



Annual General Meeting

20 November 2013

Agenda: 2013 Annual General Meeting



- Chairman's address
- Chief Executive Officer's address
- Ordinary business
 - Item 1: Financial Statements
 - Item 2: Election of Directors
 - Item 3: Auditor's Remuneration
 - Item 4: Approval of Long Term Incentive Plan for employees
 - Item 5: Approval of grant of performance rights to Peter Halkett
 - Item 6: Approval of grant of performance rights to Mark Todd
- Other business





Chairman's address

- Sales growth: NZ\$36.9 million to NZ\$384.0 million, up 10.6%;
- EBIT of NZ\$63.4 million, up 11.2%;
- NPAT of NZ\$44.2 million, up 26.6%;
- Final dividend of NZ 9.0 cents per share declared (fully franked, fully imputed).
- Full year dividend pay-out up 20%



CEO's address

CEO's address: 2013 Annual General Meeting



- FY13 results summary
- FY13 other key highlights
- Growth strategy update
- UK update
- Sustainability
- Trading performance update
- FY14 outlook

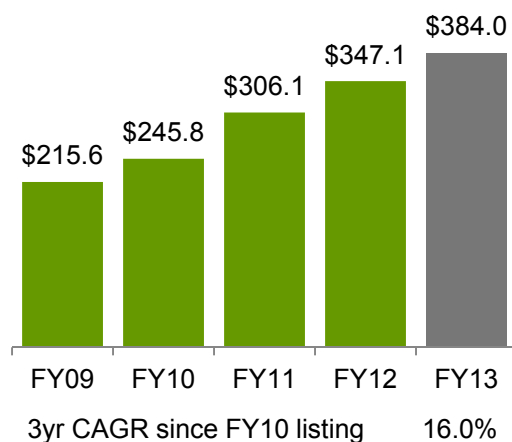


CEO's address: FY13 results summary

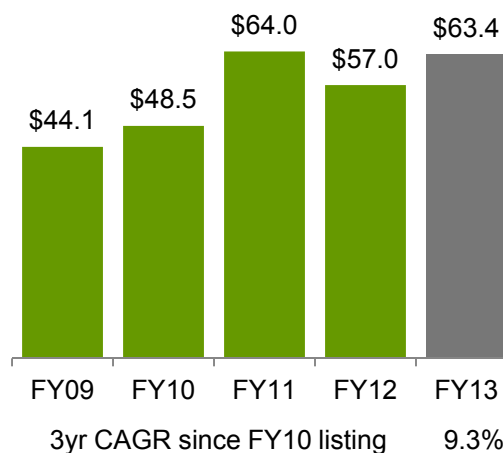


- Record sales \$384.0m;
- Same store sales growth 5.6% at constant exchange rates;
- Gross margin 63.0%; within 62% to 64% long-term target range;
- Operating expenses 30bps reduction as a % of sales;
- Net profit after tax \$44.2m (up 26.6%);
- Solid growth over period since IPO listing.

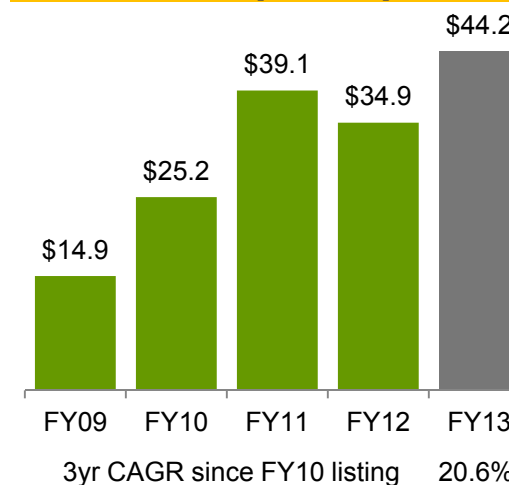
SALES (NZ\$m)



EBIT (NZ\$m)*



NPAT (NZ\$m)*



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

CEO's address: FY13 other key highlights



- Summit Club membership now over 1 million customers;
- Online sales grew by 55%, and now exceed 4% of Group sales;
- UK business re-organisation completed;
- Australian distribution centre floor space extended by 50%;
- Total permanent store count increased by 16, to 136 stores.*

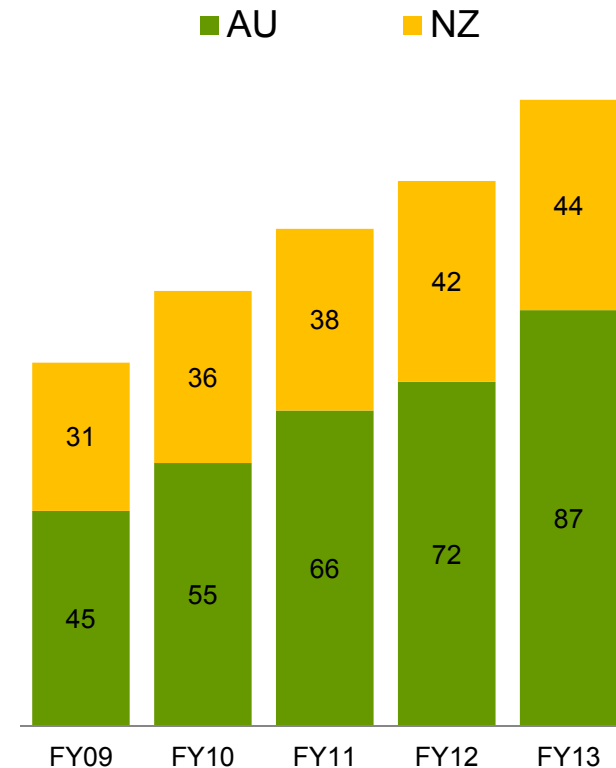


* Excludes one temporary store at Cashel St Re-start.

NEW STORE ROLLOUT

- FY14 target of 15 new stores (13 in AU, 2 in NZ);
- 5 stores will open in 1H FY14 (last year 9 stores):
 - 3 stores now open:
Auckland (St Lukes), Adelaide (West Lakes),
Melbourne (Uni Hill);
 - 2 stores to open before Christmas:
Melbourne (Northland), Brisbane (Jindalee Outlet);
- 3 stores secured for opening in 2H FY14:
 - Melbourne (Emporium, Chadstone) and Brisbane (Indooroopilly).
- Network plan still anticipates more than 170 stores overall in AU and NZ.

Store Rollout History



CEO's address: Growth strategy update



IMPROVE EXISTING STORE NETWORK

- Assortment range planning tools being implemented to optimise the product range for store footprint and location;
- Bondi Junction (Sydney) refurbished, Petone (Wellington) undergoing a major refurbishment;
- At least 3 large refurbishment projects planned for 2H FY14.



ENHANCE PRODUCT OFFERING

- Inventory investment targeting key performing product lines to optimise store formats and geographical locations;
- Total SKU count to remain around current level;
- Ongoing investment in research and product development, particularly in technical fabrics;
- Best in field testing programme established to enhance technical credentials;
- XT product range introduced.

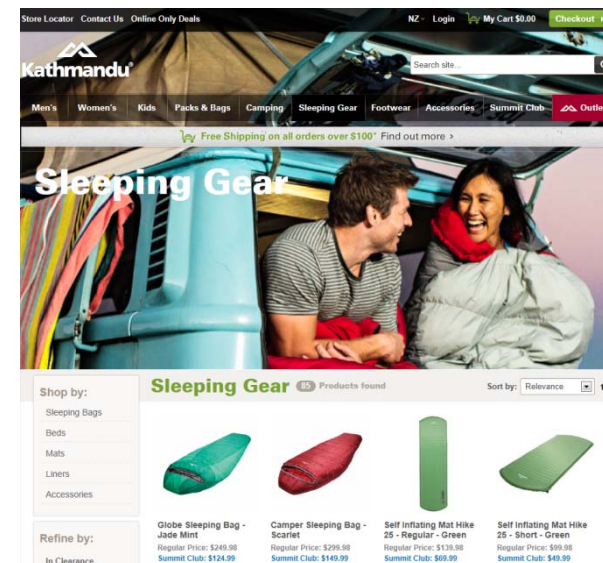
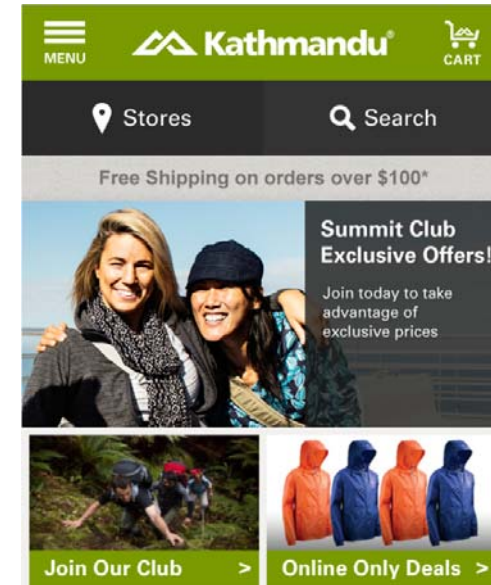
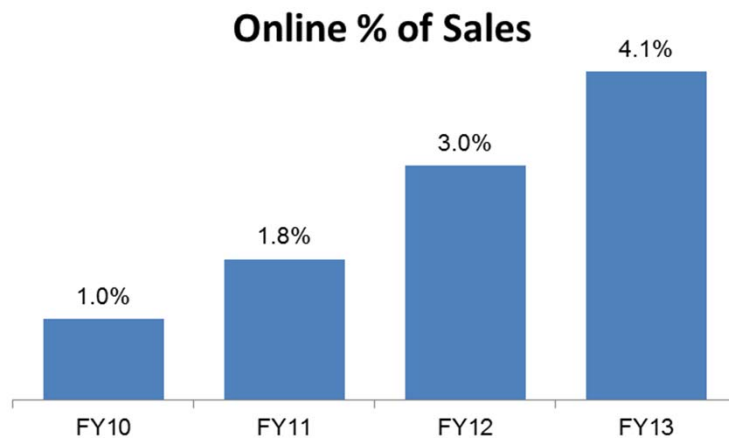


CEO's address: Growth strategy update



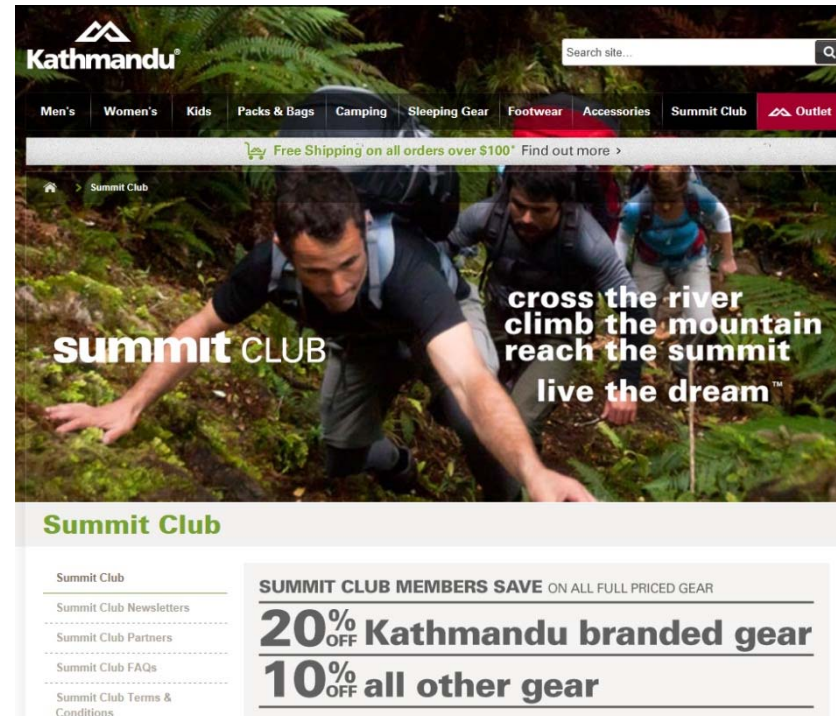
ONLINE AND DIGITAL

- Rapid growth - 3yr CAGR 86% since FY10;
- Mobile optimised site launched;
- Amazon UK operational – provides access to 144 million potential customers. Focus on search engine optimisation;
- Future enhancements: international shipping, direct sales, click and collect, smart phone app, online sales in-store, and ratings and reviews functionality.



SUMMIT CLUB

- Over one million active Summit Club members. Will continue to grow with emphasis on Australia;
- Customer segmentation to enable focus on high value customers;
- Programme to be developed further to ensure it is customer centric; and
- CRM platform enables targeted customer offers to be improved with a retention focus.



CEO's address: UK update



- Re-organised UK business now has:
 - Four stores (three London, one Bristol);
 - Online channel: Kathmandu, Kathmandu Outlet, and Amazon;
 - London stores refitted to new brand standards.
- Omni-Channel strategy commenced: iPads in store, click & collect service;
- Pricing strategy and product range aligned to meet local market requirements;
- Summit Club member benefit program revised.



CEO's address: Sustainability



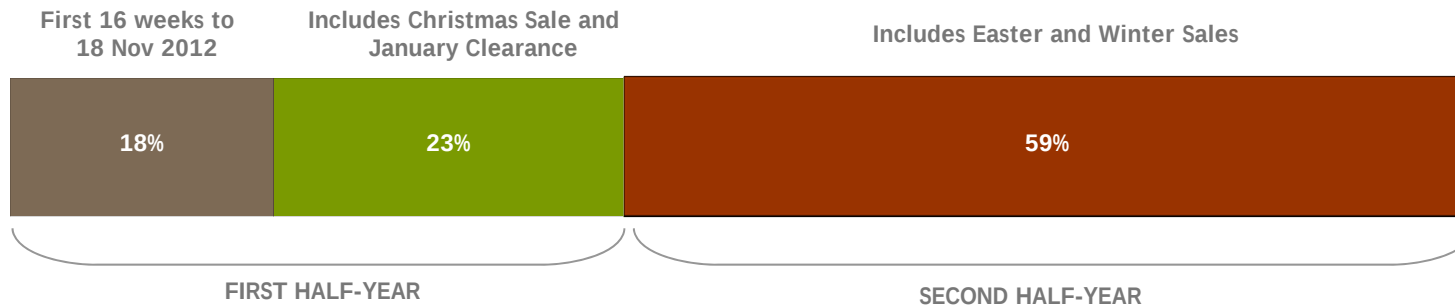
- Sustainability is a core value. We recognise its importance to our stakeholders.
- Key achievements from our **Sustain the Dream Plan** (2011–2013):
 - Significant suppliers signed up to our Terms of Trade code of conduct;
 - Supplier audit process developed and launched;
 - Community partnerships with six strategic charity partners;
 - Individual training and development plans for our team;
 - Signatory to the Australian Packaging Covenant;
 - Eliminating plastic shopping bags;
 - Product packaging reduced and transitioned to recycled materials;
 - Hundreds of community organisations and individual adventurers supported through discount vouchers and product.
- Progress communicated via 2nd public Sustainability Report 2013 released online at:
<http://kathmanduholdings.com/investor-relations/reports/>



CEO's address: Trading pattern



Last Year Sales mix across the year



- Three major promotions a large portion of our annual trading (c. 60% of annual sales in FY13), in order of size:
 - Winter
 - Christmas
 - Easter
- First quarter is a small portion of total year turnover - it contains no major promotions.

CEO's address: Trading performance update



- Sales \$70.9m for the period ending 17 Nov 2013;
- Sales growth above FY13 pcg by \$0.6m, +0.9%, or \$5.9m, +8.4% at constant exchange rates. YOY exchange rate impact -\$5.3m^{*1};
- Same store sales growth +3.8% at constant exchange rates (-3.2% at actual exchange rates) for the 16 weeks ended 17 Nov 2013 (last year pcg +13.0% at constant exchange rates);
- Australia and New Zealand same store sales both up over 3%;
- First half-year profit result is highly dependent on Christmas trading period.

1. Average conversion rates FY14 year-to-date NZ\$/A\$ 0.878 (FY13 0.786) and NZ\$/UK£ 0.515 (FY13 0.511).

Market / Environment

- Current economic conditions still uncertain globally, and particularly in Australia;
- Consumers remain cautious with discretionary expenditure;
- Outdoor category remains resilient;
- Competition continues to increase, online and in store, local and international.

Summary

- Board and Management remain confident in the Kathmandu business model and on-going growth strategies;
- Providing there is no further deterioration in economic conditions, and following the investment programme over the last two years, Kathmandu expects another solid performance in FY14.



Resolutions: Items 1 to 6

Item 1: Financial Statements



To receive and consider the Financial Report of the Company for the year ended 31 July 2013 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. John Holland, 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 Ms. Sandra McPhee who retires by rotation in accordance with Article 4.4 of the Company’s Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company.”
- c) That Ms. Christine Cross, being appointed as a Director on 11 December 2012, is now eligible for election in accordance with Article 4.3 of the Company’s Constitution and, being eligible, offers herself for election, be 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)	2(c)
• In favour	127,983,043	137,834,232	137,832,961
• Against	12,316,315	2,462,185	2,459,099
• Open/Undecided	56,480	56,480	56,480

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

Item 3: Auditor's 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 auditor 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	105,740,430
• Against	48,183
• Open/Undecided	27,386

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

Item 4: Long Term Incentive Plan for employees



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

“That approval is given for the purpose of Exception 9 in ASX Listing Rule 7.2 and for all other purposes for the grant of performance rights, and the subsequent issue or transfer of ordinary Kathmandu Holdings Limited shares to participants, under the Kathmandu Holdings Limited Long Term Incentive Plan on the terms contained in the Explanatory Statement, which are in all respects the same as those previously approved by shareholders when the Plan was initially adopted on 24 November 2010.”

Proxies:

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

• In favour	140,155,110
• Against	150,197
• Open/Undecided	61,480

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

Item 5: 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 up to a value of A\$483,900, 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	140,133,390
• Against	175,457
• Open/Undecided	56,480

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

Item 6: 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 up to a value of NZ\$292,500, 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	140,132,390
• Against	176,457
• Open/Undecided	56,480

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

A full-page photograph of two women practicing yoga on a beach at sunset. They are in a wide-legged forward bend pose, with their hands reaching towards the ground and one arm extended upwards. The scene is reflected in the wet sand, and the background shows waves and a cloudy sky.

Other business