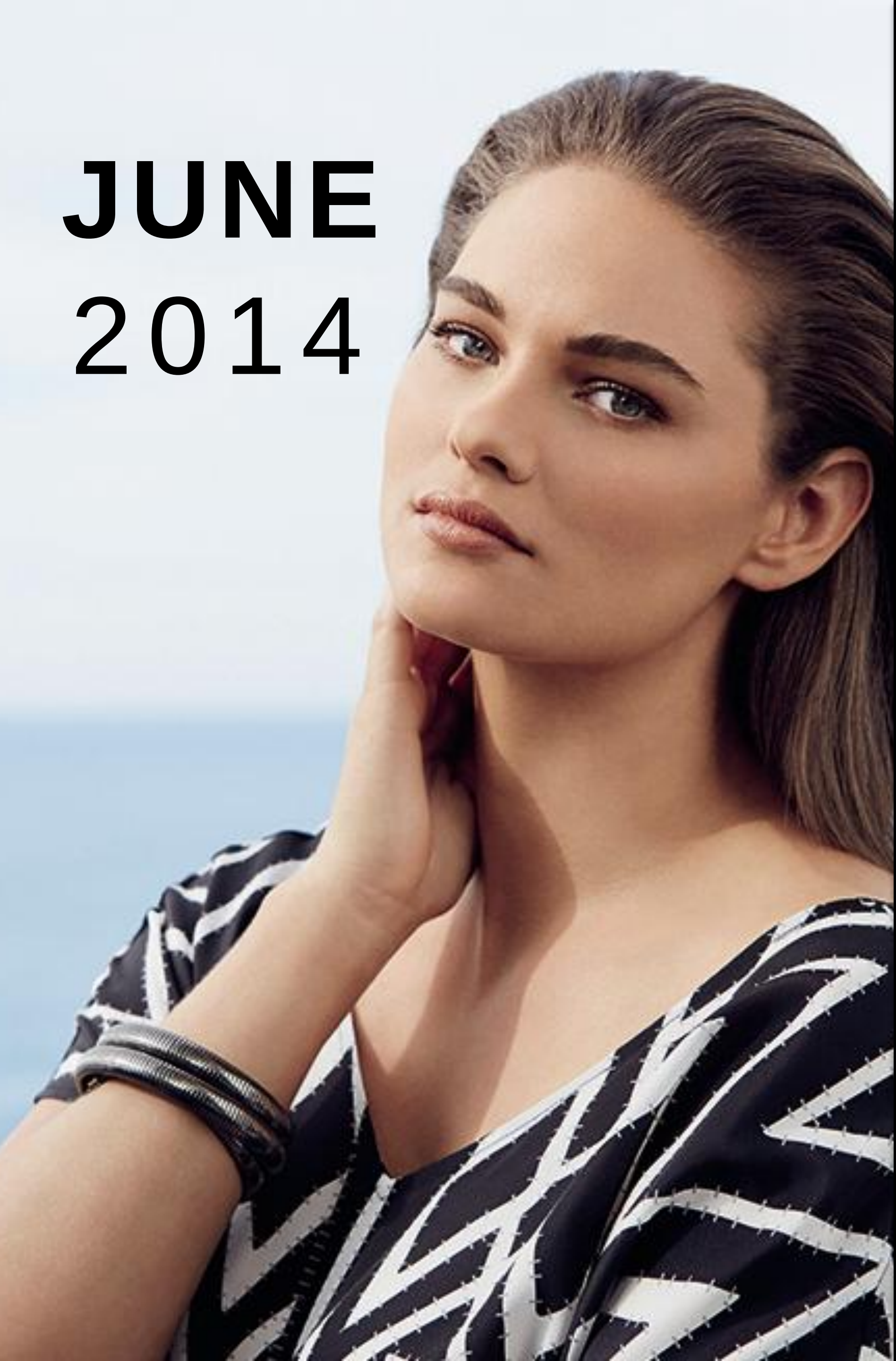
JUNE 2014



SPECIALTYFASHION | GROUP

IMPORTANT NOTICE AND DISCLAIMER

This presentation has been prepared by Specialty Fashion Group Limited (the “Company”). It contains general background information about the Company’s activities current as at the date of the presentation. It is information given in summary form and does not purport to be complete. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions.

The Company has prepared this presentation based on information available to it, including information derived from publicly available sources that have not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness or reliability of the information, opinions and conclusions expressed.

Any statements or assumptions in this presentation as to future matters may prove to be incorrect and differences may be material. This presentation should not be relied upon as a recommendation or forecast by the Company. To the maximum extent permitted by law, none of the Company, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

AGENDA

1

FY14 SUMMARY

FY14 | FULL YEAR SUMMARY

- A much stronger H2 trading performance, achieving a record Mothers' Day.
- Revenue $685.0m, EBITDA $39.2m, NPAT $12.5m, basic EPS 6.5 cents.
- 20.3% Revenue growth, NPAT down 3.8%.
- 5.0% H2 CSG sales, -0.7% CSG sales for the year, (FY13: 0.4%).
- Growth in online sales to $31.2m for the year, 4.6% of total revenue.
- Record gross margin at 63.1% for the year, 124 basis points higher than FY13.
- Solid financial position, with net debt of $12.0 million at 30 June 2014.
- Rivers integration ongoing, improvement in performance expected in H2 FY15.
- Millers investment program now underway for 15 months and is delivering improved performance that will continue into FY15.
- 70 new stores and 20 closures, 1095 stores in total at end of year.
- Final dividend of 2.0 cents declared, 4.0 cents in total for the year.
- FY15 started with positive comparable stores sales growth.

2

BUSINESS OVERVIEW
GARY PERLSTEIN
CEO

BUSINESS OVERVIEW | ECONOMIC CLIMATE

Economic and political uncertainties continue

- Higher unemployment rates, the weaker Australian dollar, and the Federal Budget have resulted in continued uncertainty.
- Interest rates have remained static since August 2013, fuelling recovery in the housing market, but have not yet seen a sustained recovery in fashion retail sector discretionary spend.

Aussie dollar

- Lower global interest rate differentials and improved outlook for international growth versus Australia weighing down on Aussie dollar performance.
- Average USD hedge rate of $0.94 achieved for the year (FY13: $1.01).
- Average USD hedge rate of $0.90 achieved for FY15.

Product costs

- Cotton prices well down on FY11 peaks driving lower fabric costs.
- Cotton call options in place until December 2015, but expect prices to remain stable.
- China wage inflation ongoing.
- Expect growth in sourcing from other countries including India and Vietnam.

BUSINESS OVERVIEW | ENHANCED CUSTOMER ENGAGEMENT

Omni-channel operations

- 42.5% growth in online to $31.2m for the year (FY13: $21.9m), 4.6% of total revenue.
- The introduction of "click & collect" and iPad rollouts to all stores during FY14 contributed to this growth, as well as the addition of Rivers' online store.
- 1095 stores at 30 June 2014 (FY13: 886) with 70 new stores and 20 closures in the year, as well as 159 Rivers stores acquired.
- International expansion saw the opening of 11 new stores in New Zealand and 2 stores in South Africa in FY14.

Leveraging customer relationship management capabilities

- Dedicated in-house customer insights team and CRM platform continued to drive positive results in customer engagement.
- Email valid customer membership has grown to 3.4 million (FY13: 2.8 million).
- Focus for FY15 is to expand Rivers' customer membership database in order to leverage the Group's existing CRM capabilities.

BUSINESS OVERVIEW | MARGIN IMPROVEMENT & CODB INVESTMENTS

Transformation of supply chain

- Record gross margin achieved of 63.1% for the year, 124 basis points higher than prior year.
- Significant shift in directly sourced product mix from 64% in June 13 to 84% in June 14.
- Longer term cost benefits are expected as improvements are made in Rivers' supplier base however margin will be affected in H1FY15 by markdowns of product selected prior to acquisition of the brand.
- Next stage of the transformation in FY15 is implementation across the Group of a replenishment inventory model. Benefits anticipated to be realised in FY16 through consolidation of the warehousing, as well as reductions in stock outs and markdowns.

Managing costs of doing business

- Cost of doing business increased in the year due to the addition of Rivers CODB ($58.3m), $9.8m underlying inflation (rental, wages and other expenses) and $15.4m due to omnichannel growth (stores and online).
- Savings of $9.9m were achieved by reducing base rentals and exiting underperforming stores.
- $8.5m investment in Brands was made ($6.4m of which was in Millers).

BUSINESS OVERVIEW | THREE PILLAR GROWTH STRATEGY

Millers' rejuvenation

- Significant investment program undertaken to rejuvenate the Millers brand has been underway for 15 months and is delivering results.
- Positive comparative store sales growth and higher margins achieved throughout H2 FY14.
- Record trading results achieved during the Mothers' Day period.
- Growth is expected to continue in FY15, supported by the launch of new Millers in-store and online branding.
- New store design being trialled, with promising initial results.

Rivers' transformation

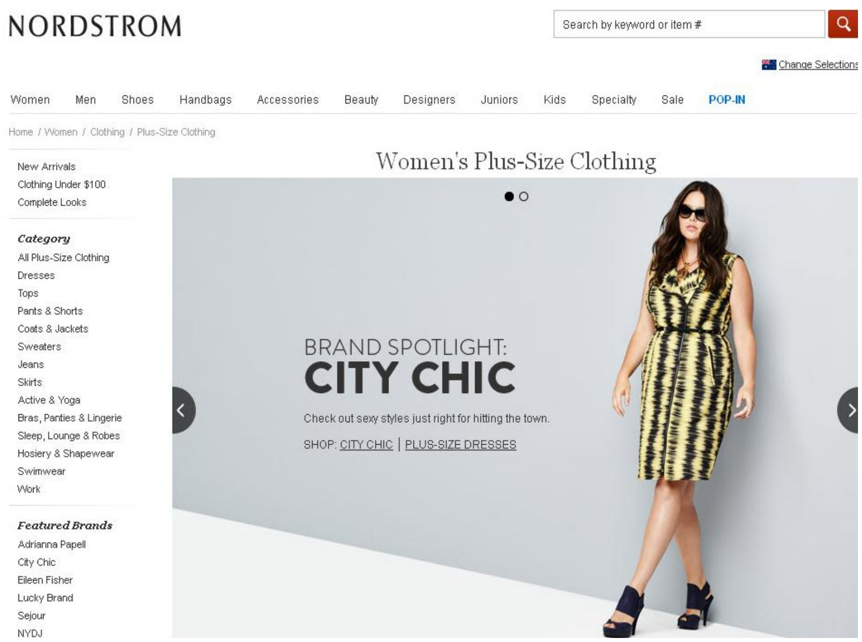
- Final purchase price of $3.9 million for fair value of assets of $8.7 million gave rise to net discount of $3.4m (after $1.4 million transaction costs).
- Melbourne office was closed in May. Completely rebuilt the buying, planning and marketing teams, still a few positions to fill.
- Aggressive promotional tactics were employed in H2 to clear the warehouses of acquired product.
- The low value of acquired inventory enabled the brand to achieve gross margin consistent with historic levels.
- High markdowns expected in H1 FY15 followed by improvement H2 FY15 when stores become fully stocked with product selected by the new buying team.

BUSINESS OVERVIEW| THREE PILLAR GROWTH STRATEGY

city chic

City Chic's expansion into South Africa & USA

- A second City Chic store was opened in South Africa in H2 FY14 and we are assessing performance whilst exploring further site opportunities.
- City Chic is now seeking further expansion in US market after operating a US dedicated online store for four years
  - Distribution through Nordstrom's online store since July 2013
  - Distribution through 10 Nordstroms stores since March 2014.
  - Distribution through 50 Nordstroms stores effective October 2014
  - 3 City Chic stores opened in California since July 2014
  - A further 3 new stores planned in California in H1 FY15
- The performance of City Chic stores in the US will be assessed for a year before further investment in new stores in the US is made.



3

FINANCIAL ANALYSIS
ALISON HENRIKSEN
CFO

GROUP TRADING| YEAR ENDED 30 JUNE 2014

- Revenue growth driven by addition of new stores and Rivers acquired portfolio. Underlying negative 0.7% comparative store sales growth for the year.
- Record gross margin achieved, with significant shift in mix of directly sourced product.
- USD purchases made at average rate of $0.94 (FY13: $1.01).
- CODB $85.8m higher than FY13 due to the following:
  - $58.3m of Rivers CODB
  - $9.8m inflation (offset by property savings $9.9m)
  - $15.4m omnichannel growth (stores & online)
  - $8.5m investment in brands
  - $1.5m investment in City Chic international
  - $1.8m one-off costs, mostly related to Rivers integration
- Net discount on River's acquisition $3.4m.
- $0.9m decrease in depreciation and impairment charge due to non recurring La Senza store asset write off in FY13.
- Effective tax rate of 23.5% due to discount on acquisition being exempt and overprovision in prior year.

	FY14 $'000	FY13 $'000	Change %
Revenue	685,043	569,475	20.3%
Gross Profit	432,154 63.1%	352,188 61.8%	22.7%
EBITDA	39,154 5.7%	41,118 7.2%	(4.8%)
EBIT	17,971	19,339	(7.1%)
Profit before income tax	16,317	19,010	(14.2%)
Net profit after tax	12,475	12,970	(3.8%)
Basic earnings per share (cents)	6.5	6.7	(3.0%)

GROUP CASHFLOW| YEAR ENDED 30 JUNE 2014

	FY14 $'000	FY13 $'000
EBITDA	39,154	41,118
Discount on acquisition	(4,811)	-
Net working capital	(28,919)	11,159
LTIP vesting expense	197	(197)
Net interest	(1,655)	(329)
Net taxes	(433)	(2,221)
Operating cash flow	3,532	49,530
Net capex	(19,466)	(11,845)
Acquisition of Rivers	(3,889)	-
Free cash flow	(19,823)	37,685
Borrowings	6,060	(5,849)
Dividends	(7,690)	(3,845)
Net cash flow	(21,453)	27,991

- Working capital increase of $28.9m reflecting higher inventory held for Rivers and City Chic International
- Significant shift in direct supplier mix with shorter payment terms increases the ongoing working capital funding requirement of the Group.
- Total capex spend of $20.7m (FY13: $13.1m) primarily for new stores ($12.1m), offset by proceeds on sale of building ($1.2m)
- Net debt position of $12.0m, being $29.1m debt and $17.1m of cash

FINANCIAL HEALTH| STRONG BALANCE SHEET

DEBT

- Net debt position of $12.0m, reflecting higher working capital requirements.
- $70m bank loan facilities and $8m asset finance facility available - $44.4m unused 30 June 14.
- Bank loan facilities have staged maturities to December 2015.
- Bank covenants met.

DIVIDENDS

- Final dividend of 2.0 cents declared, fully franked.
- Total dividend for the year of 4.0 cents, fully franked.
- Record date of 12th September, payment date of 26th September.

4

OUTLOOK
GARY PERLSTEIN
CEO

OUTLOOK| GROWTH IN THE FUTURE

- In FY15, the Group has achieved positive comparative stores sales growth year to date.

- The key focus areas for FY15 are:
  - Complete the integration of Rivers, and pursue improved brand performance in the second half of FY15;
  - Continue the Millers brand and product rejuvenation program; and
  - Measured investment and expansion of the City Chic brand into USA and South Africa.

5

APPENDICES

EBITDA | RECONCILIATION

	FY14 $'000	FY13 $'000
Profit before tax	16,317	19,010
Interest expense	2,069	797
Interest revenue	(414)	(468)
EBIT	17,970	19,339
Depreciation	20,839	21,767
Revaluation of options(1)	343	12
EBITDA	39,154	41,118

(1) Cotton call options taken out during the year to protect against rising cotton prices. Revaluation represents mark to market of options at 30 June 2014

APPENDIX 4E | RECONCILIATION

COSTS OF DOING BUSINESS

	Rental expense $'000	Employee benefits expense $'000	Other Expenses $'000	Total $'000
FY13	110,812	148,825	50,976	310,614
Store Growth	6,706	6,461	1,444	14,611
Inflation (1)	4,432	3,869	1,529	9,831
Property Savings (2)	(8,423)	(1,104)	(339)	(9,866)
Investment in Millers (3)	-	5,680	753	6,432
Investment in Other Brands (3)	-	1,387	657	2,044
Rivers (4)	13,664	22,959	21,711	58,334
International (5)	248	275	1,009	1,531
Ecommerce (6)	-	(513)	1,263	750
One off costs (7)	-	176	1,591	1,767
Other	(389)	2,192	(1,477)	326
FY14	127,052	190,206	79,116	396,374

(1) Rent 4% and wages 2.3%
(2) Lease renewal savings of $7.2m and store rationalisation savings of $2.7m.
(3) Investments in brand team, associated recruitment and brand development costs.
(4) Rivers costs of doing business from 28 November 2013 to 30 June 2014
(5) Costs associated with international expansion
(6) Costs associated with growth in the volume of online sales
(7) One-off costs principally in relation to Rivers integration

STORE MOVEMENTS| YEAR ENDED 30 JUNE 2014

	Store Movements				Store Location		
	Stores 1-Jul-13	New	Closed	Stores 30-Jun-14	Stores Aus	Stores NZ	Stores SA
Millers	357	6	6	357	330	27	-
Katies	153	5	4	154	154	-	-
Crossroads	177	17	5	189	180	9	-
Autograph	122	21	1	142	134	8	-
City Chic	76	18	-	94	80	12	2
La Senza	1	-	1	-	-	-	-
Subtotal	886	67	17	936	878	56	2
Rivers (1)	-	162	3	159	159	-	-
Total	886	229	20	1095	1037	56	2

(1) Rivers had 159 stores when acquired by SFG. 3 new stores were opened in H2 FY14.

STORE & OTHER CAPEX| YEAR ENDED 30 JUNE 2014

	FY14 $'000	FY13 $'000
New stores	12,116	5,789
Refurbishments & relocations	4,547	675
IT capex	2,107	2,579
Head office capex	253	2,686
Other capex (1)	1,675	1,759
Proceeds from sale (2)	(1,232)	(1,643)
Total net capex	19,466	11,845

	New stores	Refurbs & relocations	Total FY14
Millers	6	6	12
Katies	5	4	9
Crossroads	17	5	22
Autograph	21	1	22
City Chic	18	5	23
Rivers (3)	3	8	11
Total	70	29	99

(1) Other capex includes $0.6m motor vehicles and $0.3m OH&S spend.
(2) Proceeds from sale of head office building.
(3) 3 new Rivers stores opened in H2FY14.

Millers crossroads Katies AUTOGRAPH city chic rivers