



Briscoe Group offer documents sent to Kathmandu shareholders

Briscoe Group Limited today announced it has mailed documents to Kathmandu Holdings Limited shareholders for its takeover offer to purchase the 80.1% of shares in Kathmandu that it does not already own.

As outlined in the Takeover Notice lodged with NZX on 1 July 2015, the offer is five Briscoe Group shares for every nine Kathmandu shares plus a cash amount of NZ\$0.20 per Kathmandu Share.

Briscoe Group Managing Director and majority shareholder Rod Duke said, "By offering a combination of shares and cash, we are providing Kathmandu shareholders with the opportunity to share in the benefits we expect will be generated from combining the two retail businesses and forming a significantly larger Trans-Tasman retail group."

The combined group would have annual sales in excess of NZ\$900 million based on historical trading and a market capitalisation of some NZ\$900 million (based on the Briscoe Group one-month volume weighted average price of NZ\$2.88, up to and including 29 June 2015, the trading day prior to Briscoe Group announcing its intention to make the offer).

Briscoe Group Chair Dame Rosanne Meo said "We believe that the iconic brands and retail operations of both Kathmandu and Briscoe Group's retail chains Briscoes Homeware, Living & Giving and Rebel Sport are complementary and that amalgamating the companies within one group would generate significant strategic, operational and financial benefits for both Kathmandu and Briscoe Group shareholders. We believe the combined business has greater potential than the businesses individually.

"We would also expect a larger stronger company to attract considerably more investor interest than presently exists for either Briscoe Group or Kathmandu."

Based on the Briscoe Group one-month volume weighted average price of NZ\$2.88, prior to Briscoe Group announcing its intention to make the offer, the Offer consideration equates to NZ\$1.80 (or approximately A\$1.62) per Kathmandu Share. It also amounts to a 34% premium over the one-month volume weighted average share price of Kathmandu shares to 29 June 2015 and a premium of more than 40% over the NZ\$1.27 low price of Kathmandu shares during June. The implied value of the Offer will vary in line with changes in the Briscoe Group share price.

If the Offer is successful, Briscoe Group intends to seek a listing on the ASX alongside its NZX listing.

Further Information

Further details of the Offer are set out in the Offer document and in the Takeover Notice, which Briscoe Group has provided to NZX. The Offer is subject to a number of conditions, which are detailed in the Offer document. Briscoe Group has reserved the right to waive any condition to the extent permitted by law.

Quotation is subject to approval by ASX (there is no guarantee that Briscoe Group's application will be successful) and ASX takes no responsibility for any statement made in this announcement

For the purpose of this announcement New Zealand dollar amounts have been translated to Australian dollars at a rate of 0.90.

Briscoe Group encourages Kathmandu shareholders to read the Offer Document carefully and accept the Offer. The Offer opens on 22 July 2015 and closes on 17 September 2015 (unless extended).

For inquiries please contact

Geoff Senescall

Senescall Akers Limited

Mob: +64 21 481 234

Australian media should contact:

Geoff Elliott

GRACosway

Mob: +61 488 051 888

About Briscoe Group Limited

Briscoe Group operates in two key markets within New Zealand retailing:

- Homeware, with 46 stores under the Briscoes Homeware and Living & Giving brands nationwide which generated sales of NZ\$337 million in FY2015
- Sporting goods, with 34 stores under the Rebel Sport brand nationwide which generated sales of NZ\$170 million in FY2015

The Briscoes name in New Zealand dates back to 1862. In 1990, interests associated with current major shareholder and Managing Director Rod Duke acquired the business, with the business subsequently listing on NZX in 2001. Its market capitalisation on NZX is approximately NZ\$600 million.

From 2011 to 2015, Briscoe Group sales increased from NZ\$419 million to NZ\$507 million and earnings after tax from NZ\$22 million to NZ\$39 million. Ordinary dividends to shareholders increased every year in this period.

www.briscoegroup.co.nz