

23 November 2018

To: Australian Securities Exchange
New Zealand Stock Exchange

Please find attached a copy of the Chairman's Address and Annual Meeting presentation slides for today's meeting.

Regards



Reuben Casey
Company Secretary

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KATHMANDU HOLDINGS LTD 23 NOVEMBER 2018

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

Good morning ladies and gentlemen, I am pleased to welcome you as Chairman of Kathmandu Holdings Ltd to our 2018 Annual Meeting.

Kathmandu had its most successful year ever in 2018, with record sales and profit.

Sales growth was balanced with improved gross margin. Sales grew by 6.1% for the Kathmandu business and total sales including Oboz by 11.7%. A gross profit increase of 14.2%, combined with well controlled operating expenses, resulted in excellent growth in earnings before interest and tax of 30.9%.

Net profit increased by \$12.5m or 32.9%, resulting in earnings per share for the year of 23.9 cents.

Our total dividend payout to shareholders for the full year was a record high 15 cents per share, which is an increase of 15.4% over last year.

Key Achievements

Along with the strong financial performance, we also had a very successful year in other areas:

- We were delighted to successfully acquire Oboz, a profitable and fast growing US based outdoor footwear brand. The combination of Kathmandu and Oboz diversifies channels to

market, geography and product mix, while also providing the opportunity to develop new international wholesale customers for Oboz and Kathmandu;

- In UK and Europe, Kathmandu sales grew by over 80%, with wholesale and direct to customer channels performing strongly. The wholesale channel now makes up nearly one third of Kathmandu international sales;
- We have continued to demonstrate industry leadership in Sustainability thanks to the care and dedication of our passionate team. Key achievements this year include being awarded an A rating in the Ethical Fashion Report, and becoming the first company in Australasia to gain accreditation with the Fair Labour Association.

We ended the year very well positioned for future growth.

Growth Strategies

I'll briefly touch on our future plans before handing over to Xavier to provide more detail.

Kathmandu and Oboz are both authentic product and customer led brands. We are focused on answering the needs of our customers by designing original, sustainable, engineered and adaptive products.

In the year ahead, we remain committed to continuous improvement in our core markets, elevating our brand and customer engagement against an ever-changing mix of competitors.

Beyond our core markets, we are excited by the opportunity to develop new international wholesale channels for Oboz and Kathmandu.

People

Our two new directors, Brent and Philip have both made great contributions in their first year.

Director, Sandra McPhee who has been on the Board since IPO, has indicated she will be retiring in calendar year 2019 and we are well advanced in the search for her replacement. I take this opportunity in advance to thank Sandra for her wide-ranging contribution to the success of Kathmandu over many years.

On behalf of my fellow Directors, I would also like to thank management and the wider team for their passion and determination to deliver another very successful year. I would also like to thank you for your support as investors throughout 2018 and in the future.

I will now ask our CEO, Xavier Simonet, to address you.

David Kirk

Chairman