KATHMANDU HOLDINGS LIMITED
ASX/NZX/MEDIA ANNOUNCEMENT
3 September 2015

ACKNOWLEDGEMENT OF ANNOUNCEMENT BY BRISCOE GROUP THAT THERE WILL BE NO INCREASE IN OFFER PRICE OR EXTENSION OF THE OFFER PERIOD

The Directors of Kathmandu Holdings Limited ("Kathmandu") acknowledge the announcement by Briscoe Group Limited ("Briscoe Group") yesterday in relation to its unsolicited takeover offer ("Offer").

In that announcement, Briscoe Group stated that it will not be increasing the Offer price, nor will it extend the Offer period, unless the Offer becomes unconditional as to level of acceptances. Briscoe Group also noted that the closing date for the Offer will remain 17 September 2015.

Under the Financial Markets Conduct Act a company is required to announce to the market any change in its aggregate interest in listed securities, where acceptance in respect of an offer representing 1% or more are received. As at 2 September 2015, Briscoe Group has not announced the receipt of any acceptances of more than 1% in relation to the Offer to the New Zealand Stock Exchange.

The Directors of Kathmandu believe that the Offer is inadequate and does not reflect the underlying value of Kathmandu and accordingly, continue to recommend that Kathmandu shareholders **REJECT** the Offer from Briscoe Group.

Shareholders are advised to take no action in response to the Offer.

For further information please contact:

Media:
Helen McCombie
Citadel-MAGNUS
+61 2 9290 3033

Investors:
Reuben Casey
Chief Financial Officer
+64 3 968 6166