

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

	Year Ended December 31,		
	2014	2013	2012
Net sales	\$ 2,100,590	\$ 1,684,996	\$ 1,669,563
Cost of sales	1,145,639	941,341	953,169
Gross profit	954,951	743,655	716,394
Selling, general and administrative expenses	763,063	625,656	596,635
Net licensing income	6,956	13,795	13,769
Income from operations	198,844	131,794	133,528
Interest income, net	1,004	503	379
Interest expense on note payable to related party (Note 22)	(1,053)	—	—
Other non-operating expense	(274)	(871)	—
Income before income tax	198,521	131,426	133,907
Income tax expense (Note 11)	(56,662)	(37,823)	(34,048)
Net income	141,859	93,603	99,859
Net income (loss) attributable to non-controlling interest	4,686	(738)	—
Net income attributable to Columbia Sportswear Company	\$ 137,173	\$ 94,341	\$ 99,859
Earnings per share attributable to Columbia Sportswear Company (Note 17):			
Basic	\$ 1.97	\$ 1.37	\$ 1.48
Diluted	1.94	1.36	1.46
Weighted average shares outstanding (Note 17):			
Basic	69,807	68,756	67,680
Diluted	70,681	69,434	68,264

See accompanying notes to consolidated financial statements

COLUMBIA SPORTSWEAR COMPANY

CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
	2014	2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 413,558	\$ 437,489
Short-term investments	27,267	91,755
Accounts receivable, net (Note 6)	344,390	306,878
Inventories	384,650	329,228
Deferred income taxes (Note 11)	57,001	52,041
Prepaid expenses and other current assets	39,175	33,081
Total current assets	1,266,041	1,250,472
Property, plant, and equipment, net (Note 7)	291,563	279,373
Intangible assets, net (Notes 3, 8)	143,731	36,288
Goodwill (Notes 3, 8)	68,594	14,438
Other non-current assets	22,280	25,017
Total assets	\$ 1,792,209	\$ 1,605,588
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	\$ 214,275	\$ 173,557
Accrued liabilities (Note 10)	144,288	120,397
Income taxes payable (Note 11)	14,388	7,251
Deferred income taxes (Note 11)	169	49
Total current liabilities	373,120	301,254
Note payable to related party (Note 22)	15,728	—
Other long-term liabilities (Notes 12, 13)	35,435	29,527
Income taxes payable (Note 11)	9,388	13,984
Deferred income taxes (Note 11)	3,304	7,959
Total liabilities	436,975	352,724
Commitments and contingencies (Note 14)		
Shareholders' Equity:		
Preferred stock; 10,000 shares authorized; none issued and outstanding	—	—
Common stock (no par value); 250,000 shares authorized; 69,828 and 69,190 issued and outstanding (Note 15)	72,700	52,325
Retained earnings	1,255,070	1,157,733
Accumulated other comprehensive income (Note 18)	15,833	35,360
Total Columbia Sportswear Company shareholders' equity	1,343,603	1,245,418
Non-controlling interest (Note 5)	11,631	7,446
Total equity	1,355,234	1,252,864
Total liabilities and equity	\$ 1,792,209	\$ 1,605,588

See accompanying notes to consolidated financial statements

COLUMBIA SPORTSWEAR COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Year Ended December 31,		
	2014	2013	2012
Net income	\$ 141,859	\$ 93,603	\$ 99,859
Other comprehensive loss:			
Unrealized holding gains (losses) on available-for-sale securities (net of tax (expense) benefit of (\$5), (\$2), and \$4, respectively)	10	3	(7)
Unrealized gains (losses) on derivative transactions (net of tax (expense) benefit of (\$1,507), \$9 and (\$171), respectively)	7,751	(1,261)	(4,745)
Foreign currency translation adjustments (net of tax benefit (expense) of \$1,023, (\$191) and (\$59), respectively)	(27,789)	(9,861)	4,518
Other comprehensive loss	(20,028)	(11,119)	(234)
Comprehensive income	121,831	82,484	99,625
Comprehensive income (loss) attributable to non-controlling interest	4,185	(554)	—
Comprehensive income attributable to Columbia Sportswear Company	\$ 117,646	\$ 83,038	\$ 99,625

See accompanying notes to consolidated financial statements

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

	Year Ended December 31,		
	2014	2013	2012
Cash flows from operating activities:			
Net income	\$ 141,859	\$ 93,603	\$ 99,859
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	54,017	40,871	40,892
Loss on disposal or impairment of property, plant, and equipment	481	9,344	1,582
Deferred income taxes	(6,978)	8,818	7,140
Stock-based compensation	11,120	8,878	7,833
Excess tax benefit from employee stock plans	(4,927)	(1,532)	(1,016)
Changes in operating assets and liabilities:			
Accounts receivable	(31,478)	27,442	18,166
Inventories	(62,086)	34,089	2,951
Prepaid expenses and other current assets	(4,869)	5,166	(2,025)
Other assets	4,291	(4,215)	(1,259)
Accounts payable	41,941	31,711	(12,330)
Accrued liabilities	35,051	12,210	(5,199)
Income taxes payable	1,166	5,534	(11,052)
Other liabilities	6,195	2,356	3,126
Net cash provided by operating activities	185,783	274,275	148,668
Cash flows from investing activities:			
Acquisition of business, net of cash acquired	(188,467)	—	—
Purchases of short-term investments	(48,243)	(125,390)	(83,969)
Sales of short-term investments	112,895	78,636	42,319
Capital expenditures	(60,283)	(69,443)	(50,491)
Proceeds from sale of property, plant, and equipment	71	111	7,099
Net cash used in investing activities	(184,027)	(116,086)	(85,042)
Cash flows from financing activities:			
Proceeds from credit facilities	52,356	69,136	100,654
Repayments on credit facilities	(52,205)	(69,292)	(100,498)
Proceeds from issuance of common stock under employee stock plans	22,277	19,537	14,600
Tax payments related to restricted stock unit issuances	(3,141)	(2,291)	(1,486)
Excess tax benefit from employee stock plans	4,927	1,532	1,016
Repurchase of common stock	(15,000)	—	(206)
Proceeds from note payable to related party	16,072	—	—
Capital contribution from non-controlling interest	—	8,000	—
Cash dividends paid	(39,836)	(31,298)	(29,780)
Net cash used in financing activities	(14,550)	(4,676)	(15,700)
Net effect of exchange rate changes on cash	(11,137)	(6,805)	1,821
Net increase (decrease) in cash and cash equivalents	(23,931)	146,708	49,747
Cash and cash equivalents, beginning of year	437,489	290,781	241,034
Cash and cash equivalents, end of year	\$ 413,558	\$ 437,489	\$ 290,781
Supplemental disclosures of cash flow information:			
Cash paid during the year for income taxes	\$ 53,958	\$ 22,771	\$ 43,696
Supplemental disclosures of non-cash investing activities:			
Capital expenditures incurred but not yet paid	7,196	5,195	5,313

See accompanying notes to consolidated financial statements

COLUMBIA SPORTSWEAR COMPANY
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Columbia Sportswear Company Shareholders' Equity					
	Common Stock		Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total
	Shares Outstanding	Amount				
BALANCE, JANUARY 1, 2012	67,276	\$ 3,037	\$ 1,024,611	\$ 46,897	\$ —	\$ 1,074,545
Net income	—	—	99,859	—	—	99,859
Other comprehensive income (loss):						
Unrealized holding losses on available-for-sale securities, net	—	—	—	(7)	—	(7)
Unrealized holding losses on derivative transactions, net	—	—	—	(4,745)	—	(4,745)
Foreign currency translation adjustment, net	—	—	—	4,518	—	4,518
Cash dividends (\$0.44 per share)	—	—	(29,780)	—	—	(29,780)
Issuance of common stock under employee stock plans, net	882	13,114	—	—	—	13,114
Tax adjustment from stock plans	—	1,036	—	—	—	1,036
Stock-based compensation expense	—	7,833	—	—	—	7,833
Repurchase of common stock	(8)	(206)	—	—	—	(206)
BALANCE, DECEMBER 31, 2012	68,150	24,814	1,094,690	46,663	—	1,166,167
Net income (loss)	—	—	94,341	—	(738)	93,603
Other comprehensive income (loss):						
Unrealized holding gains on available-for-sale securities, net	—	—	—	3	—	3
Unrealized holding losses on derivative transactions, net	—	—	—	(1,261)	—	(1,261)
Foreign currency translation adjustment, net	—	—	—	(10,045)	184	(9,861)
Cash dividends (\$0.46 per share)	—	—	(31,298)	—	—	(31,298)
Issuance of common stock under employee stock plans, net	1,040	17,246	—	—	—	17,246
Capital contribution from non-controlling interest	—	—	—	—	8,000	8,000
Tax adjustment from stock plans	—	1,387	—	—	—	1,387
Stock-based compensation expense	—	8,878	—	—	—	8,878
BALANCE, DECEMBER 31, 2013	69,190	52,325	1,157,733	35,360	7,446	1,252,864
Net income	—	—	137,173	—	4,686	141,859
Other comprehensive income (loss):						
Unrealized holding gains on available-for-sale securities, net	—	—	—	10	—	10
Unrealized holding gains on derivative transactions, net	—	—	—	7,751	—	7,751
Foreign currency translation adjustment, net	—	—	—	(27,288)	(501)	(27,789)
Cash dividends (\$0.57 per share)	—	—	(39,836)	—	—	(39,836)
Issuance of common stock under employee stock plans, net	1,059	19,136	—	—	—	19,136
Tax adjustment from stock plans	—	5,119	—	—	—	5,119
Stock-based compensation expense	—	11,120	—	—	—	11,120
Repurchase of common stock	(421)	(15,000)	—	—	—	(15,000)
BALANCE, DECEMBER 31, 2014	69,828	\$ 72,700	\$ 1,255,070	\$ 15,833	\$ 11,631	\$ 1,355,234

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