

SPECIALTY FASHION | GROUP

12 February 2007

Cancellation of Lapsed Options

Specialty Fashion Group Limited (ASX Code: SFH) wish to advise of the cancellation of 1,074,667 Options convertible to ordinary shares granted under the Specialty Fashion Group Senior Executive Option Plan to employees. The options being cancelled are as a result of the exercise hurdles relating to these options not being achieved.

The following options convertible to ordinary shares are cancelled:

440,000 options at an exercise price of \$2.44 granted August 2002, expiring 30 November 2006
520,000 options at an exercise price of \$2.08 granted October 2002, expiring 30 November 2006
114,667 options at an exercise price of \$6.94 granted August 2001, expiring 30 November 2007

Subsequent to the cancellation SFH has 196,656,479 ordinary shares quoted on the ASX and 4,377,333 unlisted options on issue.

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