

Disclosure of ceasing to have substantial holding***Section 25, Securities Markets Act 1988***

To: The New Zealand Exchange Limited / Australian Securities Exchange

And: Kathmandu Holdings Limited

Date this disclosure made: 6th November 2014

Date last disclosure made: 5th November 2014

Substantial security holder(s) giving disclosure

Name(s): Milford Asset Management Limited

Contact details: Mark Ryland, Risk and Compliance Manager contact: 09 921 4707

E-mail: mryland@milfordasset.com

Date on which substantial security holder(s) ceased to have substantial holding: 5th November

Summary of previous substantial holding to which disclosure relates

Class of listed voting securities: Ordinary Shares

Summary for: Milford Asset Management Limited

For the last disclosure:

(a) total number held in class: 10,072,247

(b) total in class: 201,318,944

(c) total percentage held in class: 5% (note, relevant interests held by the manager as follows):

Milford Active Growth Wholesale Fund (0.59%), (Custodian - TEA Custodians),

Milford Dynamic Wholesale Fund (1.02%), (Custodian – TEA Custodians),

Mercer Trans-Tasman Shares Trust (0.53%), (Custodian – BNP Paribas Securities Limited),

NZ Equities Wholesale Fund (1.45%), (Custodian - TEA Custodians),

Waikato Community Trust (0.10%), (Custodian - TEA Custodians),

Milford Income Wholesale Fund (0.04%), (Custodian - TEA Custodians),

New Zealand Superannuation Fund (1.27%), (Custodian - New Zealand Superannuation Fund Nominees Limited).

For current holding after ceasing to have substantial holding:

(a) total number held in class: 9,771,213

(b) total in class: 201,318,944

(c) total percentage held in class: 4.85% (note, relevant interests held by the manager as follows):

Milford Active Growth Wholesale Fund (0.59%), (Custodian - TEA Custodians),

Milford Dynamic Wholesale Fund (0.87%), (Custodian – TEA Custodians),

Mercer Trans-Tasman Shares Trust (0.53%), (Custodian – BNP Paribas Securities Limited),

NZ Equities Wholesale Fund (1.45%), (Custodian - TEA Custodians),

Waikato Community Trust (0.10%), (Custodian - TEA Custodians),

Milford Income Wholesale Fund (0.04%), (Custodian - TEA Custodians),

New Zealand Superannuation Fund (1.27%), (Custodian - New Zealand Superannuation Fund Nominees Limited).

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

Details of the transactions or other events requiring disclosure under the instructions to this form: Milford Asset Management Limited undertook the below on market transactions

BUY/ SELL	UNITS	VALUE	DATE
SELL	- 301,034	- 947,933.43	5-Nov-14

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, Mark Ryland 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.