

KATHMANDU HOLDINGS LIMITED
ASX/NZX/MEDIA ANNOUNCEMENT
04 AUGUST 2016

**TRADING UPDATE AND CONFIRMATION OF FY16 PROFIT GUIDANCE
FOR THE YEAR ENDING 31 JULY 2016**

Kathmandu Holdings Limited (ASX/NZX code: KMD) today reports an update on its sales performance and forecast earnings for the year ended 31 July 2016.

Full year FY2016 earnings will be in the following range:

- EBIT \$50.0 to \$51.0 million (last year \$33.2m)
- NPAT \$33.0 to \$34.0 million (last year \$20.4m)

Kathmandu's Chief Executive Officer Xavier Simonet commented "As indicated in our June update, product newness and careful management of promotional activity have resulted in a better than expected gross margin for FY2016. Continued realisation of cost efficiencies and improved working capital management has contributed to an improved FY2016 profit outcome and generated strong operating cash flows."

Sales for the year ended 31 July 2016:

- Total sales \$425.5m up \$16.2m (4.0%) on the previous year
- Same store sales for the 52 weeks ended 31 July 2016 up 1.6% at constant exchange rates

Xavier Simonet commented: "The sales pattern during our Winter campaign changed this year with sales happening earlier in the campaign at a higher gross margin."

Kathmandu will release the full result for the year on Wednesday 21st September 2016.

ENDS

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