



KATHMANDU HOLDINGS LIMITED
ASX/ NZX/ MEDIA ANNOUNCEMENT
18 NOVEMBER 2016

TRADING UPDATE

For the 15 weeks to 13 November 2016:

- Total sales +2.8% at constant exchange rates (-0.6% at actual exchange rates^{*1});
- Same store sales +1.4% at constant exchange rates.

Kathmandu Holdings Limited (ASX and NZX Code: KMD) today announced unaudited sales for the 15 weeks to 13 November have risen by 2.8% above comparable weeks last year (at constant exchange rates).

Group same store sales increased by 1.4% (FY16 pcp +4.8%). In our largest market Australia, same store sales grew by +3.4% while New Zealand declined by -1.9%.

Kathmandu's Chief Executive Officer Xavier Simonet said "In response to the strengthened USD we have been less promotional in the first quarter than for the same period last year. Combined with a higher mix of clearance and cycling UK store closures, this has impacted on sales in the first 15 weeks."

Mr Simonet noted that "we have maintained our improved working capital position, with lower net debt and stock per store than the same time last year. Through careful management of gross margins and operating expenditure we remain on track to match last year's first half profit result despite pressure on sales growth. As always our first half-year result is highly dependent on the more significant Christmas trading period."

ENDS

For further information please call:

Reuben Casey, CFO

+64 272727573

^{*1} Average conversion rates year-to-date NZD/AUD 0.951 (FY16 0.908) and NZD/GBP 0.565 (FY16 0.424)