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

4 October 2019

**SUCCESSFUL COMPLETION OF THE INSTITUTIONAL BOOKBUILD COMPONENT OF
KATHMANDU'S 1 FOR 4 FULLY UNDERWRITTEN PRO-RATA ACCELERATED
ENTITLEMENT OFFER**

Kathmandu Holdings Limited (the **Company**) is pleased to advise that it has successfully completed the institutional bookbuild component (**Institutional Bookbuild**) 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 clearing price under the Institutional Bookbuild was NZ\$3.06 per share, a premium of NZ\$0.51 per share over the application price of NZ\$2.55 under the Offer. Therefore, eligible institutional shareholders who elected not to take up their entitlements and ineligible institutional shareholders will receive NZ\$0.51 for each New Share not taken up by them (net of any applicable withholding tax).

The premium will be paid in New Zealand dollars or, for those Shareholders who receive dividends in Australian dollars, in Australian dollars at the prevailing A\$:NZ\$ exchange rate, in accordance with the direct credit payment instructions provided by the relevant Shareholder to the Company (if any) and otherwise by cheque sent by ordinary post to their address as recorded in the Company's share register. No interest will be paid in respect of the premium. The New Shares taken up under the Institutional Bookbuild 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**).

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 today, 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 are expected to resume normal trading before market open on the NZX and ASX today.

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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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