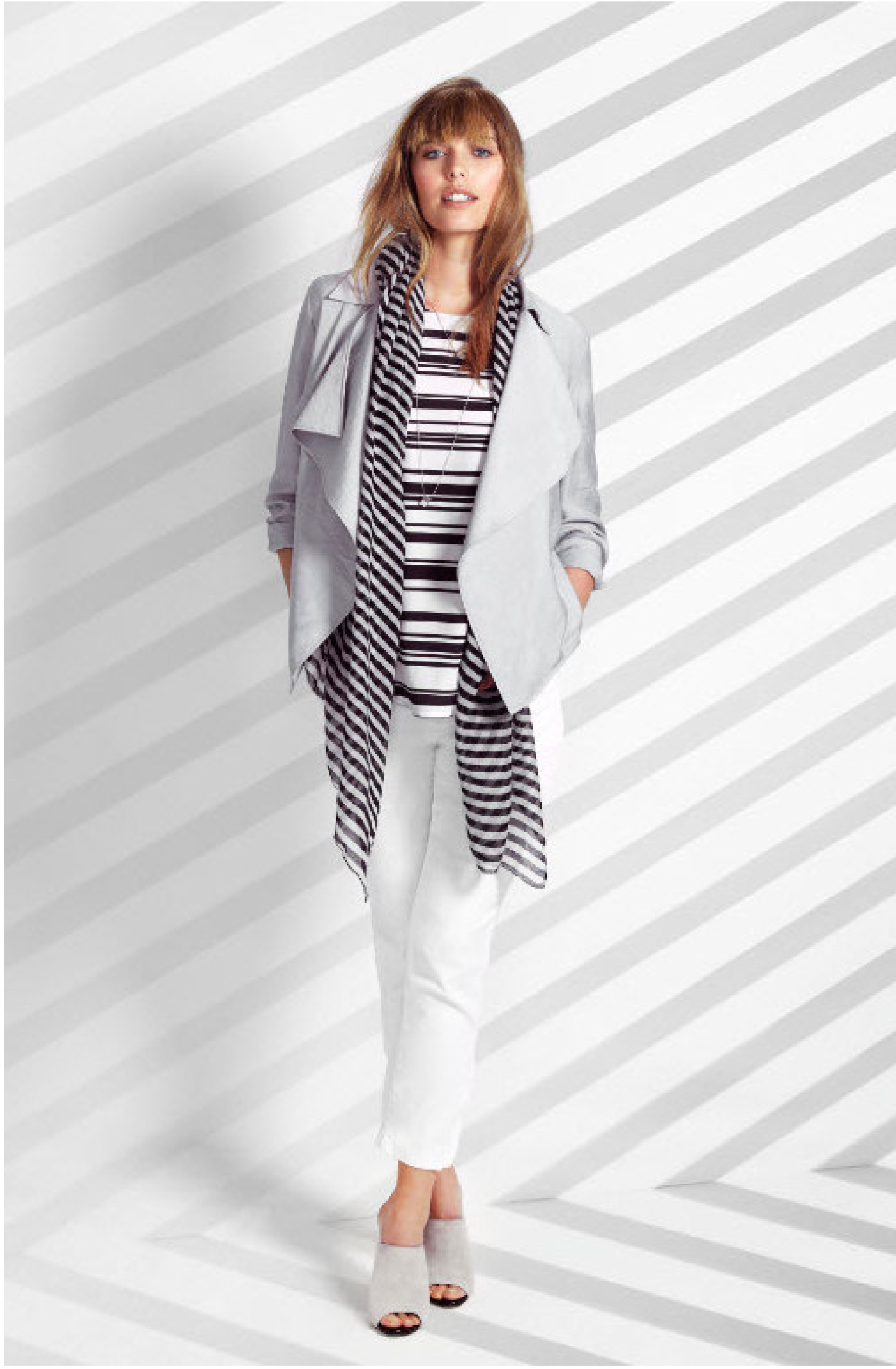

Full Year Results
2015

SPECIALTYFASHION | GROUP

Millers crossroads Katies

AUTOGRAPH city chic rivers

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AGENDA

1

FY15 Summary

FY15 Summary | Full Year Summary

- A strong performance by Millers, Crossroads, Katies, Autograph and City Chic.
- Solid growth trend in online sales continued throughout the Group.
- Considerable progress regarding Rivers transition and integration.
- Revenue $791.5m, 15.5% growth.
- EBITDA $20.3m. Profitability impacted by Rivers' loss of $21.6m.
- Net Loss $4.5m, LPS 2.3 cents.
- CSG sales for the year 5.3% (FY14: -0.7%) excluding Rivers(1).
- Growth in online sales to $51.2m or 6.5% of total revenue (64.0% growth).
- Gross margin 58.6%, 450 basis points lower than FY14. Impacted by aggressive discounting in Rivers to clear excess stock inherited on acquisition.
- CODB amounted to 56.0% of sales ,190 basis points lower than FY14.
- Net debt of $27.8m as at 30 June 2015.
- Millers performed strongly with CSG sales and margin growth.
- 29 new stores and 38 closures, 1,086 stores in total at end of year.
- 7 new City Chic stores opened in the USA.
- Board has not declared a final dividend.

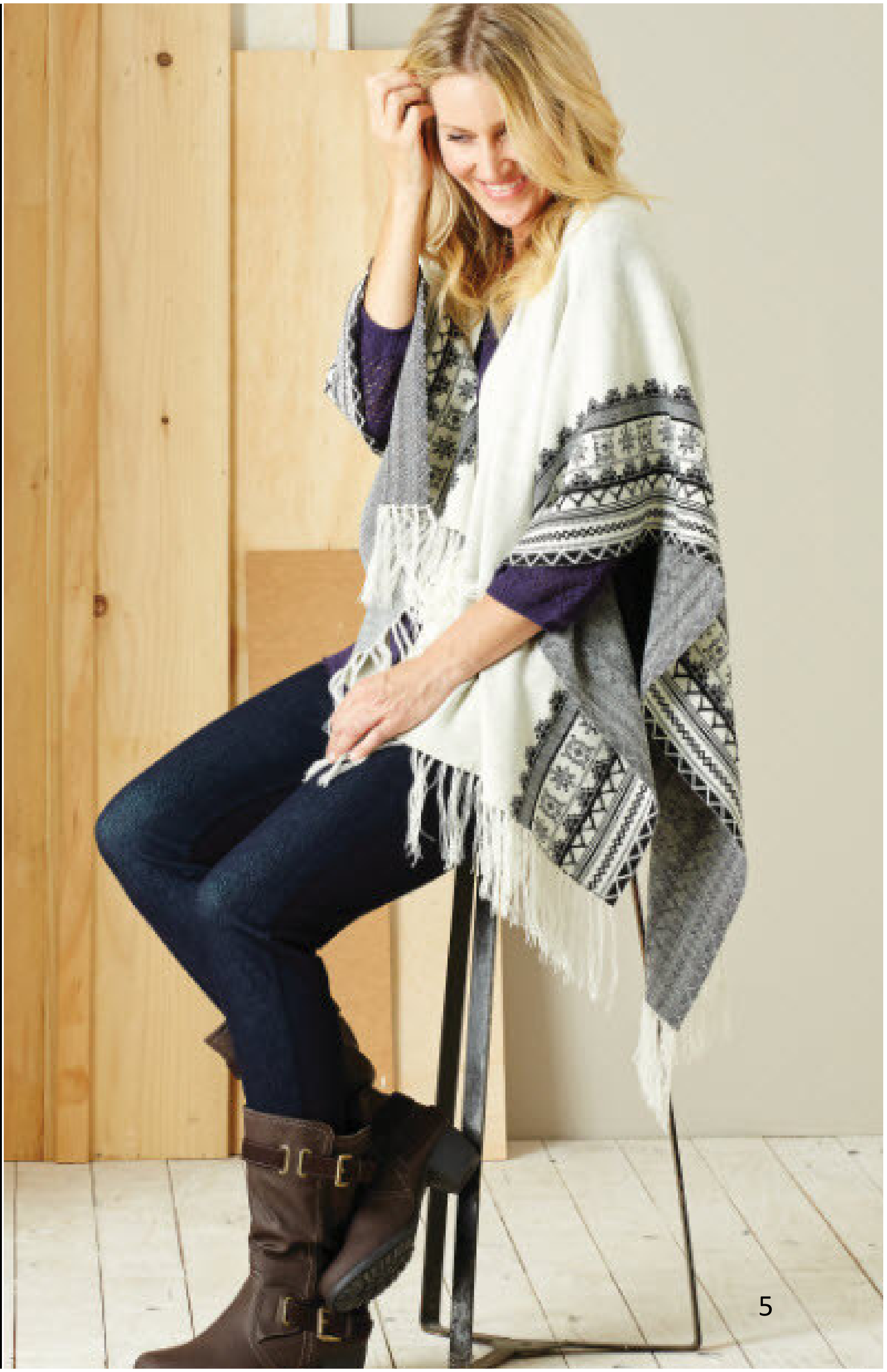
(1) The qualification for a store to be classified as comparable is that it needs to have traded for the full preceding financial year, which is unchanged from prior year.

2

Business Overview

Gary Perlstein

CEO



Business Overview | Economic climate

Economic and political uncertainties

- Impact of geopolitical environment, commodity price decreases and weaker Australian dollar have resulted in continued economic uncertainty.
- While historically low interest rates are providing relief to consumers and fuelling an upward momentum in the housing market, there are no signs of increased discretionary spend in the specialty fashion market.
- Lower petrol prices have not appeared to have impacted discretionary spend.

Australian dollar

- International economic environment weighing down on Australian dollar performance.
- Average USD hedge rate of $0.91 achieved for the year (FY14: $0.94).
- Hedging in place for FY16 at an average USD rate of $0.79.

Product costs

- China wage inflation ongoing, offset by reduced duties on clothing and shoes.
- Expect growth in sourcing from countries such as Bangladesh, India and Vietnam.

Industry Trends

- Continued growth of online shopping resulting in a higher demand for unique products and brands.
- Ongoing integration of shopping channels between bricks and mortar, online and mobile as the market recalibrates to a multichannel offering, requiring ongoing investment in IT capability.

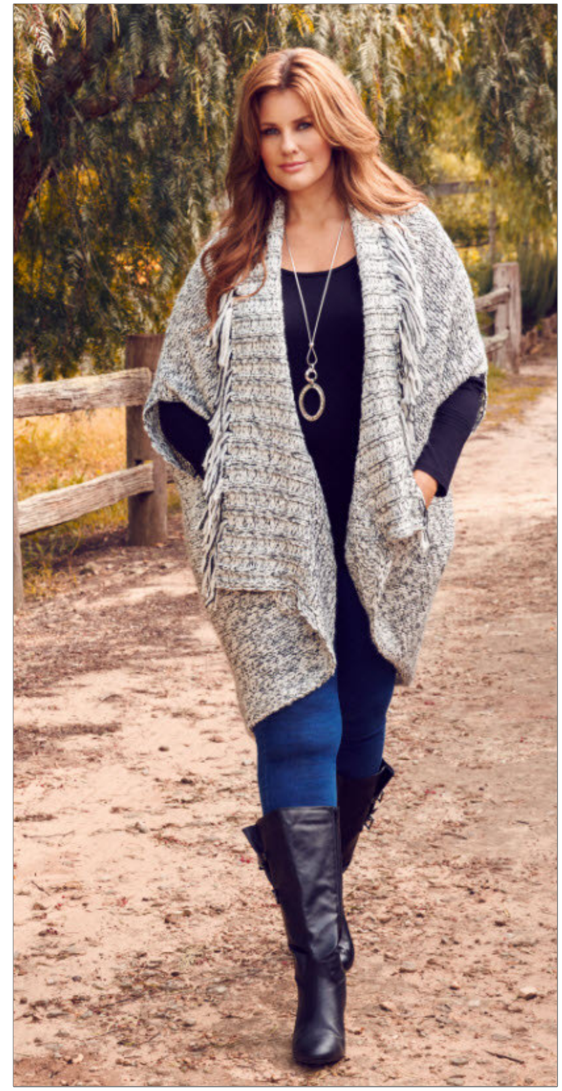
Business Overview | Enhanced customer engagement

Omni-channel operations

- 64.0% growth in online sales to $51.2m for the year (FY14: $31.2m), 6.5% of total revenue.
- Successful implementation and promotion of “click & collect” to all stores assisted growth.
- 1,086 stores as at 30 June 2015 (FY14: 1,095) with 29 new stores and 38 closures.
- International expansion with the opening of 7 new stores in the USA in FY15.

Leveraging customer relationship management capabilities

- Dedicated customer insights team and CRM platform continued to drive positive results.
- Total customer membership database has grown to 8.6m as at 30 June 2015 (FY14: 7.5m), 4.4m of these customers being directly contactable by email. (FY14: 3.4m).
- Focus for FY16 is the continued expansion of our active email customer membership database in order to leverage existing CRM capabilities.



Business Overview | Margin improvement & CODB investments

Transformation of supply chain

- Gross margin of 58.6% including Rivers (FY14: 63.1%).
- Margins impacted by aggressive discounting by Rivers to clear excess inventories acquired by the Group.
- Margins benefited from ongoing shift to directly sourced product. (89% at year end compared to 84% in June 2014.)
- Commenced implementation of a replenishment inventory model. Benefits anticipated to be realised in FY16 through consolidation and increased outsourcing of warehousing, as well as reductions in stock outs and markdowns.
- Key IT focus on rationalised and innovative warehousing applications commenced in the second half.

Managing costs of doing business

- A significant focus on cost reduction has been initiated to reduce overall CODB and drive EBITDA.
- CODB as a percentage of sales during the year, amounted to 56.0%, 190 basis points lower than the previous year.

Business Overview | Three Pillar Growth Strategy

- **Millers' brand rejuvenation has already had a positive impact. Since start of 2014:**
  - Positive CSG - performing strongly under new leadership team.
  - Higher margins.
  - Product hitting the mark with customers.
  - New brand identity launched and new design concept stores performing well.
  - Growth expected to continue in FY16.
- **Rivers' integration and transformation progressing:**
  - Rivers performance impacted by legacy issues which are being addressed as the Rivers integration process is completed.
  - Rivers transition and integration focused on initiatives across five key areas of the business:
    - Product Management;
    - Staffing;
    - Marketing;
    - Supply Chain Management;
    - Store Performance.
  - Rivers expected to contribute to the Group's profitability in FY17.
- **Researched and measured expansion into new markets beyond Australia for select brands:**
  - 7 City Chic stores opened in California during FY15.
  - City Chic operates 2 stores in South Africa.
  - Distribution through Nordstrom's continues to expand with 60 Nordstrom stores supplied by City Chic.
  - The performance of City Chic stores in the USA will be assessed for a year before further investment in new stores in the USA is made.

Business Overview | Rivers' Transformation

RIVERS KEY FOCUS AREAS

i. Product management

- Excessive inventory inherited on acquisition has been cleared through aggressive discounting and promotions.
- Completed within half the expected timeframe to ensure Rivers' long term brand equity is maximised.
- Whilst discounting has had a negative impact on margins, it will provide a more positive medium term outcome for Rivers.
- New processes in place to overcome legacy issues relating to inventory purchasing and critical path management.
- Positive customer response to new ranges relaunched under the Group's full control and influence.

ii. Staffing

- Established a stable and competent management team to successfully execute our turnaround strategy.

Business Overview | Rivers' Transformation

RIVERS KEY FOCUS AREAS

iii. Marketing

- Reducing Rivers' marketing spend is a material cost saving opportunity for the business.
- With Rivers' stores being destination sites typically located in non-retail locations, expensive national and regional above-the-line advertising was previously utilised to drive customers to these locations.
- Less costly digital strategy, consistent with the Group's other brands, will be important to reduce marketing spend.
- Growing database of 1.2m Rivers' customers, 605,000 of whom can be directly contacted by email.
- Key focus has been to test and trial email offers directly with this expanding base of customers, which has contributed to a significant uplift in online sales and a strong trend of repeat purchases by registered rewards customers.

iv. Supply chain management

- Rivers has succeeded in fully leveraging the Group's existing supply chain infrastructure to drive down costs during FY15.
- This has translated into improvements in product pricing and reduced delivery lead times, with a view to enhance flexibility in replenishment of core product lines into stores.

v. Store performance

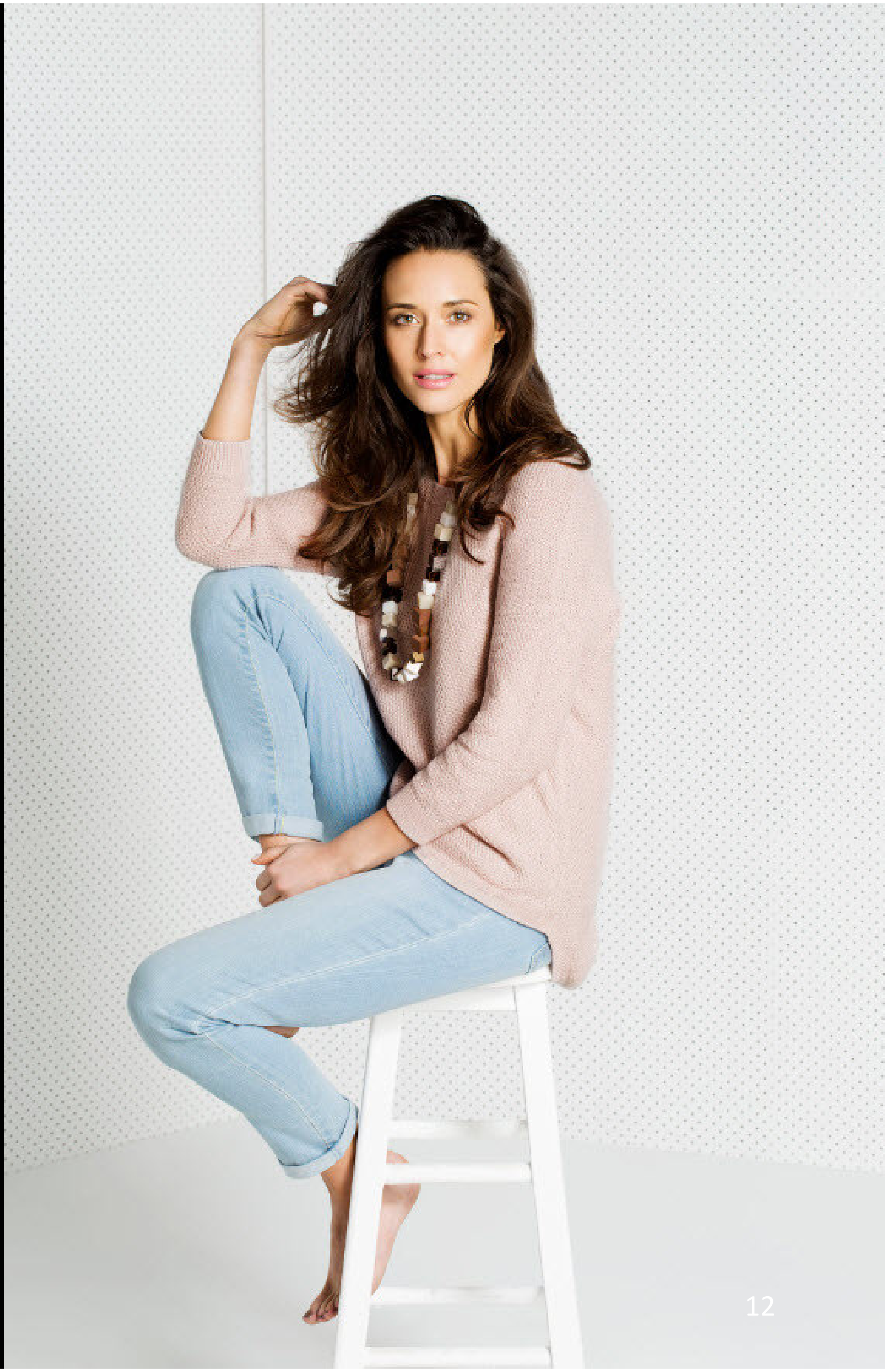
- The Group intends to expand the number of Rivers store sites once the brand has been returned to profitability.
- New store format and design has been finalised, with prototype fixtures and fittings being trialled and performing above expectations.
- Once fully trialled, successful elements of the design will be rolled out into existing stores.

3

Financial Analysis

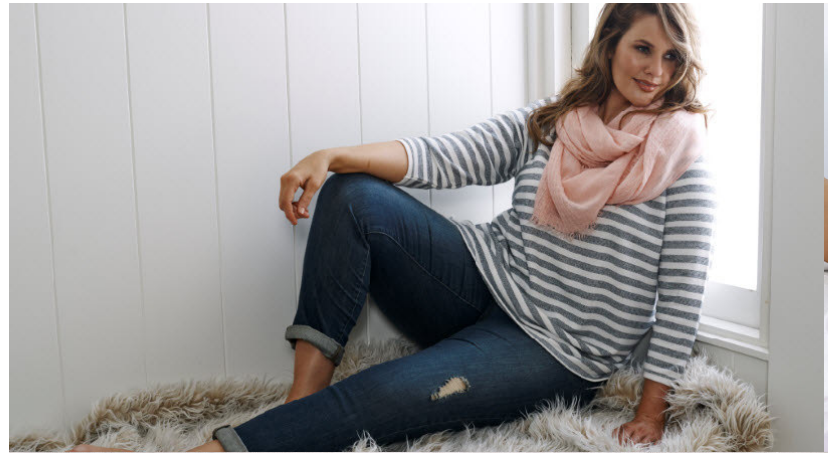
Gary Spreckley

CFO



Financial Analysis | Group Trading – Year ended 30 June 2015

- Revenue growth driven by:
  - annualised trading from new stores opened in the prior year;
  - annualised trading from Rivers' acquired portfolio;
  - online sales growth; and
  - underlying positive 5.3% CSG for the year, excluding Rivers.
- Gross margin at 58.6% for the year, negatively impacted by aggressive discounting in Rivers to liquidate excess stock inherited on acquisition.
- USD purchases made at average rate of $0.91 (FY14: $0.94).
- CODB 56.0%, 190 basis points lower than the previous year.
- Group profitability impacted by Rivers' loss, resulting in a net loss of $4.5m for FY15. LPS 2.3 cents (FY14: EPS 6.5 cents).



	FY15 $'000	FY14 $'000	Change %
Revenue	791,512	685,043	15.5%
Gross Profit	463,617 58.6%	432,153 63.1%	7.3%
EBITDA	20,313 2.6%	39,154 5.7%	(48.1%)
EBIT	(838)	17,972	(104.7%)
(Loss)/profit before income tax	(4,515)	16,317	(127.7%)
Net (loss)/profit after tax	(4,462)	12,475	(135.8%)
Basic (loss)/earnings per share (cents)	(2.3)	6.5	(135.4%)

Financial Analysis | Group Cashflow – Year ended 30 June 2015

	FY15 $'000	FY14 $'000
EBITDA	20,313	39,154
Discount on acquisition	-	(4,811)
Net working capital	(3,774)	(28,920)
LTIP vesting expense	-	197
Net interest	(3,677)	(1,655)
Net taxes	(7,489)	(433)
Operating cash flow	5,373	3,532
Net capex	(12,558)	(19,466)
Acquisition of Rivers	-	(3,889)
Free cash flow	(7,185)	(19,823)
Borrowings	1,051	6,060
Dividends	(3,845)	(7,690)
Net cash flow	(9,979)	(21,453)

- Net working capital decrease of $3.8m (FY14: $28.9m) is due to effective management of working capital during the year. (The accumulation in prior year was mainly due to the investment in Rivers' inventories.)
- Higher interest due to higher debt during the year.
- Tax paid during the year mainly in respect of FY14 final tax instalment.
- Total capex is $16.3m which includes payables for capex of $3.4m, offset by proceeds from disposals of $0.3m (FY14: $20.7m less proceeds from disposals of $1.2m).
- Net debt position of $27.8m (FY14: $12.0m), comprising borrowings of $34.9m less cash of $7.1m.

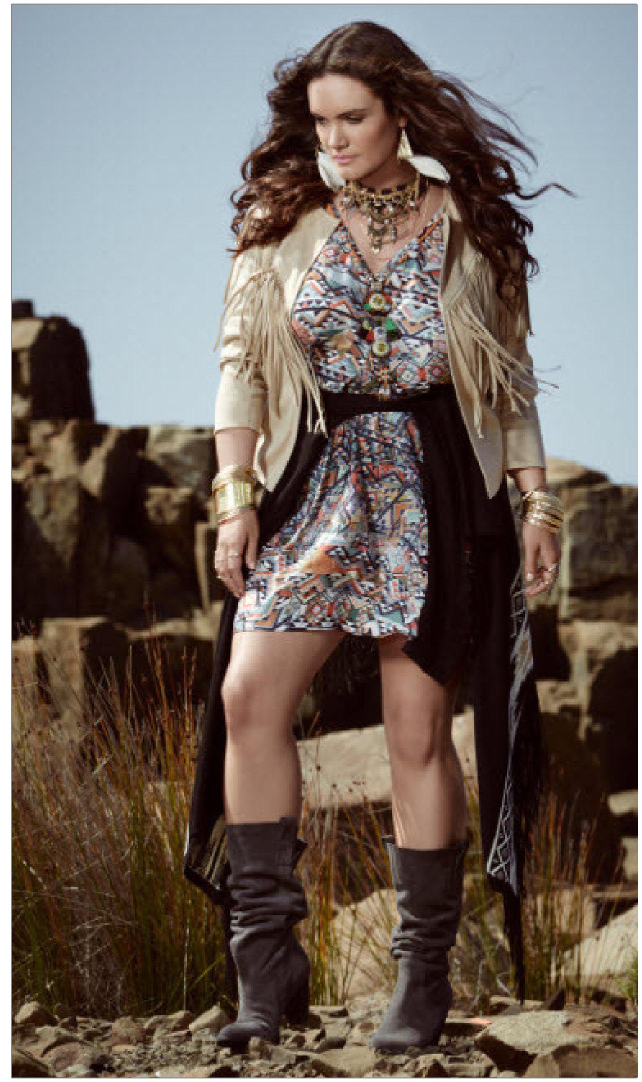
Financial Analysis | Solid Balance Sheet

NET CASH/DEBT

- Net debt position of $27.8m, comprising borrowings of $34.9m less cash of $7.1m (FY14: $12.0m).
- $85.7m bank loan facilities available;
    - $50.8m unused bank loan facilities as at 30 June 2015.
- Bank loan facilities have staggered maturities of December 2015, June 2016 and November 2016.
- Bank loan facilities in compliance with bank covenants.

DIVIDENDS

- Board has determined to not declare a final dividend.



4

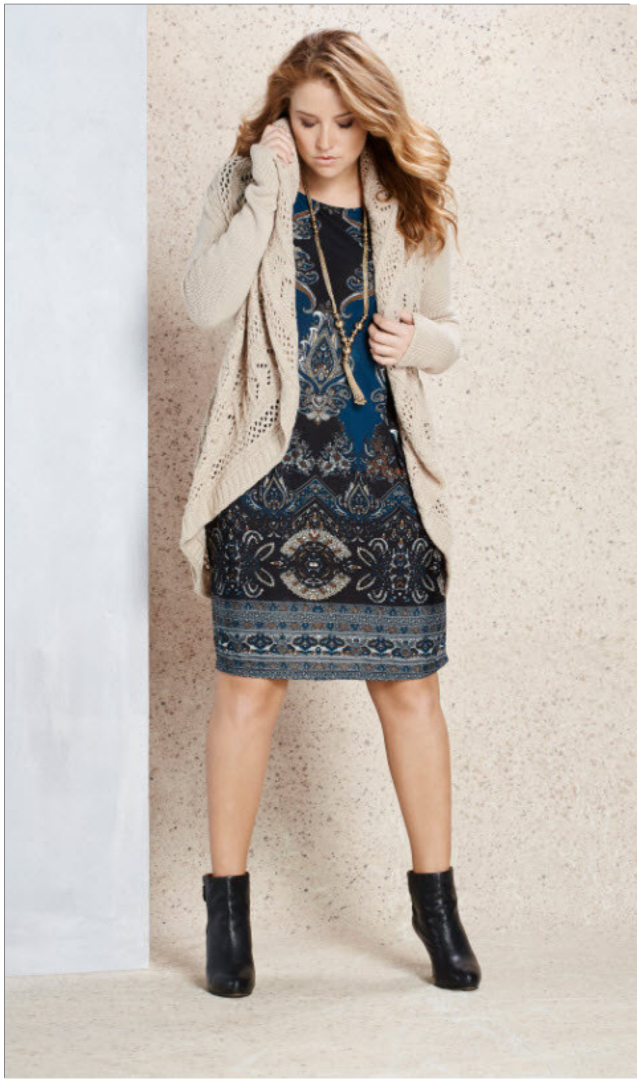
Outlook

Gary Perlstein

CEO

Outlook | Growth in the future

- The Group has performed according to plan since the start of FY16.
- The key focus areas for FY16 will be:
  - Returning Rivers to profitability.
  - Continuation of Millers' brand rejuvenation program, which has underpinned the strong result of the Group (excluding Rivers);
  - Assessment of further expansion of the Group's store portfolio, both in Australia and abroad.
  - Core strategies of continual business improvements and omni-channel growth.



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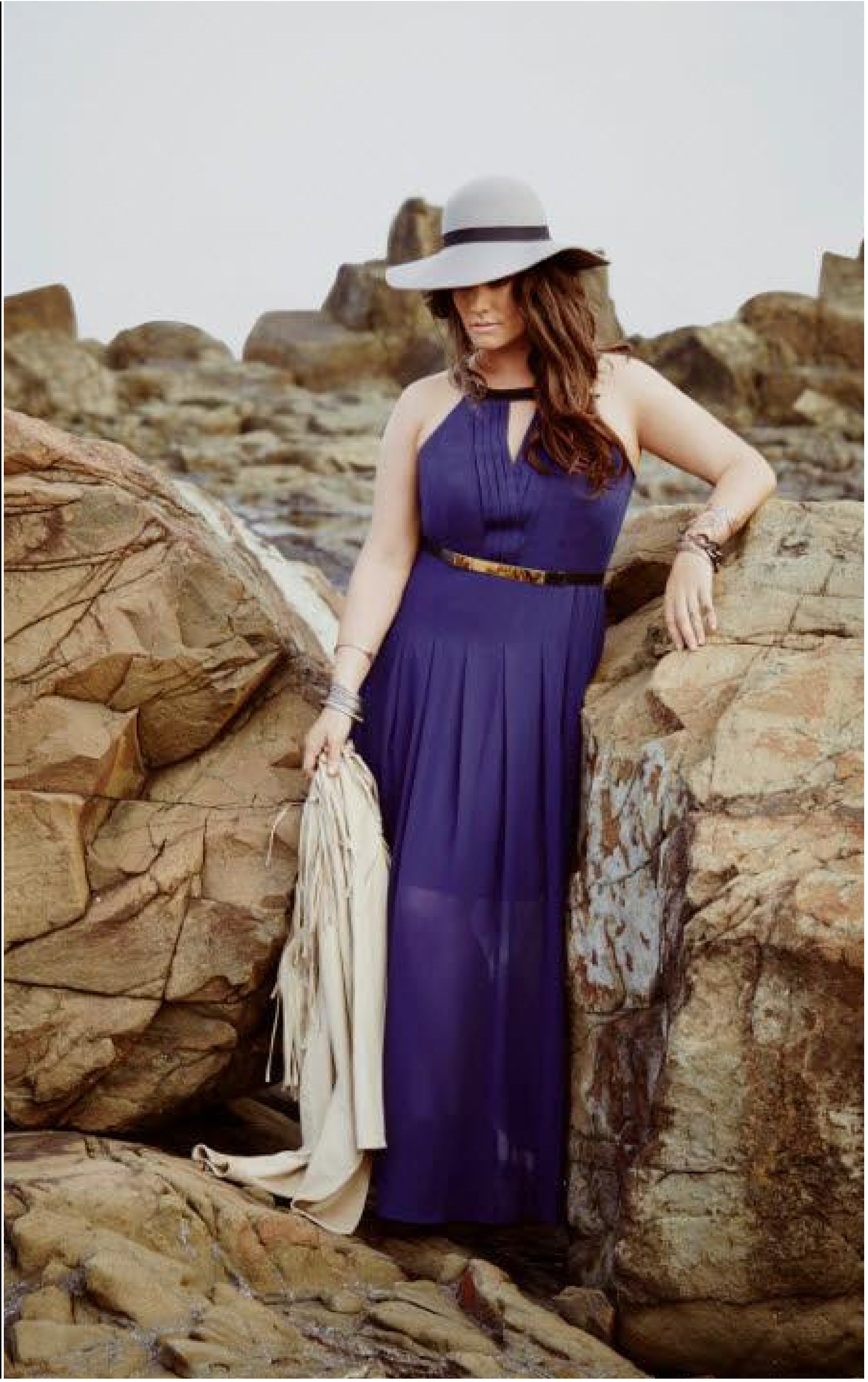
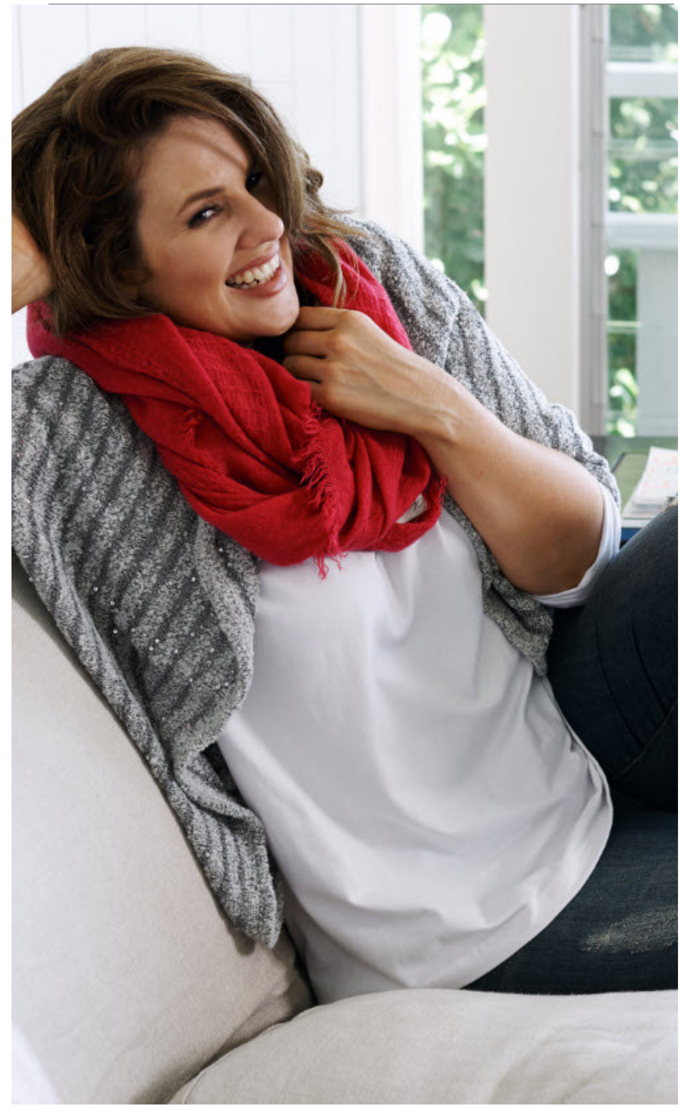
Appendices



Appendix I | EBITDA Reconciliation

	FY15 $'000	FY14 $'000
(Loss)/profit before tax	(4,515)	16,317
Interest expense	3,791	2,069
Interest revenue	(114)	(414)
EBIT	(838)	17,972
Depreciation and impairment	21,045	20,839
Revaluation of options [1]	106	343
EBITDA	20,313	39,154

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



Appendix II | CODB Reconciliation

	Rental expense $'000	Employee benefits expense $'000	Other Expenses $'000	Total $'000
FY14	127,052	190,206	79,116	396,374
Store Growth	2,827	4,801	663	8,291
Inflation (1)	5,082	5,516	1,187	11,785
Property Savings (2)	(8,562)	(2,449)	(478)	(11,489)
Rivers - annualised trading (3)	7,564	13,673	18,759	39,996
Rivers (4)	(716)	9,160	(957)	7,487
International (5)	1,282	1,095	1,833	4,210
Other	-	(5,405)	(7,953)	(13,358)
FY15	134,529	216,597	92,170	443,296

(1) Rent 4%, Wages 2.9% and Other expenses 1.5% .
(2) Includes savings on lease renewals and store rationalisation.
(3) Full year of Rivers trading (FY14 from 28 November 2013 to 30 June 2014).
(4) Includes one off integration costs and rebuilding the Rivers' brand team.
(5) Costs associated with international expansion.
(6) Includes savings across shared services.

Appendix III | Store Movements – Year ended 30 June 2015

	Store Movements				Store Location			
	Stores 1 Jul 14	New	Closed	Stores 30 Jun 15	AU	NZ	USA	SA
Millers	357	3	5	355	328	27	-	-
Katies	154	2	6	150	150	-	-	-
Crossroads	189	2	11	180	172	8	-	-
Autograph	142	1	1	142	134	8	-	-
City Chic	94	16	2	108	87	12	7	2
Subtotal	936	24	25	935	871	55	7	2
Rivers	159	5	13	151	151	-	-	-
Total	1,095	29	38	1,086	1,022	55	7	2

Appendix IV | Store & Other Capex – Year ended 30 June 2015

	FY15 $'000	FY14 $'000
New stores	9,844	12,116
Refurbishments & relocations	4,406	4,547
IT capex	2,001	2,107
Head office capex	31	253
Other capex (1)	25	1,675
Proceeds from sale (2)	(378)	(1,232)
Total capex (3)	15,929	19,466

	New stores	Refurbs & relocations	Total FY15
Millers	3	19	22
Katies	2	2	4
Crossroads	2	1	3
Autograph	1	10	11
City Chic	16	2	18
Rivers	5	3	8
Total	29	37	66

(1) Other capex includes cost of acquiring motor vehicles and OH&S spend.
(2) Proceeds from disposal of motor vehicles and equipment (FY14: Proceeds from sale of head office building).
(3) Total capex includes payables for capex at year end for projects in progress.

Millers crossroads Katies AUTOGRAPH city chic rivers