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**KATHMANDU HOLDINGS LIMITED
ASX / NZX / MEDIA ANNOUNCEMENT**

3 October 2019

**SUCCESSFUL COMPLETION OF THE INSTITUTIONAL ENTITLEMENT COMPONENT OF
KATHMANDU'S 1 FOR 4 FULLY UNDERWRITTEN PRO-RATA ACCELERATED
ENTITLEMENT OFFER – 88% TAKE-UP BY ELIGIBLE INSTITUTIONAL SHAREHOLDERS**

Kathmandu Holdings Limited (the **Company**) is pleased to advise that it has successfully completed the institutional entitlement offer component (**Institutional Entitlement Offer**) of its fully underwritten 1 for 4 pro-rata accelerated entitlement offer (**Offer**) of new fully paid ordinary shares in Kathmandu (**New Shares**) announced on 1 October 2019. A total of NZ\$145 million will be raised under the Offer.

The Institutional Entitlement Offer closed on Wednesday 2 October 2019 and raised gross proceeds of approximately NZ\$96 million. The Institutional Entitlement offer received strong support from Kathmandu's eligible institutional shareholders electing to take up 88% of their entitlements under the Institutional Entitlement Offer and 92% of eligible institutional shareholders took up their entitlements in full.

The New Shares taken up by eligible institutional shareholders under the Institutional Entitlement Offer are expected to be allotted and commence trading on NZX on Friday 11 October 2019 and will rank equally with existing fully paid ordinary shares of Kathmandu (**Shares**).

Institutional bookbuild

A bookbuild for entitlements not taken up under the Institutional Entitlement Offer (**Institutional Bookbuild**) will close today, Thursday 3 October 2019.

Retail entitlement offer

The retail component of the Offer (**Retail Entitlement Offer**) will open on Friday 4 October 2019 and close at 5.00pm (NZ time) on Monday 21 October 2019.

Eligible Retail Shareholders with an address shown in the Company's share register as being in New Zealand or Australia will be able to subscribe for 1 New Share for every 4 Shares held on the Record Date, being 8.00pm (NZ time) on Thursday 3 October 2019, at the same application price as the Institutional Entitlement Offer of NZ\$2.55 per New Share (or the A\$ Price of A\$2.37 per New Share).

An offer document (**Offer Document**) (accompanied by a personalised entitlement and acceptance form) will be sent to Eligible Retail Shareholders on Friday 4 October 2019 and is available on the website established for the Offer at www.kathmandushares.com.

Eligible Retail Shareholders wishing to acquire New Shares under the Retail Entitlement Offer will need to complete their personalised entitlement and acceptance form or complete an online application (via the website noted above). Eligible Retail Shareholders may choose to take up their entitlements in whole, in part or not at all.

New Shares not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer, and those which would otherwise have been offered to Ineligible Retail Shareholders, will be offered for subscription to Eligible Retail Shareholders who have taken up all of their Entitlements in full and selected Institutional Investors through a Retail Bookbuild scheduled for Wednesday 23 October 2019.

Retail Shareholders who do not take up their entitlements under the Retail Entitlement Offer or who are ineligible to participate in the Retail Entitlement Offer will receive a pro-rata share of any positive difference between the retail bookbuild price and the application price for New Shares under the Offer of NZ\$2.55 per

New Share. However, there is no guarantee that any value will be received from the Retail Bookbuild by Eligible Retail Shareholders who do not take up their full entitlement or Ineligible Retail Shareholders.

Further information

Shareholders who have any questions about the Offer are encouraged to read the Offer Document and seek financial, investment or other professional advice from a qualified professional adviser.

Kathmandu's Shares will continue in trading halt on NZX and ASX until an announcement containing the results of the Institutional Bookbuild is made, which is expected to occur before market open on Friday 4 October 2019.

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Note: All capitalised terms used in this announcement have the meanings given in Part 4: Glossary of Kathmandu's Offer Document dated 1 October.

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