KATHMANDU HOLDINGS LIMITED
ASX/NZX/MEDIA ANNOUNCEMENT
1 FEBRUARY 2016

PRELIMINARY TRADING UPDATE AND 1H PROFIT GUIDANCE

FOR THE HALF YEAR ENDED 31 JANUARY 2016

Kathmandu Holdings Limited (ASX and NZX code: KMD) today advises total sales for 1H FY2016 will be approximately $195.7 million, compared to $179.4 million for the prior comparative period, an increase of 9.1%. Same store sales growth for the 26 weeks ended 31 January 2016 was 3.8% on a constant currency basis.

Gross margin for the first half were improved on last year by c. 360 bps.

Kathmandu estimates that 1H FY2016 earnings will be in the following range:

- EBITDA $21.0 to $22.0 million (last year $6.8m)
- EBIT $14.5 to $15.5 million (last year $0.6m)
- NPAT $8.5 to $9.5 million (last year a loss of $1.8m)

Kathmandu's Chief Executive Officer Xavier Simonet said that the Company's trading performance during the key Christmas and January period had been in line with management expectations. "Top line sales growth was in line with expectations but crucially it was profitable growth achieved through an improved gross margin outcome and realising planned cost efficiencies."

Mr Simonet reiterated that Kathmandu's full year profit result remains dependent on successful second half year trading. "We expect approximately 55% of sales to be made in the second half of the financial year and between 65% - 70% of earnings," said Mr Simonet. "We also reconfirm that we remain on track to deliver full year net profit after tax of $30.2m."

Kathmandu's full result for the half year will be released on Tuesday 22nd March 2016.

ENDS
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