



Annual General Meeting

16 November 2012

Agenda: 2012 Annual General Meeting



- Chairman's address
- Chief Executive Officer's address
- Ordinary business
 - Item 1: Financial Statements
 - Item 2: Election of Directors
 - Item 3: Auditors' Remuneration
 - Item 4: Approval of grant of performance rights to Peter Halkett
 - Item 5: Approval of grant of performance rights to Mark Todd
- Other business





Chairman's address

- Sales growth NZ\$41.0m to NZ\$347.1 million, up 13.4%;
- EBIT of NZ\$57.0 million, down 10.9%;
- NPAT of NZ\$34.9 million, down 10.7%;
- Final dividend of NZ 7.0 cents per share declared (fully franked, fully imputed).



CEO address

CEO address: 2012 Annual General Meeting



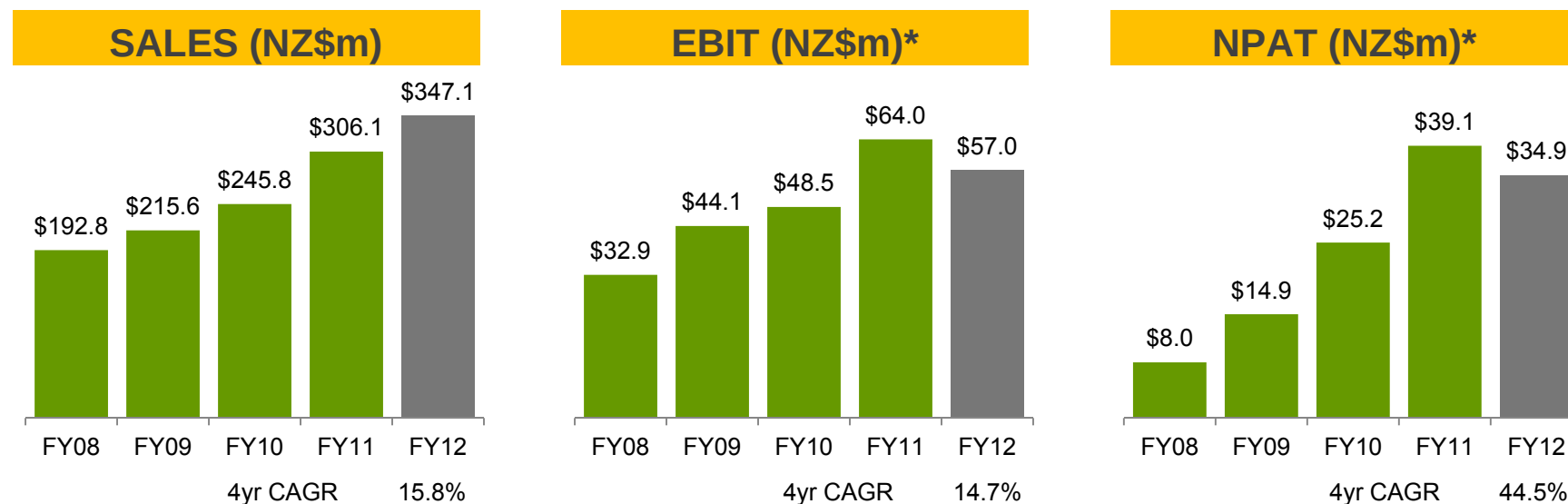
- FY12 financial results
- FY12 key milestones
- Growth strategy update
- Australian penetration update
- UK update
- Sustainability
- Trading performance update
- FY13 outlook



CEO address: FY12 financial results



- Record sales (\$347.1m);
- Same store sales growth 3yr average 7.6%;
- Gross margin 63.2% within 62% to 64% long-term target range;
- Operating expenses impacted by one-off costs of c. \$3m;
- Net profit after tax \$34.9m (down 10.7%);
- Solid growth over period since IPO listing.



* FY08 – FY09 as presented in the Prospectus dated 23 October 2009, and FY10 excluding the impact of IPO listing costs.

CEO address: FY12 key milestones



- Summit Club membership numbers grew by over 30% with new loyalty incentive scheme;
- Opened new format flagship stores in Sydney, Melbourne, Auckland, and Wellington;
- New ERP and warehouse management systems operational;
- Total store count increased by 13 to 124 stores;*
- New distribution centre opened in New Zealand, and Australian distribution centre enlarged;



- Physical infrastructure (distribution centres and support offices) expected to support growth over at least the next three years.

* Includes 4 temporary stores.

CEO address: Growth strategy update - Stores



NEW STORE ROLLOUT

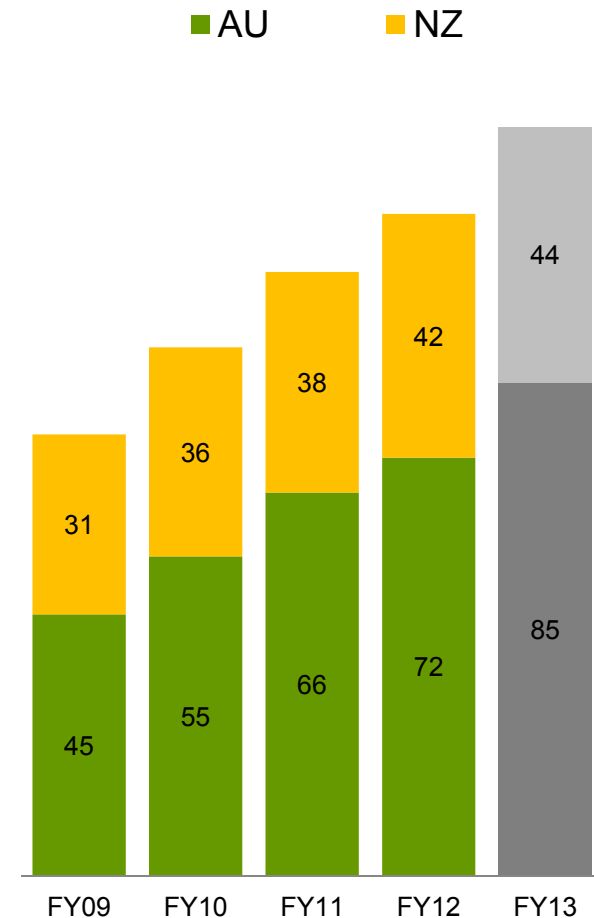
- FY13 target of 15 new stores (13 in AU, 2 in NZ);
- 9 stores will open in 1H FY13 (last year 5 stores):
 - Stores now open: Carindale (Brisbane), Fountain Gate (Melbourne), Tuggerah (Regional NSW), Robina (Brisbane), Morley Galleria (Perth), Coffs Harbour (Regional NSW);
 - Stores to open before Christmas: Pitt Street (Sydney CBD), Casuarina (Darwin), and Mackay (Regional QLD);
 - Most 1H FY13 stores new small format.
- 3 stores already secured for opening in 2H FY13.

IMPROVE EXISTING STORE NETWORK

- Perth CBD and Nelson stores relocated;
- Highpoint (Melbourne) and Knox City (Melbourne) stores refurbished;
- At least 3 similar projects planned for 2H FY13.

Latest network plan anticipates more than 100 stores in AU, and up to 170 stores overall in AU and NZ.

Store Rollout History



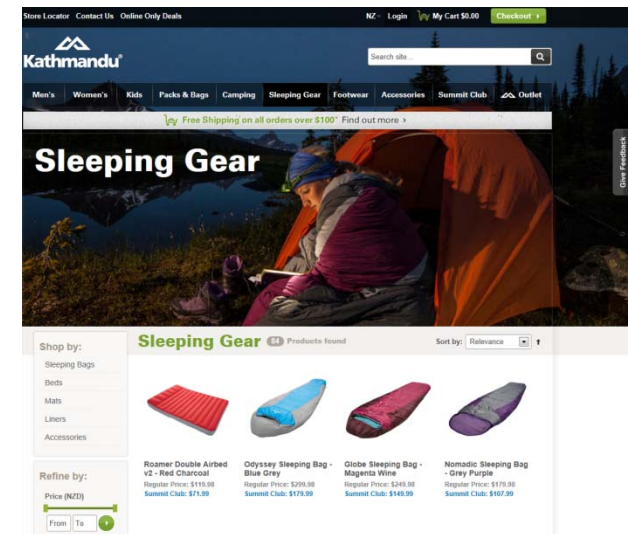
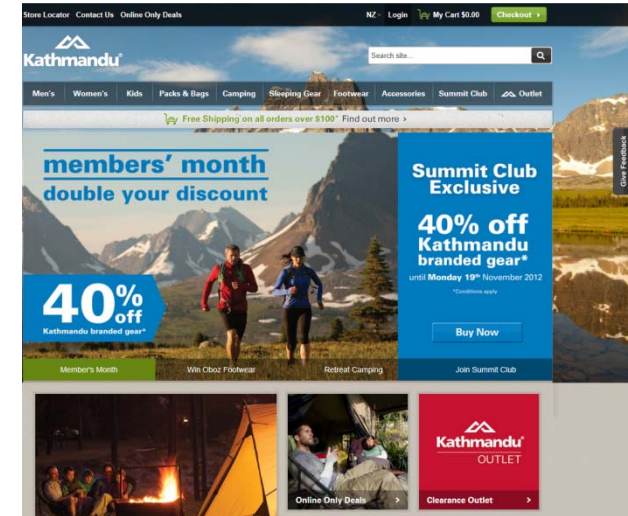
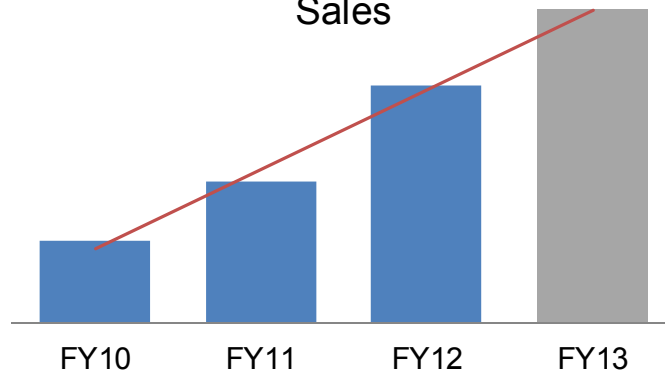
CEO address: Growth strategy update



ONLINE AND DIGITAL

- New online platform now live in all 3 countries;
- Control of our brand is a fundamental competitive advantage;
- Considering marketplace sites e.g. Amazon, TradeMe, eBay;
- Continuous enhancement and investment planned, including mobile optimisation, international shipping, and Summit Club enhancements;
- Online sales continue rapid growth. Since online sales began in FY10, 2yr CAGR 103%.

Online proportion of AU & NZ Sales



CEO address: Growth strategy update



ENHANCE PRODUCT OFFERING

- Continue investment in research and product development;
- Target inventory investment in key performing product lines to optimise store formats and geographical locations;
- Forecasting and Planning system a key enabler - Microsoft Dynamics AX implementation before end of FY13;
- Total SKU count now likely to remain around current level;
- Successful innovation in bags and cycle gear, with new premium range to come.



CEO address: Growth strategy update



SUMMIT CLUB

- Loyalty incentive introduced in FY12 will continue to grow membership;
- Tracking towards one million member target by 2015;
- Investment in CRM capabilities to enhance customer engagement through targeted promotional activity and optimised customer communication.

A promotional poster for the Kathmandu Summit Club. The top half features a scenic photograph of a person in a blue jacket and tan pants standing by a lake, with another person sitting near an orange tent in the background. The background shows a mountain range under a blue sky with clouds. The Kathmandu logo and "summit CLUB" text are in the top right. Below the photo, it says "new summer range | Canada 2012". The bottom section has a blue background with white text and icons. It includes "New Range Daypacks" with an icon of a daypack, "Summer Camping" with an icon of a tent, and a large "40% off" discount for Kathmandu branded gear from August 30th to September 24th, 2012. Fine print at the bottom states "Full priced gear only. Some exclusions apply, see page 3 for details."

Kathmandu®
summit CLUB
new summer range | Canada 2012

Canada | Jasper National Park, Alberta | 2037m | 52.71N 118.26W

New Range Daypacks
From the daily commute to adventure travel, our Summit range is packed with all the features you need, no matter where your adventure takes you.

Summer Camping
Whether you're embarking on a summer-long family adventure or a quick weekend getaway, our Flatbed Camping range ticks all the boxes.

double your discount
40% off Kathmandu branded gear
30th Aug - 24th Sept 2012
Full priced gear only. Some exclusions apply, see page 3 for details.

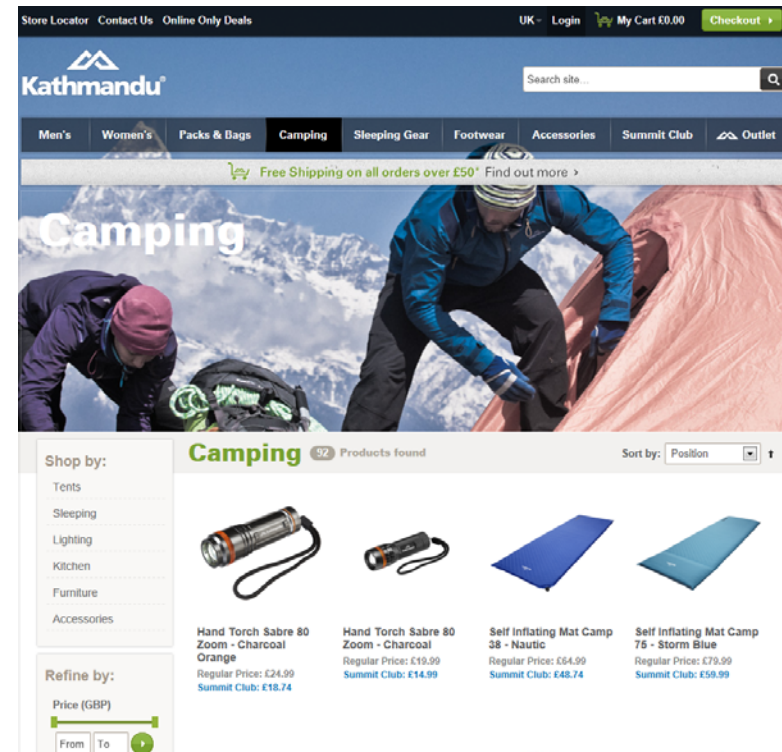
- **Current penetration comparison:**
 - NZ \$31.31, AU \$10.34 sales per head of population;*
 - Australia is 33% of NZ, can be 60%.
- **Store network expansion (Australia) strategy:**
 - Flexible store formats/sizes already proven effective;
 - Greater share of retail spend (vs NZ) in shopping centres;
 - Smaller format stores for prime and regional locations;
 - Increased store count above 100 expected.
- **Increase brand awareness:**
 - Is increasing, but not as high as NZ;
 - Regarded as technical outdoor brand (more lifestyle in NZ);
 - Aim to lift profile further;
 - Apparel focus, consistent with store network opportunity.
- **Summit Club membership growth crucial**

* FY12 sales result expressed in NZ\$ for both countries, divided by 2006 Census population data.

CEO address: UK update



- All functions now managed and supported from New Zealand and Australia, overheads reduced;
- Distribution centre exited, third party logistics provider commenced February 2012;
- New website operating since start of October 2012;
- During 2013:
 - 2 existing stores to close, 1 new store to open;
 - All London stores to be re-furbished;
 - Stores primarily brand showrooms to support online channel;
 - Future sales growth to come from online.



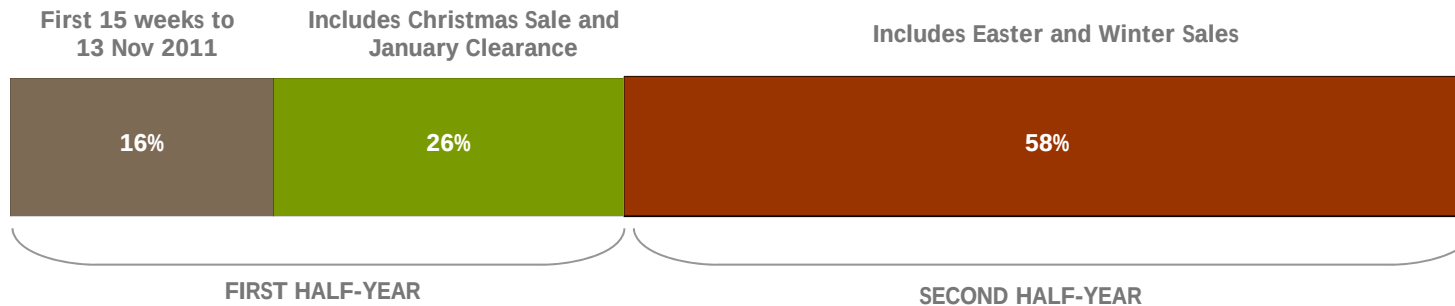
CEO address: Sustainability



- Sustainability is a priority and of increasing importance for Kathmandu staff, Summit Club members, suppliers, and other key stakeholders.
- Launched **Sustain the Dream Plan** (2011–2013) which outlines Kathmandu Sustainability objectives, model and action plan.
- Action Plan focused on 5 impact areas:
 - Minimise our environmental footprint
 - Respect human rights
 - Strengthen communities
 - Develop our team
 - Add economic value
- Progress communicated via 1st public Sustainability Report 2012 released online at: <http://www.kathmanduholdings.com/investor-relations/reports/>



Last Year Sales mix across the year



- Three major promotions remain critical to our annual trading (c. 60% of annual sales in FY12), in order of size:
 - Winter
 - Christmas
 - Easter
- First quarter, because it contains no major promotions, makes no contribution to full year's earnings.

CEO address: Trading performance update



- Sales \$66.9m for the period ending 11 Nov 2012;
- Sales growth \$10.9m (19.5% above FY12 pcg, 18.6% at constant exchange rates^{*1});
- Same store sales growth 14.3%^{*2} for the 15 weeks ended 11 Nov 2012 (last year pcg 7.6%);
- Positive same store sales growth in Australia and New Zealand, with Australia performing relatively better;
- First half-year profit result is highly dependent on Christmas trading period;
- YOY increase in 1H FY13 EBITDA requires same store sales growth during the Christmas and January trading periods.

1. Average conversion rates FY13 year-to-date NZ\$/A\$ 0.786 (FY12 0.795) and NZ\$/UK£ 0.511 (FY12 0.508).
2. Same store sales growth 13.6% at constant exchange rates.

Market

- Current economic conditions in our view the new normal;
- Outdoor category remains resilient;
- Competition increasing due to relatively attractive sector.

FY13 Earnings

- Board and Management remain confident in the Kathmandu business model and on-going growth strategies;
- Several FY12 costs and initiatives that affected profit will not repeat in FY13;
- New store rollout store numbers and opening dates in line with targets for this year;
- Trading to date gives us confidence and is ahead of our YTD targets, but earnings growth is still almost all expected in 2H FY13;
- Providing there is no further deterioration in economic conditions, Kathmandu continues to expect an improvement in performance of our business in FY13 over FY12.



Resolutions: Items 1 to 5

Item 1: Financial Statements



To receive and consider the Financial Report of the Company for the year ended 31 July 2012 together with the Directors' and Auditor's reports.

Item 2: Election of Directors



To re-elect Directors of the Company, each election to be voted on separately:

- a) “That Mr. James Strong, who retires by rotation in accordance with Article 4.4 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”
- b) “That Mr. John Harvey who retires by rotation in accordance with Article 4.4 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Proxies:

In respect of this item of business, the following proxies have been received:

	2(a)	2(b)
• In favour	152,780,478	152,769,804
• Against	35,717	41,686
• Open/Undecided	50,247	50,247

The Chairman intends voting the open and undirected proxies in favour of the resolution.

Item 3: Auditors' Remuneration



To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“To record that PricewaterhouseCoopers continue in office as the Company’s auditors and to authorise the Directors to fix the remuneration of PricewaterhouseCoopers for the ensuing year.”

Proxies:

In respect of this item of business, the following proxies have been received:

• In favour	152,669,865
• Against	119,443
• Open/Undecided	50,247

The Chairman intends voting the open and undirected proxies in favour of the resolution.

Item 4: Grant of Performance Rights – Peter Halkett



To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant to Peter Halkett, Managing Director and Chief Executive Officer, of a number of performance rights (including both the Short Term Incentive Portion and the Long Term Incentive Portion) up to a value of NZ\$404,250, calculated in accordance with the formula and terms described in the Explanatory Statement”

Proxies:

In respect of this item of business, the following proxies have been received:

• In favour	152,442,185
• Against	385,196
• Open/Undecided	47,607

The Chairman intends voting the open and undirected proxies in favour of the resolution.

Item 5: Grant of Performance Rights – Mark Todd



To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant to Mark Todd, Finance Director, Chief Financial Officer and Company Secretary, of a number of performance rights (including both the Short Term Incentive Portion and the Long Term Incentive Portion) up to a value of NZ\$238,875, calculated in accordance with the formula and terms described in the Explanatory Statement”

Proxies:

In respect of this item of business, the following proxies have been received:

• In favour	152,442,185
• Against	385,196
• Open/Undecided	47,607

The Chairman intends voting the open and undirected proxies in favour of the resolution.



Other business