

Disclosure of beginning to have substantial holding

Section 22, Securities Markets Act 1988

To: The New Zealand Stock Exchange

And: Kathmandu Holdings Limited

Date this disclosure made: 23rd January 2014

Substantial security holder(s) giving disclosure

Name(s): Milford Asset Management Limited

Contact details: Bryce Marsden Chief Operating Officer contact: 09 921 4707

E-mail: bmarsden@milfordasset.com

Date on which substantial security holder(s) began to have substantial holding: 21st January 2014

Summary of substantial holding to which disclosure relates

Class of listed voting securities: Ordinary Share

Summary for: Milford Asset Management Limited

For this disclosure,—

(a) total number held in class: 10,247,346

(b) total in class: 200,473,338

(c) total percentage held in class: 5.11% (note, relevant interests held by the manager as follows):

Milford Active Growth Wholesale Fund (1.71%), (Custodian - TEA Custodians),

Milford Dynamic Wholesale Fund (1.17%), (Custodian – TEA Custodians),

Mercer Trans-Tasman Shares Trust (0.26%), (Custodian – BNP Paribas Securities Limited),

NZ Equities Wholesale Fund (0.61%), (Custodian - TEA Custodians),

Trust Investments Sustainable NZ Share Fund (0.10%), (Custodian - TEA Custodians),

Waikato Community Trust (0.07%), (Custodian - TEA Custodians),

Milford Income Wholesale Fund (0.29%), (Custodian - TEA Custodians),

New Zealand Superannuation Fund (0.90%), (Custodian - New Zealand Superannuation Fund Nominees Limited).

Details of transactions and events giving rise to person beginning to have substantial holding

Details of the transactions or other events requiring disclosure under the instructions to this form:

The purchase of 460,000 ordinary shares through an on-market transaction with Craigs Investment Partners, settling on the 21st January 2014. Each ordinary share was purchased for the price of \$3.4172 per share.

Additional information

Nature of connection between substantial security holders: NA

Address(es) of substantial security holder(s): Milford Asset Management Limited, Level 17, 41 Shortland Street, Auckland 1140, New Zealand.

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Act in relation to the securities to which this disclosure relates: NA

Declaration

I, Bryce Marsden declare that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.