financial condition, results of operations or cash flows.

We May be Adversely Affected by Volatility in Global Production Costs

Our product costs are subject to substantial fluctuation based on labor markets, interest rates, global oil markets, production capacity at independent manufacturers, and general economic conditions. For example, volatility in global oil markets has resulted in fluctuating fuel and product prices and caused costs to produce our products with independent contractors to change. Because we price our products in advance and the external cost changes may be difficult to predict, we may not be able to timely adjust our pricing structure to remain competitive. In addition, since the majority of our products are manufactured outside of our principal sales markets, our products must be transported by third parties over large geographical distances and this volatility can result in quickly changing transportation costs.

We May be Adversely Affected by the Financial Health of our Customers

Slowing economies and consumer uncertainty regarding future economic prospects in our key markets are having an adverse effect on the financial health of our customers, some of whom have filed or may file for protection under bankruptcy laws, which may in turn have a material adverse effect on our results of operations and financial condition. We extend credit to our customers based on an assessment of the customer's financial condition, generally without requiring collateral. To assist in the scheduling of production and the shipping of seasonal products, we offer customers discounts for placing pre-season orders and extended payment terms for taking delivery before the peak shipping season. These extended payment terms increase our exposure to the risk of uncollectible receivables. In addition, we face increased risk of order reduction or cancellation when dealing with financially ailing retailers or retailers struggling with economic uncertainty. Some of our significant customers have had financial difficulties in the past and are currently experiencing tightened credit markets and declining sales and profitability on a comparable store basis, which in turn has an adverse effect on our business. We may reduce our level of business with customers experiencing financial difficulties and may not be able to replace that business with other customers, which could have an adverse effect on our financial position, results of operations or cash flows.

We May be Adversely Affected by Global Credit Market Conditions

Economic downturns and economic uncertainty generally affect global credit markets. Our vendors, customers and other participants in our supply chain may require access to credit markets in order to do business. Credit market conditions may slow our collection efforts as customers experience increased difficulty in obtaining requisite financing, leading to higher than normal accounts receivable. This could result in greater expense associated with collection efforts and increased bad debt expense. Credit conditions may impair our vendors' ability to finance the purchase of raw materials or general working capital needs to support our production requirements, resulting in a delay or non-delivery of inventory shipments during key seasons.

Historically we have limited our reliance on debt to finance our working capital, capital expenditures and investing activity requirements. We expect to fund our future capital expenditures with existing cash, expected operating cash flows and credit facilities, but if the need arises for additional expenditures, we may need to seek additional funding. Our ability to obtain additional financing will depend on many factors, including prevailing market conditions, our financial condition, and our ability to negotiate favorable terms and conditions. Financing may not be available on terms that are acceptable or favorable to us, if at all.

Our Advance Purchases of Products May Result in Excess Inventories

To minimize our purchasing costs, the time necessary to fill customer orders and the risk of non-delivery, we place orders for our products with manufacturers prior to receiving all of our customers' orders and we maintain an inventory of various products that we anticipate will be in greater demand. In addition, customers are generally allowed to cancel orders prior to shipment with sufficient notice. Particularly in light of current economic conditions, we may not be able to sell the products we have ordered from manufacturers or that we have in our inventory. Inventory levels in excess of customer demand may result in inventory write-downs and the sale of excess inventory at discounted prices through discount retail channels, which may have a material adverse effect on our brand image, our financial condition, results of operations or cash flows.

We May be Adversely Affected by Weather Conditions

Our business is adversely affected by unseasonable weather conditions. A significant portion of the sales of our sportswear, outerwear, footwear and accessories and equipment is dependent in part on the weather and may decline in years in which weather conditions do not favor the use of these products. Periods of unseasonably warm weather in the fall or winter or unseasonably cold or wet weather in the spring may have a material adverse effect on our results of operations and financial condition. For example, in spring 2008, unseasonably cool weather in the United States caused customers to delay, and in some cases reduce or cancel, orders for our sportswear and footwear, which had an adverse effect on our net sales and profitability. Inventory accumulation by our wholesale customers resulting from unseasonable weather in one season may negatively affect orders in future seasons, which may have a material adverse effect on our results of operations and financial condition in future periods.

Our International Operations Involve Many Risks

We are subject to the risks generally associated with doing business abroad. These risks include foreign laws and regulations, foreign consumer preferences, political unrest, terrorist acts, military operations, disruptions or delays in shipments, disease outbreaks and changes in economic conditions in countries in which we manufacture or sell products. These factors, among others, may affect our ability to sell products in international markets, our ability to manufacture products or procure materials, and our cost of doing business. If any of these or other factors make the conduct of business in a particular country undesirable or impractical, our business may be materially and adversely affected. As we expand our operations in geographic scope and product categories, we anticipate intellectual property disputes will increase as well, making it more expensive and challenging to establish and protect our proprietary rights and to defend against claims of infringement by others.

As a global company, we determine our income tax liability in various competing tax jurisdictions based on a careful analysis and interpretation of local tax laws and regulations. This analysis requires a significant amount of judgment and estimation and is often based on various assumptions about the future actions of the local tax authorities. These determinations are the subject of periodic domestic and foreign tax audits. Although we accrue for uncertain tax positions, our accrual may be insufficient to satisfy unfavorable findings, which by their nature cannot be predicted with certainty. Unfavorable audit findings and tax rulings may result in payment of taxes, fines and penalties for prior periods and higher tax rates in future periods, which may have a material adverse effect on our results of operations and financial condition. Changes in tax law or our interpretation of tax laws and the resolution of current and future tax audits could significantly affect the amounts provided for income taxes in our consolidated financial statements.

In addition, many of our imported products are subject to duties, tariffs or quotas that affect the cost and quantity of various types of goods imported into the United States or into our other sales markets. Any country in which our products are produced or sold may eliminate, adjust or impose new quotas, duties, tariffs, anti-dumping penalties or other charges or restrictions, any of which may have a material adverse effect on our results of operations and financial condition.

We Operate in Very Competitive Markets

The markets for sportswear, outerwear, footwear, related accessories and equipment are highly competitive, as are the markets for our licensed products. In each of our geographic markets, we face significant competition from global and regional branded apparel, footwear, accessories and equipment companies.

Retailers who are our customers often pose our most significant competitive threat by marketing apparel, footwear and equipment under their own labels. For example, in the United States, several of our largest customers have developed significant private label brands during the past decade that compete directly with our products. These retailers have assumed an increasing degree of inventory risk in their private label products and, as a result, may first cancel advanced orders with us in order to manage their own inventory levels downward during a weak economic cycle.

We also compete with other companies for the production capacity of independent manufacturers that produce our products and for import quota capacity. Many of our competitors are significantly larger than us, have substantially greater financial, distribution, marketing and other resources than we have, and have achieved greater recognition for their products than we have.

Increased competition may result in reduced access to production capacity, reductions in display areas in retail locations, reductions in sales, or reductions in our profit margins, any of which may have a material adverse effect on our results of operations and financial condition.

We May be Adversely Affected by Retailer Consolidation

When our wholesale customers combine their operations through mergers, acquisitions, or other transactions, their consolidated order volume may decrease while their bargaining power and the competitive threat they pose by marketing products under their own label may increase. Some of our significant customers have consolidated their operations in the past, which in turn has had a negative effect on our business. As many retailers face increased financial pressure from significant decreases in consumer spending and continued economic uncertainty, we expect retailer consolidation to continue, which may have a material adverse effect on our results of operations and financial condition.

We Face Risks Associated with Consumer Preferences and Fashion Trends

Changes in consumer preferences or consumer interest in outdoor activities may have a material adverse effect on our business. In addition, changes in fashion trends may have a greater impact than in the past as we expand our offerings to include more product categories in more geographic areas. We also face risks because our business requires us to anticipate consumer preferences. Our decisions about product designs often are made far in advance of consumer acceptance. Although we try to manage our inventory risk through early order commitments by retailers, we must generally place production orders with our independent manufacturers before we have received all of a season’s orders, and orders may be cancelled by customers before shipment. If we fail to anticipate and respond to consumer preferences, we may have lower sales, excess inventories and lower profit margins, any of which may have a material adverse effect on our results of operations and financial condition.

Our Success Depends on Our Use of Proprietary Rights

Our registered and common law trademarks have significant value and are important to our ability to create and sustain demand for our products. We also place significant value on our trade dress, the overall appearance and image of our products. From time to time, we discover products that are counterfeit reproductions of our products or that otherwise infringe on our proprietary rights. Counterfeiting activities typically increase as brand recognition increases, especially in markets outside the United States. Increased instances of counterfeit manufacture and sales of these products may adversely affect our sales and our brand and result in a shift of consumer preference away from our products. The actions we take to establish and protect trademarks and other proprietary rights may not be adequate to prevent imitation of our products by others or to prevent others from seeking to block sales of our products as violations of proprietary rights. In markets outside of the United States, it may be more difficult for us to establish our proprietary rights and to successfully challenge use of those rights by other parties. We also license our proprietary rights to third parties. Failure to choose appropriate licensees and licensed product categories may dilute or harm our brand image. Actions or decisions in the management of our intellectual property portfolio may affect the strength of the brand, which may in turn have a material adverse effect on our results of operations and financial condition.

Although we have not been materially inhibited from selling products in connection with trademark and trade dress disputes, as we extend our brand into new product categories and new product lines and expand the geographic scope of our marketing, we may become subject to litigation based on allegations of the infringement of intellectual property rights of third parties including third party trademark, copyright and patent rights. Future litigation also may be necessary to defend us against such claims or to enforce and protect our intellectual property rights. Any intellectual property litigation may be costly and may divert management's attention from the operation of our business. Adverse determinations in any litigation may result in the loss of our proprietary rights, subject us to significant liabilities or require us to seek licenses from third parties, which may not be available on commercially reasonable terms, if at all. This may have a material adverse effect on our results of operations and financial condition.

Our Success Depends on Our Distribution Facilities

Our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies depends on the proper operation of our existing distribution facilities, the development or expansion of additional distribution capabilities and the timely performance of services by third parties, including those involved in shipping product to and from our distribution facilities. In the United States, we rely primarily on our distribution centers in Portland, Oregon and Robards, Kentucky; in Canada, we rely primarily on our distribution facilities in Strathroy, Ontario; and in Europe, we rely primarily on our distribution center in Cambrai, France.

Our distribution facilities in the United States and France are highly automated, which means that their operations are complicated and may be subject to a number of risks related to computer viruses, the proper operation of software and hardware, electronic or power interruptions, and other system failures. Risks associated with upgrading or expanding these facilities may significantly disrupt or increase the cost of our operations.

Our distribution facilities may also be interrupted by disasters, such as earthquakes (which are known to occur in the Northwestern United States) or fires. We maintain business interruption insurance, but it may not adequately protect us from the adverse effect that may be caused by significant disruptions in our distribution facilities.

Our Success Depends on Our Information Systems

Our business is increasingly reliant on information technology. Information systems are used across our supply chain and retail operations, from design to distribution and sales, and are used as a method of communication between employees, with our subsidiaries and liaison offices overseas, as well as with our customers and retail stores. We also rely on our information systems to allocate resources and forecast operating results. System failures, breach of confidential information, or service interruptions may occur as the result of a number of factors, including computer viruses, hacking or other unlawful activities by third parties, disasters, or our failure to properly protect, repair, maintain, or upgrade our systems. Any breach or interruption of critical business information systems may have a material adverse effect on our results of operations and financial condition.

Our Success Depends on Our Business Strategies

Our business strategies are to achieve sustainable, profitable growth by creating innovative products, elevating consumer perception of our brands, increasing consumer and retailer awareness and demand for our products, creating compelling retail environments, and building stronger emotional brand connections with consumers over time. We intend to pursue these strategies across extended product categories and in a growing number of geographic markets. We face many challenges in implementing our business strategies. For example, expansion of our direct-to-consumer business will require significant investments, yet, in the current macro-economic environment of increased economic uncertainty and declining consumer demand, may not have the desired effect of increasing demand for our products. Our ability to expand our global footwear business and European business may also be significantly limited as a result of global economic conditions and a general decline in global consumer demand. The success of our retail initiative depends on our ability to adapt our internal processes to facilitate direct-to-consumer sales, to effectively manage retail store inventory, to hire, retain and train personnel capable of managing a retail operation, to identify and negotiate favorable terms for retail locations, and to effectively manage construction, opening, and ongoing operations of stores globally. The failure to implement our business strategies may have a material adverse effect on our business.

Our business strategies and related increased expenditures could also cause our operating margin to decline if we are unable to offset our increased spending with increased sales or comparable reductions in other operating costs. If our sales decline or fail to grow as planned and we fail to sufficiently reduce our operating expenses, our profitability will decline. This could result in our decision to delay, reduce, modify or terminate our strategic business initiatives, which could have a material adverse effect on our financial condition, results of operations or cash flows.

We continue to expand into international markets where we have little sales or distribution experience and where our brands are not yet widely known. Expanding our product categories involves, among other things, gaining experience with new brands and products, gaining consumer acceptance, and establishing and protecting intellectual property rights. Attracting superior retail channel partners and improving the sales productivity of our customers each depend on various factors, including the strength of our brand names, our ability to design and manufacture innovative products, competitive conditions, the availability of desirable locations and the negotiation of terms with customers. Future terms with customers may be less favorable to us than those under which we now operate. Large wholesale customers in particular increasingly seek to transfer various costs of business to their vendors, such as the cost of lost profits from promotional activity and product price markdowns, which could cause our gross margin to decline if we are unable to offset price reductions with comparable reductions in operating costs.

To implement our business strategy, we must continue to modify various aspects of our business, to maintain and enhance our information systems and operations to respond to increased demand and to attract, retain and manage qualified personnel. Changes in our business may place an increasing strain on management, financial, product design, marketing, distribution and other resources, and we may have operating difficulties as a result. For example, our new strategic initiatives, including the implementation of our retail store strategy, require significant management attention and corporate resources. These business initiatives involve many risks and uncertainties that, if not managed effectively, may have a material adverse effect on our financial condition, results of operations or cash flows.

We May be Adversely Affected by Currency Exchange Rate Fluctuations

Although the majority of our product purchases are denominated in U.S. dollars, the cost of these products may be affected by the relative changes in the value of the local currency of the manufacturer. Price increases caused by currency exchange rate fluctuations may make our products less competitive or have an adverse effect on our margins. Our international revenues and expenses generally are derived from sales and operations in currencies other than the U.S. dollar. Because the primary currency of many of our subsidiaries is not the U.S. dollar, we are exposed to potential material gains or losses from the remeasurement of monetary transactions into the U.S. dollar. Currency exchange rate fluctuations may also disrupt the business of the independent manufacturers that produce our products by making their purchases of raw materials more expensive and more difficult to finance. As a result, currency fluctuations may have a material adverse effect on our results of operations and financial condition.

Our Investments May be Adversely Affected by an Economic Downturn or Economic Uncertainty

Our investment portfolio is subject to a number of risks and uncertainties. Changes in market conditions, such as those that accompany an economic downturn or economic uncertainty, may negatively affect the value and liquidity of our investment portfolio, perhaps significantly. Our ability to find diversified investments that are both safe and liquid and that provide a reasonable return may be impaired. This could result in lower interest income, less diversification, longer investment maturities and/or higher other-than-temporary impairments.

We May be Adversely Affected by Labor Disruptions

Our business depends on our ability to source and distribute products in a timely manner. Labor disputes at factories, shipping ports, transportation carriers, retail stores or distribution centers create significant risks for our business, particularly if these disputes result in work slowdowns, lockouts, strikes, or other disruptions during our peak manufacturing and importing seasons, and may have a material adverse effect on our business, potentially resulting in cancelled orders by customers, unanticipated inventory accumulation, and reduced revenues and earnings.

We Depend on Independent Manufacturers

Our products are produced by independent manufacturers worldwide. We do not operate or own any production facilities. Although we enter into purchase order commitments with these independent manufacturers each season, we generally do not maintain long-term manufacturing contracts with them. Because of these factors, independent manufacturers may fail to perform as expected or our competitors may obtain production or quota capacities that effectively limit or eliminate the availability of these resources to us. If an independent manufacturer fails to ship orders in a timely manner or to meet our standards or if we are unable to obtain necessary production or quota capacities, we may miss delivery deadlines or incur additional costs, which may result in cancellation of orders, refusal to accept deliveries, a reduction in purchase prices, or increased costs, any of which may have a material adverse effect on our business.

Reliance on independent manufacturers also creates quality control risks. A failure in our quality control program may result in diminished product quality, which may result in increased order cancellations and returns, decreased consumer demand for our products, or product recalls, any of which may have a material adverse effect on our results of operations and financial condition.

Finally, if an independent manufacturer violates labor or other laws, or engages in practices that are not generally accepted as ethical in our key markets, we may be subject to significant negative publicity, consumer demand for our products may decrease, and under some circumstances we may be subject to liability for the independent manufacturer's practices, any of which may have a material adverse effect on our results of operations and financial condition.

We Depend on Key Suppliers

Some of the materials that we use may be available from only one source or a very limited number of sources. For example, some specialty fabrics are manufactured to our specification by one source or a few sources and zippers are supplied by one manufacturer. From time to time, we have difficulty satisfying our raw material and finished goods requirements. Although we believe that we can identify and qualify additional manufacturers to produce these materials as necessary, there are no guarantees that additional manufacturers will be available. In addition, depending on the timing, any changes may result in increased costs or production delays, which may have a material adverse effect on our results of operations and financial condition.

We Depend on Key Personnel

Our future success will depend in part on the continued service of key personnel, particularly Timothy Boyle, our President and Chief Executive Officer, and Gertrude Boyle, our Chairman and widely-recognized advertising icon. Our future success will also depend on our ability to attract and retain key managers, designers, sales people and others. We face intense competition for these individuals worldwide, and there is a significant concentration of well-funded apparel and footwear competitors in and around Portland, Oregon. We may not be able to attract qualified new employees or retain existing employees, which may have a material adverse effect on our results of operations and financial condition.

Our Business Is Affected by Seasonality

Our business is affected by the general seasonal trends common to the outdoor apparel industry. Our products are marketed on a seasonal basis and our product mix is weighted substantially toward the fall season, resulting in sales and profits being highest in the third calendar quarter. This seasonality, along with other factors that are beyond our control and that are discussed elsewhere in this section, may adversely affect our business and cause our results of operations to fluctuate. Our operating margins are also sensitive to a number of factors that are beyond our control, including shifts in product sales mix, geographic sales trends, and currency exchange rate fluctuations, all of which we expect to continue as we expand our product offerings and geographic sales. Results of operations in any period should not be considered indicative of the results to be expected for any future period.

Our Products Are Subject to Increasing Product Regulations and We Face Risks of Product Liability and Warranty Claims

Our products are subject to increasingly stringent and complex domestic and foreign product performance and safety standards, laws and other regulations. These requirements could result in greater expense associated with compliance efforts and failure to comply with these regulations could result in a delay, non-delivery or mandated destruction of inventory shipments during key seasons or in other financial penalties. Significant or continuing noncompliance with these standards and laws could harm our reputation and, as a result, could have an adverse effect on our results of operations and financial condition.

Our products are used in outdoor activities, sometimes in severe conditions. Product recalls or product liability claims in the future, resulting from the alleged failure of our products, could have a material adverse effect on our results of operations and financial condition. Some of our products carry warranties for defects in quality and workmanship. We maintain a warranty reserve for future warranty claims, but the actual costs of servicing future warranty claims may exceed the reserve, which may also have a material adverse effect on our results of operations and financial condition.

Our Common Stock Price May Be Volatile

The price of our common stock has fluctuated substantially since our initial public offering. Our common stock is traded on the NASDAQ Global Select Market, which is likely to continue to have significant price and volume fluctuations that may adversely affect the market price of our common stock without regard to our operating performance. Factors such as general market conditions, fluctuations in financial results, variances from financial market expectations, changes in earnings estimates by analysts, or announcements by us or our competitors may also cause the market price of our common stock to fluctuate, perhaps substantially.

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Insiders Control a Majority of Our Common Stock and May Sell Shares

Three shareholders, Timothy Boyle, Gertrude Boyle and Sarah Bany, beneficially own a majority of our common stock. As a result, if acting together, they can effectively control matters requiring shareholder approval without the cooperation of other shareholders. Shares held by these three insiders are available for resale, subject to the requirements of, and the rules under, the Securities Act of 1933 and the Securities Exchange Act of 1934. The sale or the prospect of the sale of a substantial number of these shares may have an adverse effect on the market price of our common stock.

Item 6 – *EXHIBITS*

(a) Exhibits

10.1	Form of Performance-based Restricted Stock Unit Award Agreement for performance-based restricted stock units granted on or after February 24, 2009.
10.2	Columbia Sportswear Company 401(k) Excess Plan
10.3	Severance Agreement entered into as of April 3, 2009 by and between Mark J. Sandquist and Columbia Sportswear Company
31.1	Rule 13a-14(a) Certification of Timothy P. Boyle, President and Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Thomas B. Cusick, Vice President, Chief Financial Officer and Treasurer
32.1	Section 1350 Certification of Timothy P. Boyle, President and Chief Executive Officer
32.2	Section 1350 Certification of Thomas B. Cusick, Vice President, Chief Financial Officer and Treasurer

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SIGNATURE

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: May 8, 2009	/s/ THOMAS B. CUSICK
	Thomas B. Cusick Vice President, Chief Financial Officer and Treasurer

Exhibit 10.1

FORM OF PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

This Award Agreement (the "**Agreement**") is entered into as of ______ (the "**Award Date**") by and between Columbia Sportswear Company, an Oregon corporation (the "**Company**"), and ______ (the "**Recipient**"), for the award of restricted stock units with respect to the Company's Common Stock ("**Common Stock**").

The award of restricted stock units to the Recipient is made pursuant to Section 9 of the 1997 Stock Incentive Plan (the "**Plan**") and the Recipient desires to accept the award subject to the terms and conditions of this Agreement.

IN CONSIDERATION of the mutual covenants and agreements set forth in this Agreement, the parties agree to the following.

1. **Award and Terms of Restricted Stock Units**. The Company awards to the Recipient under the Plan ______ restricted stock units (the "**Award**"), subject to forfeiture or increase as provided in Section 1(c) of this Agreement and to the restrictions, terms and conditions set forth in this Agreement.

(a) *Rights under Restricted Stock Units*. A restricted stock unit (a "**RSU**") represents the unfunded, unsecured right to require the Company to deliver to the Recipient one share of Common Stock for each RSU. The number of shares of Common Stock deliverable with respect to each RSU is subject to adjustment (1) as provided in Section 1(c) of this Agreement and (2) as determined by the Board of Directors of the Company as to the number and kind of shares of stock deliverable upon any merger, reorganization, consolidation, recapitalization, stock dividend, spin-off or other change in the corporate structure affecting the Common Stock generally.

(b) *Vesting Date*. The RSUs not forfeited pursuant to Section 1(c) of this Agreement shall vest on the first anniversary of the last day of the Performance Period, as defined below (the "**Vesting Date**") provided that the Recipient has been employed by the Company continuously from the Award Date to the Vesting Date. If the Vesting Date falls on a weekend or any other day on which the Nasdaq Stock Market ("**NSM**") or any national securities exchange on which the Common Stock then is principally traded (the "**Exchange**") is not open, affected RSUs shall vest on the next following NSM or Exchange business day, as the case may be.

(c) Adjustment of RSUs.

(1) *Forfeiture of RSUs on Termination of Service.* If the Recipient ceases to be an employee of the Company for any reason prior to the Vesting Date, the Recipient shall immediately forfeit all outstanding RSUs awarded pursuant to this Agreement and the Recipient shall have no right to receive the related Common Stock. Absence on leave approved by the Company (or, if the Recipient is an executive officer of the Company, by the Board of Directors), shall not be deemed a termination or interruption of employment or service. Unless otherwise determined by the Company or the Board of Directors in its sole discretion, (i) vesting of RSUs shall continue during a medical, family or military leave of absence, whether paid or unpaid, and (ii) vesting of RSUs shall be suspended during, and the number of shares deliverable at the Vesting Date shall be proportionately reduced as a result of, any other unpaid leave of absence.

(2) *Forfeiture of RSUs on Violation of Code of Business Conduct and Ethics.* Recipient acknowledges that compliance with the Company's Code of Business Conduct and Ethics is a condition to the receipt and vesting of the RSUs. If, during the term of this Agreement, the Board of Directors (or a committee of directors designated by the Board of Directors) determines in good faith that the Recipient's conduct is or has been in violation of the Company's Code of Business Conduct and Ethics, then the Board of Directors or committee may cause the Recipient to immediately forfeit all or a portion of the unvested RSUs granted pursuant to this Agreement and the Recipient shall have no right to receive the related Common Stock.

(3) *Forfeiture or Increase of RSUs Based on Performance*. For the period beginning ______ and ending ______ (the "**Performance Period**"), the Award shall be adjusted as follows.

(i) 50% of the Award (the "**Operating Margin Component**") is subject to forfeiture (and if forfeited the Recipient shall have no right to receive the related Common Stock) based on the Average Operating Margin of the Company relative to the Average Operating Margin of companies in the Company's peer group in the Performance Period. The peer group has been determined by the Company for the Performance Period. The number of shares available under the Award that vest on the Vesting Date will be determined by the rank of the Company's Average Operating Margin within its peer group at the conclusion of the Performance Period, as follows:

Percentile Rank	Percent Vesting	Number Vesting
50-59	— %	
60-69	— %	
70-79	— %	
80-89	— %	
90+	— %	

"**Average Operating Margin**" means the average annual percentage of operating margin in the Performance Period. The operating margin is calculated as follows:

$$OM = \frac{\text{(income from operations)}}{\text{(net sales)}}$$

where income from operations and net sales are each as set forth in the audited consolidated financial statements of the Company.

(ii) 50% of the Award (the "**Operating Income and ROIC Component**") is subject to increase or forfeiture (and if forfeited the Recipient shall have no right to receive the related Common Stock) based on the Cumulative Operating Income and the Average ROIC of the Company in the Performance Period, in each case as defined below. The Operating Income and ROIC Component will be adjusted by multiplying it by the percentage set forth at the intersection of the Cumulative Operating Income and Average ROIC in the following matrix. If results are between data points, the percentage of the Award payable shall be determined by interpolation between data points.

		Cumulative Operating Income ($ millions)				
	At least					
Average ROIC	—	0%	0%	0%	5%	15%
	—	0%	0%	20%	40%	55%
	—	20%	40%	60%	90%	105%
	—	45%	65%	90%	115%	130%
	—	65%	85%	110%	140%	150%

"**Cumulative Operating Income**" means the sum of the annual income from operations for each of the fiscal years in the Performance Period as set forth in the audited consolidated financial statements of the Company.

"**Average ROIC**" means the average annual percentage return on invested capital in the Performance Period. The return on invested capital is calculated as follows.

$$ROIC = \frac{\text{(net operating profit after taxes)}}{\text{(total assets) — (excess cash) — (non-interest-bearing current liabilities)}}$$

(d) *Restrictions on Transfer and Delivery on Death.* The Recipient may not sell, transfer, assign, pledge or otherwise encumber or dispose of the RSUs subject to this Agreement. If the Recipient dies before the delivery date, the shares will be delivered to the Recipient's estate.

(e) *Voting Rights and Dividend Equivalents*. The Recipient shall have no rights as a shareholder with respect to the RSUs or the Common Stock underlying the RSUs until the Vesting Date for the relevant RSUs. The Recipient will not be entitled to receive a cash payment equal to any cash dividends paid with respect to the Common Stock underlying the RSUs awarded under this Agreement that are declared prior to the particular Vesting Date for the relevant RSUs.

(f) *Physical Delivery of Share Certificates.* As soon as practicable following the Vesting Date, provided that the Recipient has satisfied its tax withholding obligations as specified under Section 1(g) and the Recipient has completed, signed and returned any documents and taken any additional action the Company deems appropriate, the Company shall deliver the shares of Common Stock represented by vested RSUs to the Recipient (the date of delivery of such shares is referred to as a "**delivery date**"), rounded to the nearest whole share. No fractional shares of Common Stock shall be issued.

Notwithstanding the foregoing, (i) the Company shall not be obligated to vest or deliver any shares of Common Stock during any period when the Company determines that the conversion of a RSU or the delivery of shares hereunder would violate any federal, state or other applicable laws and may issue shares with any restrictive legend that, as determined by the Company, is necessary to comply with securities laws or other regulatory requirements, and (ii) a delivery date may be delayed in order to provide the Company such time as it determines appropriate to determine tax withholding and other administrative matters; provided, however, that in any event the shares shall be delivered not later than the later to occur of the date that is 2 1/2 months from the end of (i) the Recipient's tax year that includes the Vesting Date, or (ii) the Company's tax year that includes the Vesting Date.

(g) *Taxes and Tax Withholding.*

(i) The Recipient acknowledges that under United States federal tax laws in effect on the Award Date, the Recipient will have taxable compensation income at the time of vesting based on the Market Value (as defined below) of the Common Stock on the Vesting Date. The Recipient shall be responsible for all taxes imposed in connection with the Award, regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Award. The Company makes no representation or undertaking regarding the adequacy of any tax withholding in connection with the grant or vesting of the Award.

(ii) The Company shall have the right, but not the obligation, to deduct from any and all payments made under the Plan, or to withhold from any delivery of Common Stock hereunder all domestic or foreign income, employment or other tax withholding obligations, whether national, federal, state or local (the "**Tax Withholding Obligation**"), arising as a result of any grant, vesting or delivery of Common Stock pursuant to this Award, in amounts determined by the Company. Unless otherwise determined by the Company, the Tax Withholding Obligation will be satisfied by the Company withholding from the vested shares of Common Stock a number of whole shares of Common Stock with an aggregate Market Value (as defined below) equal to the required tax withholding. The Recipient shall pay to the Company in cash, upon demand, the amount of any Tax Withholding Obligation that is not satisfied by the withholding of shares described above, and authorizes the Company to withhold from other amounts payable by the Company to the Recipient, including through additional payroll withholding, any amount not so paid. The Company has no obligation to deliver shares of Common Stock pursuant to this Award until the Company's tax withholding obligations have been satisfied by the Recipient.

(h) *No Solicitation.* The Recipient agrees that for 18 months after the Recipient's employment with the Company terminates for any reason, with or without cause, whether by the Company or the Recipient, the Recipient shall not recruit, attempt to hire, solicit, or assist others in recruiting or hiring, any person who is an employee of the Company, or any of its subsidiaries. In addition to other remedies that may be available to the Company, the Recipient shall pay to the Company in cash, upon demand, the net value of any shares of Common Stock, valued as of the Vesting Date, delivered under this Agreement if the Recipient violates this section 1(h).

(i) *Not a Contract of Employment.* This Agreement shall not be construed as a contract of employment between the Company and the Recipient and nothing contained in this Agreement or in the Plan shall confer upon the Recipient any right to be continued in the employment of the Company or any subsidiary or to interfere in any way with the right of the Company or any subsidiary by whom the Recipient is employed to terminate the Recipient's employment at any time for any reason, with or without cause, or to decrease the Recipient's compensation or benefits.

2. Miscellaneous.

(a) *Entire Agreement*. This Agreement constitutes the entire agreement of the parties with regard to the subjects hereof.

(b) *Interpretation of the Plan and the Agreement.* The Board of Directors, or a committee of the Board of Directors responsible for administering the Plan (the "**Administrator**"), shall have the sole authority to interpret the provisions of this Agreement and the Plan, and all determinations by it shall be final and conclusive.

(c) *Section 409A*. The Award made pursuant to this Agreement is intended not to constitute a "nonqualified deferred compensation plan" within the meaning of Section 409A the Internal Revenue Code of 1986, as amended, and instead is intended to be exempt from the application of Section 409A. To the extent that the Award is nevertheless deemed to be subject to Section 409A, the Award shall be interpreted in accordance with Section 409A and Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance issued after the grant of the Award. Notwithstanding any provision of the Award to the contrary, in the event that the Administrator determines that the Award is or may be subject to Section 409A, the Administrator may adopt such amendments to the Award or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (i) exempt the Award from the application of Section 409A or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A.

(d) *Market Value.* "**Market Value**" as of a particular date shall mean (i) the closing sales price per share of Common Stock as reported by the NSM on that date, or (ii) if the shares of Common Stock are not listed or admitted to trading on the NSM, the closing price on the national securities exchange on which such stock is principally traded on that date, or (iii) if the shares of Common Stock are not then listed on the NSM or on a national securities exchange, the average of the highest reported bid and lowest reported asked prices for the shares of Common Stock as reported by the National Association of Securities Dealers, Inc. Automated Quotations ("**NASDAQ**") system on that date or (iv) if the shares of Common Stock are not then listed on any securities exchange and prices therefor are not then quoted in the NASDAQ system, such value as determined in good faith by the Board of Directors (or any duly authorized committee thereof) as of that date.

(e) *Electronic Delivery*. The Recipient consents to the electronic delivery of any prospectus and any other documents relating to this Award in lieu of mailing or other form of delivery.

(f) *Rights and Benefits*. The rights and benefits of this Agreement shall inure to the benefit of and be enforceable by the Company's successors and assigns and, subject to the restrictions on transfer of this Agreement, be binding upon the Recipient's heirs, executors, administrators, successors and assigns.

(g) *Further Action.* The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

(h) *Governing Law, Venue and Jurisdiction; Attorneys' Fees*. This Agreement and the Plan will be interpreted under the laws of the state of Oregon, exclusive of conflicts of law rules. Venue and jurisdiction will be in the state or federal courts in Washington County, Oregon, and nowhere else. In the event either party institutes litigation hereunder, the prevailing party shall be entitled to reasonable attorneys' fees to be set by the trial court and, upon any appeal, the appellate court.

(i) *Consent to Transfer Personal Data.* By signing this Agreement, the Recipient voluntarily acknowledges and consents to the collection, use, processing and transfer of personal data as described in this paragraph. The Recipient is not obliged to consent to such collection, use, processing and transfer of personal data. However, failure to provide the consent may affect the Recipient's ability to participate in the Plan. The Company and its subsidiaries hold certain personal information about the Recipient, including name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all entitlement to shares of stock awarded, canceled, purchased, vested, unvested or outstanding in the Recipient's favor, for the purpose of managing and administering the Plan ("**Data**"). The Company and/or its subsidiaries will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Plan, and the Company and/or any of its subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, including the United States. The Recipient authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Recipient's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of stock on the Recipient's behalf to a broker or other third party with whom the Recipient may elect to deposit any shares of stock acquired pursuant to the Plan. The Recipient may, at any time, review Data, require any necessary amendments to it or withdraw the consents herein in writing by contacting the Company; however, withdrawing consent may affect the Recipient's ability to participate in the Plan.

(j) *Acknowledgement of Discretionary Nature of the Plan; No Vested Rights*. The Recipient acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The award of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs or benefits in lieu of RSUs in the future. Future awards, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any award, the number of RSUs and vesting provisions.

(k) *Character of Award.* Participation in the Plan is voluntary. The value of the Award is an extraordinary item of compensation outside the scope of the Recipient's employment contract, if any. As such, the Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments.

(l) *Counterparts*. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

COLUMBIA SPORTSWEAR COMPANY

By: ______________________________

RECIPIENT

By: ______________________________

Exhibit 10.2

COLUMBIA SPORTSWEAR COMPANY
401(k) EXCESS PLAN

April 1, 2008

Columbia Sportswear Company
An Oregon Corporation
14375 NW Science Park Drive
Portland, OR 97229-5418

Columbia Sportswear Company (the Company) establishes this 401(k) Excess Plan (the Plan) for a select group of management or highly compensated employees. The Plan is intended to permit eligible employees to defer amounts in excess of the amounts that may be deferred under the Columbia Sportswear Company 401(k) Profit Sharing Plan (the Qualified Plan) and receive matching contributions on certain of those deferrals, if the Company, in its discretion, makes such contributions. The Plan is intended to be an unfunded, nonqualified Plan that complies with §409A of the Internal Revenue Code of 1986, as amended, (the Code) and related regulations and the related trust is intended to comply with the rules regarding grantor trusts.

1. <u>Relevant Dates; Adoption by Affiliates</u>

1.1 This Plan shall be effective April 1, 2008.

1.2 The Plan Year shall be the calendar year, except that the first Plan Year shall be a short year beginning on the effective date in 1.1 above and ending December 31, 2008.

1.3 The Company adopts this Plan for eligible employees of the Company or any affiliate, other than an affiliate excluded from the Plan by the Company.

1.3-1 "Affiliate" means a corporation, person or other entity that is a member, with an Employer, of a controlled group under §414(b) of the Code, a group of trades or businesses under common control under §414(c) of the Code, an affiliated service group under §414(m) of the Code or a group that is designated a controlled group pursuant to §414(o) of the Code.

1.3-2 "Employer" means the Company and any non-excluded affiliate.

1.4 Transfer of employment from one affiliate to another shall not cause a separation from service.

1.5 If an employee is employed by two or more affiliates at the same time, the following shall apply:

1.5-1 The employee may elect contributions out of compensation from each Employer but may not elect contributions out of compensation from an excluded affiliate.

1.5-2 The employee shall be eligible to receive matching contributions from each Employer based on elective contributions and compensation from each.

1.6 The Company shall establish the effective date of adoption of this Plan by non-excluded affiliates and any special provisions that are to be applicable only to employees of a particular affiliate. The Company may exclude an affiliate from this Plan at any time, regardless of whether the affiliate was previously a non-excluded affiliate.

2. <u>Administration</u>

2.1 The Plan shall be administered by the Vice President, Human Resources of the Company (the Administrator). The Administrator shall interpret the Plan, decide any questions about the rights of participants and their beneficiaries and in general administer the Plan. Unless the Plan provides otherwise or the Administrator otherwise interprets the Plan, terms used in this Plan and also in the Qualified Plan shall have the same meaning.

2.2 The Administrator may delegate all or part of the administrative duties to one or more agents (the Agents) and may retain advisors for assistance. The Administrator may consult with and rely upon the advice of counsel, who may be counsel for an Employer. Any decision by the Administrator or the Agents within the decisionmaker's authority shall be final and bind all parties. The Administrator shall have absolute discretion to administer and interpret the Plan and carry out the Administrator's duties pursuant to this Plan.

2.3 The Administrator shall be the plan administrator under federal laws and regulations applicable to plan administration and shall comply with such laws and regulations. The Administrator shall be the agent for service of process at the Company's address. Any person having an interest under this Plan may consult the Administrator at any reasonable time.

2.4 The Administrator may resign by giving ten days' written notice, or such shorter notice accepted by the Company. The Company shall fill any vacancy thus created as soon as practicable.

2.5 The Administrator or the Agents shall make available at least two investment vehicles for the Participants' Deferred Compensation Accounts. The investment of each Participant's Deferred Compensation Account will be governed by the election procedure in 4.6 below. Amounts deferred, and gains or losses on such amounts, shall be credited to each Participant's Deferred Compensation Account on dates determined by the Administrator or the Agents, but not less frequently than annually. The Administrator or Agents may permit Participants to designate different allocations for all prior deferred amounts and future deferrals.

3. Eligibility

3.1 The Administrator shall designate the employees who may participate in the Plan for a Plan Year from among those employees of the Employers who are eligible for designation. In general, an employee shall not be eligible for a year unless the employee's base compensation for the year is expected to be at least $200,000, as adjusted by the Administrator, determined as of the later of the preceding November 1 or the employee's date of hire by the Employer. Each employee the Administrator has designated for participation and each current or former employee with a Deferred Compensation Account shall be known as a Participant.

3.2 Participation shall begin on the later of the effective date of the Administrator's designation or the date the Administrator or the Agents give notice to the employee of his or her eligibility.

3.3 Participation in the Plan will be on a Plan-Year-by-Plan-Year basis, and participation for any Plan Year will not, of itself, entitle a Participant to participate for any other Plan Year. If a Participant ceases to be eligible to participate in the Plan but remains an employee of the Employer, the loss of eligibility shall not be treated as a separation from service and the Participant's Deferred Compensation Account shall be paid as specified in the Participant's Deferred Compensation Agreements, subject to Section 6.

4. Compensation Deferral

4.1 Each employee designated for participation may elect to defer part of what would otherwise be Compensation for a Plan Year.

4.1-2 The minimum deferral is $1,000. The maximum deferral is 70% of Compensation. Deferrals must be in multiples of $100 or a stated percentage of Compensation.

4.1-3 "Compensation" means all amounts paid to the Participant by an Employer for a year for services rendered, including deferrals pursuant to this Plan, deferrals and designated Roth contributions to the Qualified Plan, deferrals pursuant to §§125 and 132(f)(4) of the Code, any bonus or incentive payment earned by the Participant with respect to the Plan Year and any other supplemental cash compensation amount paid pursuant to an employment contract, but excluding severance pay, taxable fringe benefits (such as disability insurance, domestic partner health insurance, relocation expenses, group term life insurance and other noncash compensation), nonqualified stock option income and amounts that become taxable from this Plan while the Participant is employed by an Employer. If the definition of Compensation in the Qualified Plan is modified, this definition shall be modified to correspond, except to the extent this Plan explicitly provides otherwise.

4.1-4 A Participant may make a separate election for each of the elements comprising the Participant’s Compensation. Deferrals from base salary shall be withheld in substantially equal amounts from the base salary otherwise payable for the Plan Year for which the deferral is made. Deferrals from bonuses or incentive payments and supplemental compensation shall be withheld from the bonus or incentive payment and supplemental payments otherwise payable for the Plan Year for which the deferral is made.

4.1-5 The election shall be made in a Deferred Compensation Agreement (Agreement) on a form acceptable to the Administrator or the Agents. Each Plan Year deferral will be covered by a separate Agreement.

4.2 Subject to 4.3 and the following rules, elections to defer shall be made by the date established by the Administrator or the Agents, which shall not be later than the December 31 prior to the beginning of the Plan Year in which the Compensation shall be earned.

4.2-1 For bonuses or incentive payments described in 4.2-2, the election shall be made no later than six months before the end of the performance period.

4.2-2 The rule contained in 4.2-1 shall apply only to payments contingent upon the satisfaction of preestablished organizational or individual performance criteria relating to a performance period of at least 12 consecutive months and only to a Participant who performed services for the Employer continuously from the later of the start of the incentive period or the date that Participant’s performance criteria are established through the date of the election.

4.2-3 Subject to Section 6, any election shall be irrevocable with respect to that Plan Year. If no election is timely made, all Compensation shall be paid on a regular basis during the Plan Year.

4.2-4 For the first Plan Year, the election to defer shall be made by February 29, 2008, unless the Administrator or Agents set an earlier or later deadline, but not later than April 30, 2008.

4.3 An employee who becomes a Participant during a Plan Year may make an election to defer within 30 days of the date the employee becomes eligible pursuant to 3.2 above.

4.3-1 The Agreement must be completed and returned to the Administrator on or before such date as the Administrator or the Agents specify, and in any event before the first day of the period to which the election applies.

4.3-2 No election may be made with respect to bonuses or incentive payments for a year if the Participant becomes eligible after June 30 of the year.

4.4 Each year, the Employer may, in its discretion credit to each Participant’s Deferred Compensation Account a matching amount pursuant to the following rules.

4.4-1 A Participant's matching credit, if any, for a year under this Plan shall be equal to the remainder of the following:

(a) 50% of the Participant's combined deferrals under this Plan and the Qualified Plan for the year, up to 10% of the Participant's Compensation under 4.1-3; *minus*

(b) The matching contribution the Participant would have been eligible to receive under the Qualified Plan for the year if the Participant had made the maximum permitted elective deferral to the Qualified Plan.

4.4-2 The matching credit shall vest at the same time and to the same extent as the Participant's Matching B contributions in the Qualified Plan.

(a) If a Participant separates from service with the Company and affiliates without full vesting, the Participant's matching credits shall be forfeited as of the last day of the Plan Year of separation from service, unless the Participant is again employed by the Company or an affiliate as of that date. If the Participant is employed by the Company or an affiliate after a forfeiture occurs, the forfeited amount shall not be restored, regardless of whether forfeitures under the Qualified Plan are restored.

(b) Any matching credit that is forfeited shall be reallocated as of the date of forfeiture among Participants employed by an Employer on that date in proportion to the eligible Participants' Compensation pursuant to 4.1-3 for the year.

4.4-3 The matching credit shall be made in the time and form determined by the Administrator. In general, the credit shall be made at or after the end of the Plan Year, regardless of whether matching contributions to the Qualified Plan are made during the Plan Year.

4.4-4 The 50% and 10% figures in 4.4-1(a) shall be modified at the same time and to the same extent as those figures are modified in the Qualified Plan.

4.5 The Administrator shall maintain a Deferred Compensation Account (the Account) for each Participant to hold the Participant's cumulative deferrals and any Employer matching credits, plus or minus any investment gains and losses, and minus any Plan expenses and any payments made to the Participant in accordance with the provisions of Sections 5 and 6 of the Plan. Participants' Accounts shall be held in a grantor trust established between the Company and a Trustee.

4.6 Participants shall select an investment vehicle for their Accounts with the initial Agreement and may change such selection effective the first day of each calendar quarter, or at such other times as the Administrator or the Agents permit, on advance written notice to the Administrator pursuant to procedures adopted by the Administrator or Agents. If no election is made, the Account shall remain in the same investment vehicle as the previous calendar quarter.

4.7 The Company may elect to pay any administrative fees or expenses and may allocate the cost among the Employers. Otherwise, the expenses and fees shall be deducted from Participants' Accounts. Expenses related to the individual Account of a Participant or Beneficiary may be charged directly to that Account.

5. <u>Payment from Accounts</u>

5.1 Subject to Sections 6 and 7, a Participant's Payment Date shall be one of the following, as selected by the Participant pursuant to 5.3 below:

5.1-1 A date specified in the Agreement that is at least one year after the effective date of the Agreement but not later than the date the Participant would reach age 70. For example, a December 2008 election deferring compensation to be earned in 2009 could provide for payment on January 1, 2010.

5.1-2 The date that is six months after the date the Participant separates from service, for any reason, with the Company and Affiliates as defined in 1.3-1, regardless of whether the Participant serves as a director of the Company or an Affiliate. For example, if a Participant were to elect in December 2008 to defer compensation to be earned in 2009 until six months after separation from service and then separates from service on May 1, 2010, the Payment Date under this Plan with respect to that deferral would be November 1, 2010.

5.1-3 The later of the date that is six months after the date the Participant separates from service with the Company and all Affiliates as defined in 1.3-1, regardless of whether the Participant continues to serve as a director of the Company or an Affiliate, or the date the Participant reaches an age up to 70 specified in the Agreement. For example, if, in the situation described in 5.1-2, the Participant had elected to defer until the later of six months after separation from service or attainment of age 65, and reached age 65 on April 1, 2015, the Payment Date under this Plan would be April 1, 2015.

5.2 A Participant's vested Account shall be paid in one of the following ways as selected by the Participant subject to 5.3 below:

5.2-1 In a lump sum within 30 days after the Payment Date under 6.1.

5.2-2 In a lump sum within 30 days after the January 1 following the Payment Date selected pursuant to 5.1 above.

5.2-3 In annual installments under 5.4 over a period of up to five years, starting as soon as practicable after the January 1 following the Payment Date selected pursuant to 5.1 above.

5.3 Subject to Section 6 and the following rules, the Participant shall specify in the Agreement the Payment Date pursuant to 5.1 and the payment form pursuant to 5.2 above.

5.3-1 The selection shall be irrevocable for the portion of the Account covered by the Agreement.

5.3-2 If different selections are made in Agreements applicable to different Plan Years (or in an Agreement for a single Plan Year), the Account shall be appropriately divided for distribution, subject to 5.3-4.

5.3-3 If the vested balance of the Participant's Account is less than $5,000, or to the extent any of the Account is not covered by a timely, complete election, payment of any such amount shall be made pursuant to 5.1-2 and 5.2-2.

5.3-4 No Participant may have more than three different time-and-form-of-payment elections in effect at any time. For example, a five-year deferral with payment in a single sum is one payment election, a deferral to age 62 with payment in five-year installments is a second election and a deferral to age 65 with payment in five-year installments is a third election. Similarly, a deferral in the first year of participation for five years with payment in a single sum is a separate election from a five-year deferral in the second year of participation with payment in a single sum; if the second-year deferral were for only four years with payment in a single sum, it would not be a time and form of payment different from the first year's election.

5.4 If the Participant elects payment in installments under 5.2-3, the payment term must be specified in the Agreement. The installment size shall be fixed on the Payment Date and on each later January 1 based on the distributable amount divided by the number of installments remaining. If the annual payment computed under the preceding sentence is less than $5,000, the minimum annual payment shall be $5,000, with a corresponding reduction in the number of annual installments. Installment payments shall be treated as a series of separate payments for purposes of 6.4 below.

5.5 The Employer shall withhold from any payments any income taxes or other amounts as required by law.

5.6 The Administrator or the Agents may in their discretion direct that payment be made in one or more of the following ways:

5.6-1 To a spouse, parent or child of legal age.

5.6-2 To one having actual custody of the person.

5.6-3 To a legal guardian or conservator.

5.6-4 To one furnishing maintenance, support or hospitalization.

6. Adjustment of Time and Form of Payment

6.1 Participants may withdraw all or part of their Accounts because of Serious Financial Hardship, as determined by the Administrator.

6.1-1 "Serious Financial Hardship" means a Participant's immediate and heavy financial need that cannot be met from other reasonably available resources and is caused by one or more of the following:

(a) Accident or illness involving the Participant, or the Participant's spouse or dependent (as defined in §152 of the Code).

(b) Loss of the Participant's property due to casualty.

(c) The need to pay uninsured medical expenses, including prescription drugs.

(d) The need to pay the funeral expenses of a spouse or dependent (as defined in §152 of the Code).

(e) Any other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's control, not including sending a child to college or purchasing a home.

6.1-2 The withdrawal shall be limited to the amount reasonably necessary to meet the Serious Financial Hardship.

6.1-3 If a Participant's application for a hardship withdrawal is granted, the Participant's deferral election for the Plan Year shall be canceled, effective with the pay period starting after the date the Administrator grants the hardship withdrawal application.

6.1-4 The Administrator or the Agents shall establish procedures for implementing withdrawals, which shall include requirements for a written application signed by the Participant and a statement of the facts causing the Serious Financial Hardship, as well as any other items required by the Administrator or the Agents.

6.1-5 The withdrawal date shall be fixed by the Administrator or the Agents, who may require a minimum advance notice and limit the amount, time and frequency of withdrawals.

6.2 On application from a Participant, the Administrator, or the Agents, in their sole discretion, may defer the Payment Date or extend the term of payment for amounts not already payable, subject to the following rules:

6.2-1 The application may request deferral or extension with respect to any or all of the time-and-form-of-payment elections in effect for the Participant. Only two such applications may be granted for any Participant, regardless of whether the application previously granted applied to fewer than all of the Participant's time-and-form-of-payment elections. The application shall include the reason the deferral or extension is requested, the changed circumstances underlying the application and any other information or documents required by the Administrator or the Agents. The Administrator or Agents may, in their discretion, approve a deferred date for payment that would be later than would be permitted for an initial Payment Date pursuant to 5.1 above.

6.2-2 Neither the Administrator nor the Agents shall grant an application to change a Payment Date selected pursuant to 5.1-1 or one or more of the dates on which installment payments are scheduled to be made pursuant to 5.2-3 unless the application is made at least 12 months before each date on which a payment is scheduled. For example, a Participant who elected to defer a portion of salary until January 1, 2011, to be paid in a lump sum at that time, would have to apply before January 1, 2010 to be eligible to change that Payment Date and, pursuant to 6.2-4, the revised Payment Date could not be earlier than January 1, 2016.

6.2-3 An application to change a Payment Date selected pursuant to 5.1-2 or 5.1-3 or the date of an installment payment pursuant to 5.2-3 shall not apply to any amount that would be payable during the 12 months after the date the Administrator or the Agents receive the application. For example, if a Participant who elected to defer a portion of salary for payment in five annual installments starting on January 1 following the date that is six months after the date of separation from service were to apply in May 2011 to defer the start of the five annual installments until the January following the fifth anniversary of separation from service and then separate from service in June 2011, the application would not apply to the payment due January 1, 2012 (because that is less than 12 months after the date of the application), but could defer one or more of the next four payments, as designated in the application, subject to the five-year rule in 6.2-4.

6.2-4 An application shall not be granted to the extent it defers the Payment Date less than five years. For example, in 6.2-3, the Participant would either have to defer each installment whose scheduled payment changes for at least five years from its originally scheduled payment date (so the second installment payment, originally scheduled for January 1, 2013, would have to be deferred at least until January 1, 2018 and the third installment payment, if deferred, could not be paid earlier than January 1, 2019, at least five years after its originally scheduled date of January 1, 2014). Alternately, if the Participant wanted a lump sum, it would have to be paid at least five years from the *last* scheduled installment payment date (so at least to January 1, 2021, five years after the last installment payment, which would have been due January 1, 2016).

7. **Effect of Death**

7.1 If the Participant dies, any portion of the Account for which the Payment Date had not been reached before death shall be paid to the Participant's Beneficiary, determined pursuant to 7.3, beginning as soon as practicable after the Participant's death, as follows:

7.1-1 If the amount payable to a Beneficiary is less than $5,000, such amount shall be paid in a lump sum.

7.1-2 If 7.1-1 does not apply, payment shall be made in five substantially equal annual installments, unless a Beneficiary requests acceleration under Section 6. The first installment shall be paid as soon as practicable after the Participant's death and the second installment shall be paid in January of the year following the year of death; subsequent installments shall be paid as near as practicable to the anniversary of the second installment. If the annual payment computed under the preceding sentence is less than $5,000, the minimum annual payment shall be $5,000, with a corresponding reduction in the number of annual installments.

7.2 If the Participant dies, any portion of the Account for which the Payment Date had been reached before death shall continue to be paid under the payment schedule in effect at death, unless a Beneficiary requests withdrawal pursuant to 6.1.

7.3 "Beneficiary" means the person or persons or other entity or entities that have been designated by the Participant to receive, after the Participant's death, benefits under the Plan in accordance with the terms of the Plan.

7.3-1 The designation by the Participant must be on forms prescribed by the Administrator or the Agents and filed with the Administrator or Agents. Beneficiary designations may be revoked or changed by filing a new Beneficiary designation with the Administrator or Agents.

7.3-2 If more than one designated Beneficiary survives the Participant, payments shall be made equally to the surviving designated Beneficiaries, unless otherwise provided in the Beneficiary designation. Participants may designate primary and secondary Beneficiaries and Beneficiaries by right of representation.

7.3-3 If the Participant was married when the designation was made and is not married to the same spouse at death, the designation shall be void if the spouse was named as Beneficiary but the designation shall remain valid if a nonspouse Beneficiary was named.

7.3-4 Should the Participant fail to designate a Beneficiary, or should the designated Beneficiary fail to survive the Participant, the Participant's Account shall be paid to the Participant's estate.

7.3-5 Unless a proper beneficiary designation explicitly states otherwise, the designation shall apply to the Participant's entire Account.

8. Nature of the Employers' Obligations

8.1 This Plan is intended to be and shall be construed as an unfunded plan. The benefits provided under this Plan shall be a general, unsecured obligation of each Employer with respect to the Participants employed by that Employer, regardless of the existence of the grantor trust. Neither the Participant nor the Participant's Beneficiaries or estate shall have any interest in any assets of an Employer by virtue of this Plan.

8.2 The Employers shall set aside assets in a grantor trust to offset their obligations to pay benefits pursuant to this Plan, but any funds set aside shall remain subject to the general creditors of the Employers, as provided in the trust agreement.

9. Claims Procedure

9.1 Any person claiming a benefit or requesting an interpretation, a ruling or information under this Plan shall present the request in writing to the Administrator or the Agents, who shall respond in writing as soon as practicable.

9.2 If the claim or request is denied, the written notice of denial shall state:

9.2-1 The reasons for denial, with specific reference to the Plan provisions on which the denial is based.

9.2-2 A description of any additional material or information required and an explanation of why it is necessary.

9.2-3 An explanation of this claim review procedure, including a statement of the right to sue, after exhausting this claims procedure.

9.3 Any person whose claim or request is denied or who has not received a response within 60 days may request review by notice in writing to the Administrator. The original decision shall be reviewed by the Administrator, who may, but shall not be required to, grant the claimant a hearing. On review, whether or not there is a hearing, the claimant may have representation, examine and obtain copies of relevant documents and submit issues and comments in writing.

9.4 The decision on review shall take into account all comments, documents and other information submitted by the claimant relating to the claim and shall normally be made within 60 days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be so notified of the special circumstances and the time limit shall be 120 days. The decision shall be in writing and shall state the reasons and the relevant provisions and offer reasonable access to documents and other information relevant to the claim. All decisions on review shall be final and bind all parties concerned.

10. <u>Miscellaneous Provisions</u>

10.1 This Plan may be amended from time to time or terminated by a written document signed the Chief Executive Officer of the Company, but no such amendment or termination may accelerate the time of payment of benefits to Participants beyond what the Code permits, except that if the Internal Revenue Service issues a final ruling that any amounts held under this Plan will be subject to current income tax, the Administrator may direct payment as soon as practicable to the affected Participants of the amounts to which the ruling applies.

10.2 The Chief Executive Officer of the Company may terminate further deferrals under the Plan for any reason with respect to deferrals for months beginning after the date of termination of the Plan. In the event of such cessation of deferrals, all other rights and obligations shall continue until all Deferred Compensation Accounts have been paid to all Participants under the terms of the Plan.

10.3 This Plan shall inure to the benefit of and be binding on the Employers and their successors and assigns and any corporation into which an Employer is merged or consolidated, and the Participants and their successors, heirs and legal representatives.

10.4 If a Participant terminates employment for any reason during a Plan Year for which Compensation is to be deferred, the actual deferral specified in the Participant's Agreement for the Plan Year shall be adjusted to equal the actual amounts deferred pursuant to the Agreement before such termination.

10.5 Subject to 5.6 above and the following rules, no interest provide pursuant to the Plan may be assigned, transferred, pledged, sold, conveyed, or otherwise alienated or encumbered in any way by any Participant or Beneficiary, and no such interest shall be subject to execution, attachment or similar process.

10.5-1 Any attempted sale, conveyance, assignment, pledge or encumbrance of any interest provided pursuant to the Plan, or the levy or any attachment or similar process, shall be null and void and without effect.

10.5-2 Benefits may be paid in accordance with a qualified domestic relations order (QDRO) as defined in §414(p) of the Code pursuant to procedures established by the Administrator. Benefits may be paid to an alternate payee pursuant to a QDRO before payment to the Participant would be permitted.

10.6 Except as otherwise required or permitted by this Plan or applicable law, any notice or direction under this Plan shall be in writing and effective when actually delivered or, if mailed, when deposited postpaid as first-class mail. Mail shall be directed to the address stated in this Plan or to such other address as a party specifies by notice to the other parties.

10.7 Following termination of employment, a Participant shall not be an employee of an Employer for any purpose and the payments pursuant to Sections 5, 6 or 7 shall not constitute salary or wages. A Participant shall receive such payments as retirement benefits, not as compensation for performance of any substantial services.

10.8 The Plan shall be governed by, and interpreted and enforced in accordance with, the laws of the State of Oregon, except as preempted by federal law.

COLUMBIA SPORTSWEAR COMPANY

By /s/ TIMOTHY P. BOYLE

Executed: December 31, 2007

Exhibit 10.3

SEVERANCE AGREEMENT

1. PARTIES.

The parties to this Severance Agreement (hereinafter “Agreement”) are MARK J. SANDQUIST and COLUMBIA SPORTSWEAR COMPANY, an Oregon corporation, with its principal place of business at 14375 NW Science Park Drive, Portland, Oregon 97229 (“COLUMBIA”).

1.1 MARK J. SANDQUIST.

For the purposes of this Agreement, SANDQUIST means MARK J. SANDQUIST, and SANDQUIST’s heirs, executors, administrators, and assigns.

1.2 THE COMPANY.

For purposes of this Agreement “Company” means COLUMBIA SPORTSWEAR COMPANY, and all subsidiaries, affiliated companies and other business entities thereof, all predecessors and successors of each, and all of each entity’s officers, shareholders, directors, employees, agents, or assigns, in their individual and representative capacities.

2. BACKGROUND AND PURPOSE.

SANDQUIST has been employed by COLUMBIA since March 23, 1995. SANDQUIST’s employment is ending effective March 24, 2009 (hereinafter Termination Date). The parties are entering into this Agreement to define the severance relationship and to settle fully and finally any and all claims SANDQUIST may have against Company, whether asserted or not, known or unknown, including, but not limited to, claims arising out of or related to SANDQUIST’s employment, termination, and claim for reemployment, or any other claims whether asserted or not, known or unknown, past or future, that relate to SANDQUIST’s employment, termination, reemployment, or application for reemployment. SANDQUIST has twenty-one (21) days to consider this Agreement.

3. RELEASE.

SANDQUIST waives, acquits and forever discharges Company from any and all claims SANDQUIST may have. SANDQUIST hereby releases Company from any and all claims, demands, actions, or causes of action, whether known or unknown, arising from or related in any way to any employment of or past or future failure or refusal to employ SANDQUIST by Company, or any other past or future claim (except as reserved by this Agreement or where expressly prohibited by law) that relates in any way to SANDQUIST's employment, termination, employment contract, compensation, benefits, reemployment, or application for employment, with the exception of any claim SANDQUIST may have against COLUMBIA for enforcement of this Agreement. This release includes any and all claims, direct or indirect, which might otherwise be made under any applicable local, state or federal authority, including but not limited to any claim arising under the state or local statutes governing the jurisdiction where SANDQUIST was employed by COLUMBIA dealing with civil rights, employment, wage and hour, discrimination in employment, Employee Retirement Income Security Act (ERISA), Title VII of the Civil Rights Act of 1964, the Post-Civil War Civil Rights Act (42 U.S.C. §§ 1981-1988), the Civil Rights Act of 1991, the Americans With Disabilities Act, the Family and Medical Leave Act of 1993, the Equal Pay Act of 1963, Executive Order 11246, the Rehabilitation Act of 1973, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Worker Adjustment and Retraining Notification Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Fair Labor Standards Act, all as amended, any regulations under such authorities, or any other applicable constitutional, statutory, contract, tort, or common law theories, except that SANDQUIST does not hereby release Company from its obligations under this Agreement, its contribution and indemnification obligations whether arising under this Agreement or otherwise, or from any coverage under any policy of insurance providing indemnity and related costs for the benefit of SANDQUIST.

It is understood and agreed that the acts done and evidenced hereby and the release granted hereunder is not an admission of liability on the part of SANDQUIST or Company, by whom liability has been and is expressly denied.

Neither the foregoing release nor anything else in this Agreement applies in any way to SANDQUIST's rights to any ERISA qualified deferred compensation accounts under existing Company tax-qualified plans, with all such account balances to be made available for transfer as directed by Sandquist contemporaneously with or subsequent to the date hereof, subject to applicable regulatory and plan provisions.

4. CONSIDERATION.

After receipt of this Severance Agreement properly and fully endorsed by SANDQUIST, and the expiration of the seven- (7) day revocation period provided by the Older Workers Benefit Protection Act without SANDQUIST's revocation, Company shall commence payment to SANDQUIST of the total sum of five-hundred fourteen thousand, eight-hundred and 00/100 Dollars ($514,800.00) (all less proper withholding), paid in a lump sum according to Section 4.3 of the Columbia Sportswear Company Change in Control Severance Plan (the "Plan") after expiration of the revocation period described above. The lump sum will be net of amounts withheld with respect to taxes and any other legally required deductions.

SANDQUIST also has the option to use the DBM Outplacement program for executives (a six month program). This outplacement benefit is available to SANDQUIST through December 31, 2009. In accordance with Section 4.1(b) of the Plan, if SANDQUIST and his spouse and dependent children (as applicable) elect COBRA continuation coverage under COLUMBIA's group health plans, COLUMBIA will pay the employer's portion of the health insurance premium for COBRA coverage for a period beginning on April 1, 2009 and ending on the earliest to occur of (i) the date on which SANDQUIST is no longer entitled to COBRA continuation coverage under COLUMBIA's group health plans, and (ii) March 31, 2010. SANDQUIST will be responsible for the employee portion of the health insurance premium.

SANDQUIST has received equity grants from the Company and has, depending on the specific grant, 30 to 90 days from date of termination to exercise any vested stock options. SANDQUIST should contact Kathy Fox, Stock Plan Administrator, for more information.

5. NONDISPARAGEMENT.

SANDQUIST agrees that he will not disparage or make false or adverse statements about Company. In the event that Company becomes aware of any actions or statements that are attributed to SANDQUIST that Company reasonably believes are disparaging, false or adverse to Company, Company may consider this Agreement breached and may take actions consistent therewith, including recoupment of sums paid to SANDQUIST hereunder. COLUMBIA agrees that its officers and directors will not disparage or make false or adverse statements about SANDQUIST. In the event that SANDQUIST becomes aware of any actions or statements that are attributed to COLUMBIA's officers or directors that SANDQUIST reasonably believes are disparaging, false or adverse to SANDQUIST, SANDQUIST may consider this Agreement breached and may take actions consistent therewith.

6. CONFIDENTIAL, PROPRIETARY AND TRADE SECRET INFORMATION.

SANDQUIST acknowledges the continuing duty not to use or disclose confidential, proprietary or trade secret information learned while an employee of Company or its predecessors, including the terms of this Agreement. Should SANDQUIST, his attorney or agents be requested in any judicial, administrative, or other proceeding to disclose any confidential, proprietary or trade secret information that SANDQUIST learned while an employee of Company or its predecessors, SANDQUIST shall promptly notify Company of such request.

7. COVENANTS.

7.1 SANDQUIST's COVENANT NOT TO PROSECUTE OR MAINTAIN ANY ACTION OR PROCEEDING AGAINST COMPANY.

In exchange for the Settlement Consideration, SANDQUIST agrees not to prosecute or hereafter maintain or institute any action at law, suit or proceeding in equity, administrative or any proceeding of any kind or nature whatsoever against Company for any reason related in any way to any claim released herein. SANDQUIST further agrees that he will not raise any claim against Company by way of defense, counterclaim or cross-claim or in any other manner, on any alleged claim, demand, liability or cause of action released herein. At the time of his execution of this Agreement, SANDQUIST represents that there are no claims, complaints or charges pending against Company in which SANDQUIST is a party or complainant. Further, SANDQUIST acknowledges and agrees he has no unasserted workers' compensation claims through the date of his execution of this Agreement.

7.2 COVENANT TO RETURN ALL COMPANY PROPERTY.

SANDQUIST and Company acknowledge that SANDQUIST has returned to the Company all property of Company including credit cards, keys, card keys, computers, documents, cell phone, palm pilot, equipment, supplies, and any other property belonging to Company. SANDQUIST further agrees that he has no undisclosed personal charges or unauthorized business charges on the credit cards to be returned or otherwise and agrees to reimburse Company if he is mistaken.

7.3 COOPERATION IN DEFENSE OF COMPANY; CONSULTATION.

SANDQUIST agrees now and in the future that he will assist Company to the best of his ability in the defense of any claim brought against Company of which SANDQUIST has any personal knowledge. Company agrees it will use commercially reasonable efforts to accommodate his obligations to third parties in scheduling his time and will reimburse SANDQUIST reasonable out-of-pocket expenses in providing such assistance. As of the date of this agreement, the Company is not aware of any disputes that the Company anticipates will require SANDQUIST's assistance. SANDQUIST agrees that he will notify the Company if he is contacted by any person or party regarding a dispute with the Company and will not communicate with that person or party unless compelled to do so by law or requested to do so by the Company. In addition, for a twelve (12) month period ending March 31, 2010, SANDQUIST agrees to provide specific operations information to Company as requested in a reasonable, timely and clear manner, to allow Company to continue and/or complete job tasks, activities, assignments, to continue effective relationships with business partners, and to respond to inquiries as needed by telephone at no additional cost to Company beyond what is provided by this Agreement.

7.4 RESIGNATION.

Effective immediately, SANDQUIST hereby resigns as an officer of Columbia Sportswear Company and as an officer and/or director of its subsidiaries, as applicable and whatever.

7.5 NON-COMPETITION.

The Company represents that SANDQUIST is not subject to any non-competition agreement that would restrict SANDQUIST'S ability to become employed or provide services in the apparel industry.

8. ARBITRATION OF CERTAIN DISPUTES; CLAIMS FOR IRREPARABLE HARM; VENUE.

Except as provided below, SANDQUIST and Company agree that should any dispute arise between the parties whether or not arising out of this Agreement, the issue shall be submitted to arbitration in Portland, Oregon, before one arbitrator pursuant to the then current employment rules of the American Arbitration Association. Unless otherwise required by applicable law, each party shall pay its own costs and attorneys' fees. Notwithstanding the above, in the event either party wishes to obtain equitable relief for violations of paragraphs 5, 6 or 7 including, without limitation, specific performance, immediate issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, it may bring a claim for such relief in arbitration or in an action in an applicable court in Portland, Oregon.

9. SCOPE OF AGREEMENT.

The provisions of this Agreement shall be deemed to obligate, extend to, and inure to the benefit of the Company's affiliates, successors, predecessors, assigns, directors, officers, and employees and each party's insurers, transferees, grantees, legatees, agents and heirs, including those who may assume any and all of the above-described capacities subsequent to the execution and effective date of this Agreement.

10. OPPORTUNITY FOR ADVICE OF COUNSEL.

SANDQUIST acknowledges that he has been encouraged by Company to seek advice of counsel with respect to this Agreement and has had the opportunity to do so.

11. SEVERABILITY.

Every provision of this Agreement is intended to be severable. In the event any term or provision of this Agreement is declared to be illegal or invalid for any reason whatsoever by an arbitrator or a court of competent jurisdiction or by final and unappealed order of an administrative agency of competent jurisdiction, such illegality or invalidity should not affect the balance of the terms and provisions of this Agreement, which terms and provisions shall remain binding and enforceable.

12. NO WAIVER.

Failure of either party to enforce any term of this Agreement shall not constitute a waiver of the party's right to enforce that term or any other term of this Agreement.

13. COSTS AND ATTORNEY'S FEES.

The parties each agree to bear their own costs and attorneys' fees which have been or may be incurred in connection with any matter herein or in connection with the negotiation and consummation of this Agreement or any action to enforce the provisions of this Agreement.

14. GOVERNING LAW.

The rights and obligations of the parties under this Agreement shall in all respects be governed by the laws of the United States and the State of Oregon.

15. REVOCATION.

As provided by the Older Workers Protection Act, SANDQUIST is entitled to have twenty-one (21) days to consider this Agreement. For a period of seven (7) days from execution of this Agreement, SANDQUIST may revoke this Agreement. Upon receipt of SANDQUIST's signed Agreement and the expiration of the seven (7) day revocation period without SANDQUIST's revocation, payment by Company as provided herein will be forwarded by mail in a timely manner in accordance with Company's regular bi-weekly payroll schedule.

16. MODIFICATION.

No modification or waiver of any of the provisions of this Agreement or any future representation, promise or addition shall be binding upon the parties unless made in writing and signed by the parties.

Name: /s/ MARK J. SANDQUIST
MARK J. SANDQUIST

Dated: April 3, 2009

COLUMBIA SPORTSWEAR COMPANY

By: /s/ SUSAN G. POPP

Dated: April 3, 2009

Its: VICE PRESIDENT HUMAN RESOURCES

EXHIBIT 31.1

CERTIFICATION

I, Timothy P. Boyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Columbia Sportswear Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 3a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2009

/s/ TIMOTHY P. BOYLE
Timothy P. Boyle
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Thomas B. Cusick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Columbia Sportswear Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2009

/s/ THOMAS B. CUSICK

Thomas B. Cusick
Vice President, Chief Financial Officer
and Treasurer

EXHIBIT 32.1

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of Columbia Sportswear Company (the “Company”) on Form 10-Q for the period ended March 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”), I, Timothy P. Boyle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2009

/s/ TIMOTHY P. BOYLE

Timothy P. Boyle
President and Chief Executive Officer
Columbia Sportswear Company

EXHIBIT 32.2

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of Columbia Sportswear Company (the "Company") on Form 10-Q for the period ended March 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Thomas B. Cusick, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2009

/s/ THOMAS B. CUSICK

Thomas B. Cusick
Vice President, Chief Financial Officer and Treasurer
Columbia Sportswear Company