sufficient to meet our capital expenditure requirements in tandem with Kathmandu's working capital cycle. Facility fees and interest expense in FY2013 were down by over $1.4m compared to the prior year, and the better terms attached to the facility agreements now in place were the major reason for this year-on-year reduction.

Net profit after tax increased by $9.3m after a favourable taxation expense outcome for the year. Total tax expense of $14.8m includes the benefit of the reduced tax charge in the Australian trading company (Kathmandu Pty Ltd) arising from the annual revaluation of its NZD denominated loan from Kathmandu Ltd. This loan primarily arises from the amount due by our Australian subsidiary for the purchase of the IP and rights to use the Kathmandu brand in Australia, based on the valuation determined at the time of the IPO in 2009. Because it is NZD denominated, exchange rate conversion gains (or as in this year losses) on the value of the loan at each balance date are taxable in the Australian company. Whilst this loan remains outstanding, this one-off benefit in FY2013 could reverse in a future year when the AUD:NZD exchange rate strengthens.

SUSTAINABILITY

Kathmandu is committed to a sustainable future. In recognising its importance to our customers, investors and our team, sustainability is a Kathmandu core value. Our sustainability journey continued in 2013 and brought to a close our first 'Sustain the Dream Plan 2011-2013'. This plan set out the pathway for driving our sustainability performance in the areas of our people, our customers, our products and our community.

We have made considerable progress in integrating sustainability into the way our business is organised and run,