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24 November 2011

To: Australian Securities Exchange
New Zealand Stock Exchange

ANNOUNCEMENT TO ASX AND NZX REGARDING THE EXERCISE BY MR. JAMES STRONG, CHAIRMAN OF KATHMANDU HOLDINGS LIMITED, OF HIS CALL OPTION

On 24 November, the ASX and NZX were notified of a change in Directors' interest relating to an increase in the number of shares held in Kathmandu Holdings Limited ("KMD") by the Company's chairman, Mr James Strong. This increase has arisen as a result of Mr Strong partially exercising the call option granted to him at the time of the Company's IPO in November 2009, by the shareholders of Milford Group Holdings Limited (the sellers of Kathmandu in that IPO). Under the call option Mr Strong has acquired from those shareholders 160,428 shares in KMD, at the option price of A$1.70.

The shares acquired under this option are a transaction directly between Mr Strong and the previous shareholders, and does not involve any further issue of shares by Kathmandu Holdings Limited. There is no cost to the Company as a result of the partial exercise of the option. The call option has now expired.

Regards

Mark Todd
Company Secretary

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