

ASX Announcement

27 September 2013

Grant of share rights to employees

Specialty Fashion Group Limited (ASX code: SFH) today announced its Board has resolved to grant up to 1,000,000 rights over ordinary shares to employees of Specialty Fashion Group under the terms of the Company's Employee Long Term Incentive Plan, as part of the Company's ongoing employee incentive arrangements.

The share rights will be granted for nil consideration, and the vesting date of the share rights is 30 June 2016. In order for the shares to vest the following performance conditions must be met:

- Plan participants must have completed a continuous period of service and still be employed by the Company on the vesting date;
- a minimum 3 year cumulative EBITDA growth of 25% for the 3 years ending 30 June 2016, when compared to a benchmark cumulative base EBITDA of \$123.3 million for the previous 3 years; and
- a minimum 3 year cumulative ROCE of 20% for the 3 years ending 30 June 2016.

Under the LTIP rules, the directors may on a case-by-case basis at their absolute discretion, waive or partly waive performance conditions that have not been satisfied taking into account surrounding circumstances.

It is proposed that 200,000 of the share rights will be granted to the Chief Executive Officer, Gary Perlstein, subject to approval by the shareholders at the forthcoming AGM. The Company expects to grant the share rights to employees within the next 12 months.

FOR FURTHER INFORMATION CONTACT:

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