



KATHMANDU HOLDINGS LIMITED

ASX/ NZX/ MEDIA ANNOUNCEMENT

20 NOVEMBER 2015

TRADING UPDATE

- Group sales YTD to 15 November up 8.6% to \$91.3m (actual exchange rates);
- Same store sales for the 15 weeks to 15 November up 4.8% (constant exchange rates);
- Group gross margin up 5% points year on year for the first quarter of FY2016.

Kathmandu Holdings Limited (ASX and NZX Code: KMD) announce unaudited sales for the period 1 August to 15 November of \$91.3 million, 8.6% above the corresponding period last year.

Same store sales grew by 4.8% for the 15 weeks to 15 November^{*1}. By market, same store sales growth was Australia +6.5%, New Zealand +2.1% and a same store sales decline in the United Kingdom of -0.9%.

Kathmandu's Chief Executive Officer Xavier Simonet said "We have made a solid start to FY2016 with sales growth particularly strong in our largest market Australia."

For the first quarter (1 August to 1 November) gross margin was 5% points higher than last year and operating expenses were flat year on year despite operating more stores and growing sales. Mr Simonet noted that "We expected an improvement in gross margin for the first half of FY2016 due to fewer clearance sales and it was good to see this eventuate. We have made a solid start, which is encouraging, but our first half-year profit result still remains highly dependent on the more significant Christmas trading period from now to 31 January.

At this time we also re-affirm our full year net profit after tax expectation of \$30.2 million."

ENDS

For further information please call:

Reuben Casey, CFO

+64 272727573

^{*1} At constant exchange rates