

21 December 2017
Market Information Services Section
New Zealand Exchange Limited
Wellington

NOTIFICATION OF PERFORMANCE RIGHTS

For the purposes of Listing Rule 7.12.1 of the NZSX Listing Rules, Kathmandu Holdings Limited advises the following performance rights have been issued:

a) Class of securities: ISIN:	Performance rights to ordinary shares pursuant to Kathmandu Holdings Limited Long Term Incentive Plan ISIN NZKMDE0001SE
b) Number of securities issued:	Performance rights in respect of 374,437 ordinary shares
c) Nominal value: Issue price:	Not applicable Nil, pursuant to Kathmandu Holdings Limited Long Term Incentive Plan
d) Payment in cash?	No. The performance right to be allocated ordinary shares in Kathmandu Holdings Limited is subject to satisfaction of certain performance conditions with regards to Total Shareholder Returns.
e) Amount paid up:	Nil
f) Principal term of securities:	- Each Performance Right granted under the Plan entitles the holder to acquire one fully paid ordinary share in Kathmandu Holdings Limited. 50% of vesting is subject to the company achieving Total Shareholder Return performance relative to a defined comparable group of companies and vest on a sliding scale proportionate to the Total Shareholder Return performance 50% of vesting is subject to an Earnings Per Share growth hurdle and vest on a sliding scale proportionate to the total Earnings Per Share growth - Performance rights will lapse where the performance conditions are not met. - Performance rights will lapse where the holder ceases to be employed by the Kathmandu Group before the end of a performance period.

Kathmandu Holdings Ltd

11 Mary Muller Drive, Heathcote 8022
PO Box 1234, Christchurch 8140, New Zealand
Phone: +64 3 373 6110 **Fax:** +64 3 373 6116
kathmandu.co.nz

249 Park Street, South Melbourne, Victoria 3205
PO Box 984, South Melbourne, Victoria 3205, Australia
Phone: +61 3 9267 9999 **Fax:** +61 3 9267 9933
kathmandu.com.au

	There is no amount payable by holders either on grant or exercise of the Performance Rights.
g) Percentage of total class issued:	0.19%
h) Reason for issue:	Issue of performance rights to selected Senior Management employees to be allocated ordinary shares in the company upon the satisfaction of certain conditions.
i) Specific authority for the issue:	Resolution at Annual General Meeting of shareholders dated 24 November 2017 and resolution of Directors dated 20 December 2017.
j) Terms or details of the issue:	i. The holder has the right to be issued Ordinary Shares vesting on 1 December 2020 provided the employee remains in employment with the company to that date. ii. 50% of the number of performance rights that vest will depend on Kathmandu Holdings Limited's Total Shareholder Return performance relative to a defined comparable group of companies over the 36 months ending 1 December 2020 iii. 50% of the number of performance rights that vest will depend on Kathmandu Holdings Limited's Earnings Per Share compound average annual growth rate between 1 August 2017 and 31 July 2020. iv. Performance rights will lapse where the performance conditions are not met.
k) Total number of securities of the class after issue:	374,437 - Performance Rights – Kathmandu Holdings Limited Long Term Incentive Plan
l) Treasury Stock:	Not applicable
m) Date of issue:	20 December 2017

Reuben Casey
Company Secretary

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