

Important information for Kathmandu shareholders

On Friday, 24 July 2015, we mailed Briscoe Group's Offer documents to you and other Kathmandu shareholders for Briscoe Group's takeover offer to purchase the 80.1% of shares in Kathmandu that Briscoe Group does not already own.

The offer is five Briscoe Group shares for every nine Kathmandu shares plus a cash amount of NZ\$0.20 per Kathmandu Share. Under rule 46(1) of the Takeovers Code, Kathmandu is now required to prepare and send you a Target Company Statement. That Target Company Statement is to include a report by an Independent Adviser on the merits of the offer required under rule 21 of the Takeovers Code. Kathmandu has confirmed that a copy of the Target Company Statement will be sent to all Kathmandu Shareholders no later than 7 August 2015.

Below is a statement specified under the Takeovers Code, which urges you to seek advice if you are in doubt as to any aspect of the offer, what to do if you no longer own shares in Kathmandu but have received the offer document, and informing you that a Target Company Statement will be sent to you and that it should be read in conjunction with the offer. The full text of this statement was omitted from the offer document and the Panel has requested Briscoe Group to issue a notice that sets out the full text of the statement as required by the Takeovers Code.

If you are in any doubt as to any aspect of this Offer, you should contact your legal or financial adviser. If you require further copies of the Offer document (or its enclosures, such as Acceptance Forms and reply paid envelopes), you should contact Link Market Services Limited:

Telephone: 09 375 5998 +64 9 375 5998

(from inside New Zealand) (from outside New Zealand)

Email: applications@linkmarketservices.com

(Please put 'Briscoe Group Acceptance' in the subject line for easy identification)

IMPORTANT

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in Kathmandu Holdings Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or the agent (eg the broker) through whom the sale was made, to be passed to the purchaser.

Kathmandu Holdings Limited's target company statement, together with an independent adviser's report on the merits of this offer either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

For and on behalf of the Board of Directors

Dame Rosanne Meo Chairman