

21 March 2018



ASX Market Announcements  
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20 Bridge Street  
Sydney NSW 2000  
Australia

Market Information  
NZX Limited  
Level 1, NZX Centre  
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**Via e-lodgement**

**KATHMANDU ANNOUNCES SUCCESSFUL COMPLETION OF NZ\$40 MILLION INSTITUTIONAL SHARE PLACEMENT**

Kathmandu Holdings Limited (ASX:KMD, NZX:KMD) ("**Kathmandu**" or the "**Company**") is pleased to announce the successful completion of an underwritten institutional share placement (the "**Placement**") of approximately 18.5 million new fully paid ordinary shares to raise NZ\$40 million. The issue price of NZ\$2.16 represents a 10.0 percent discount to the closing price on the NZX of NZ\$2.40 on 19 March 2018.

The Placement was undertaken to partially fund the acquisition of Obōz Footwear, LLC ("**Oboz**") for a base cash consideration of US\$60 million and earn-out consideration of US\$15 million<sup>1</sup>.

Commenting on the Placement, Kathmandu CEO Xavier Simonet said: "The Placement was oversubscribed and very well supported by our existing institutional shareholders, with strong demand also coming from new institutional shareholders. We look forward to completing the Share Purchase Plan component of the offer, which opens on Monday, 26 March 2018."

"The acquisition of Oboz represents a unique and exciting opportunity to expand our presence in the key North American outdoor wholesale market. We are pleased to see such strong support from our shareholders, which is an endorsement of our strategy to accelerate Kathmandu's international growth."

Settlement of the Placement is scheduled to occur on Friday, 23 March and Monday, 26 March 2018 for the ASX and NZX respectively, with allotment of all shares on Monday, 26 March 2018. The new shares issued under the placement will rank equally with existing Kathmandu fully paid ordinary shares on issue.

**SHARE PURCHASE PLAN**

As previously announced, Kathmandu is planning to raise up to NZ\$8 million (plus the ability to accept up to NZ\$2 million in oversubscriptions) through a Share Purchase Plan ("**SPP**") under which the price payable for shares will be NZ\$2.16, the same as the price paid by investors participating in the Placement. Eligible shareholders with a registered address in New Zealand or Australia as at 7.00pm NZDT on Monday, 19 March 2018 may apply to purchase up to NZ\$15,000/A\$13,950 worth of new Kathmandu shares under the SPP. The SPP will not be underwritten and Kathmandu reserves the right (in its absolute discretion) to accept over subscriptions of up to NZ\$2 million (up to NZ\$10 million in total)<sup>2</sup>.

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<sup>1</sup> An amount equal to the potential earn-out component (being US\$15 million) is required to be held in escrow. The earn-out consideration is payable subject to Oboz achieving CY18 financial milestones.

<sup>2</sup> If applications exceed NZ\$10 million, application will be scaled on a proportionate basis with regard to the size of existing shareholdings.

Further details in relation to the SPP will be included in the SPP booklet to be released to the market and sent to eligible shareholders next week.

**About Kathmandu Holdings Limited**

With sales of c. NZ\$450 million (US\$315 million) and c. 2,000 employees, Kathmandu is an iconic outdoor brand from New Zealand and a vertically integrated retailer specialised in clothing and equipment for adventure travel and the outdoors. Kathmandu puts a strong focus on sustainability. The company operates 164 stores across Australia and New Zealand with key product categories of insulation, rainwear, fleece, packs & bags and camping. Kathmandu is a public company listed on the Australian and New Zealand stock exchanges.

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