SPECIALTYFASHION | GROUP

14 March 2007

Finalisation of disposal accounting for Discontinued Operations

As reported in the most recent results of Specialty Fashion Group Limited (ASX code SFH), the loss on sale of assets for the Discount Variety Division (Discontinued operations), which took effect on the 22nd December 2005, was subject to finalisation under the terms of the sale agreement.

SFH announced today that it has finalised the adjustments under the terms of the agreement, which will result in a write back to earnings of Discontinued operations of approximately $7 million. This write back will have no impact on the Company's ongoing Apparel operations.

These earnings will be reported in the Company's Full year results for the 12 months ended 30 June 2007.

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