

SPECIALTYFASHION | GROUP

ASX announcement/Media release

15 October 2010

Specialty Fashion Group announces sale of Queenspark

Specialty Fashion Group Limited (ASX: SFH), announced today the completion of the sale of its Queenspark business for consideration of \$5.5 million. Queenspark is being sold to private investors, which includes the management of the brand. Under the terms of the sale agreement \$4 million cash was paid upon completion, and deferred consideration of \$1.5 million cash is to be paid over a period of three years.

Gary Perlstein, Chief Executive Officer commented: "We purchased Queenspark three years ago and under our ownership we increased the number of stores from 7 to currently a portfolio of 26 stores. However, the brand has not met all our internal growth expectations, and we believe that the capital released from the sale will generate better returns invested elsewhere."

INVESTOR ENQUIRIES:

Alison Henriksen
Chief Financial Officer
Specialty Fashion Group
(02) 8303 3435

MEDIA ENQUIRIES:

Michael Mullane
Cannings Corporate Communications
(02) 8284 9993
0414 590 296