

Disclosure of ceasing to have substantial holding

Section 279, Financial Markets Conduct Act 2013

Note: This form must be completed in accordance with the instructions at the end of the form.

To NZX Limited

and

To Kathmandu Holdings Limited (KMD)

Date this disclosure made: 19 October 2018

Date last disclosure made: 23 July 2018

Date on which substantial holding ceased: 16 October 2018

Substantial product holder(s) giving disclosure

Full name(s): NovaPort Capital Pty Ltd (ACN 140 833 656)

Summary of previous substantial holding

Class of quoted voting products: Ordinary Fully Paid Shares in KMD

Summary for NovaPort Capital Pty Ltd:

For **last** disclosure,—

(a) total number held in class: 13,518,094

(b) total in class: 225,314,819

(c) total percentage held in class: 6.00%

For current holding **after** ceasing to have substantial holding,—

(a) total number held in class: 7,836,108

(b) total in class: 225,781,068

(c) total percentage held in class: 3.47%

Details of transactions and events giving rise to ceasing of substantial holding

Details of the transactions or other events requiring disclosure: purchased on market and sale (via off market transfer).

Additional information

Address(es) of substantial product holder(s): Level 2, 5 Martin Place, Sydney, NSW, 2000

Contact details: Andrew Brown, Company Secretary: abrown@challenger.com.au;
+61 2 9994 7468

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Challenger Limited and its associates.

Certification

I, Andrew Brown, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

Annexure 1: Transactions

Transactions:**Company****Name/Scheme:** Kathmandu Holdings Limited (KMD)**As at:** 16/10/2018**Class of security:** Ordinary Fully Paid

| Date of Change | Holder of relevant interest | Nature of Change | Consideration | Number of Securities | Person's Votes Affected |
|----------------|-----------------------------|------------------|---------------|----------------------|-------------------------|
| 11/10/2018 | NovaPort Capital Pty | Buy | 173,735.24 | 65,314 | 65,314 |
| 12/10/2018 | as above | Buy | 258,644.28 | 94,686 | 94,686 |
| 15/10/2018 | as above | Buy | 108,052.00 | 40,000 | 40,000 |
| 16/10/2018 | as above | Sell - transfer | 15,646,082.76 | -5,881,986 | 5,881,986 |

Total Number of Securities -5,681,986