

SFG: Silvano Fashion Group decisions of the annual general meeting of shareholders

Aktsiaselts Silvano Fashion Group (registry code 10175491, registered address Tulika 15/17, 10613 Tallinn) annual general meeting of shareholders, held on 30.06.2011 decided upon following:

1. Approval of the 2010 Annual Report

Shareholders decided:

- To approve the 2010 annual report of Silvano Fashion Group.

2. Profit Distribution

Shareholders decided:

- To approve the profit of the 2010 financial year in amount of 12 240 000 euros (191 514 000 Estonian Kroons).
- To allocate 164 000 euros (2 566 000 Estonian Kroons) to the compulsory reserve.
- To distribute the profit among the shareholders as follows:
 - o The list of shareholders entitled for profit distribution shall be determined as at 11:59 p.m. on July 14th 2011;
 - o 0.05 euros per share is payable as a dividend to the entitled shareholders latest by August 15th, 2011.

3. Appointment of Auditor

Shareholders decided:

- To appoint Deloitte Audit Eesti Ltd. as the auditor whose authority is valid until the next annual general meeting.
- To authorise the management board to enter into the audit services agreement to audit the business activities of SFG in 2011 according to the offer of the audit company.

4. Amendments of the Remuneration of supervisory board members

Shareholders decided:

- To revoke a bonus for all the supervisory board members jointly in the amount of 2.5 per cent from the dividend declared by the general meeting of SFG adopted under the agenda item No 6 of the general meeting of shareholders held on June 28, 2010.
- This resolution shall enter into force retroactively for the 2011 financial year, i.e. from January 1, 2011.

5. Adoption of 'Buy-Back' Programme

Shareholders decided:

- To approve the results of the previous buy-back programme.
- To adopt the new Buy-Back Programme of Aktsiaselts Silvano Fashion Group (hereinafter also **SFG**).
- The primary purpose of the new Buy-Back Programme is to reduce the share capital;
- SFG is entitled to buy back its own shares starting from July 1, 2011 until June 30, 2012.
- The total nominal value of own shares to be bought back by SFG may not exceed 10 % of the company's and the nominal value of the treasury shares may not exceed 10 % of the company's share capital.
- The maximum price payable by SFG for one share will be 4.50 EUR (four euros and fifty cents).
- The maximum amount payable by SFG for its own shares is 17 775 000 euros;
- Own shares will be paid for with assets exceeding the share capital, compulsory reserves and share premium.
- To authorise the management board, in the case of extreme low liquidity on the relevant market, to exceed the purchase limit of 25 per cent of the average daily volume of the shares provided for in Article 5(2) the Commission

Regulation (EC) No 2273/2003 of 22 December 2003 and to purchase the SFG shares in a daily amount of up to 50 per cent of the average daily volume of the shares on the regulated market.

- The Management Board of SFG shall have the right to appoint an investment firm or a credit institution as the lead manager of the buyback program of SFG within one month from the approval of this Buy-Back Programme.
- Buyback of own shares will be implemented by SFG in accordance with the Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council regarding exemptions for buyback programmes and stabilization of financial instruments.

6. Reduction of Share Capital and Amendments of the Articles of Association related thereto

Shareholders decided:

- To amend the second sentence of Section 2.2 and to formulate it as follows: „The nominal value of an A-share shall be 40 (forty) cents “.
- To approve the amended Articles of Association.
- To reduce the share capital to 15 800 000 euros as follows:
 - o The share capital shall be reduced by 3 950 000 euros to make payments to the shareholders;
 - o The share capital shall be reduced by means of decreasing the nominal value of each share by 10 cents to 40 cents;
 - o The shares shall not be cancelled in connection to the reduction of the share capital;
 - o After the reduction of the share capital the new amount of share capital shall be 15 800 000 euros, which is divided into 39 500 000 A-shares with nominal value of 40 cents each share;
 - o To pay to the shareholders 10 cents per each share for the reduction of the nominal value of share. This amount shall be paid to the shareholders not earlier than three months after entry of the reduction of share capital in the commercial register provided that the claims of creditors submitted during the term are secured or satisfied;
 - o The list of shareholders entitled to receive the payment related to reduction of the nominal value of shares shall be fixed at 11:59 p.m. on August 1, 2011 (Estonian time).

Märt Meerits

Member of the management board of

Aktsiaselts Silvano Fashion Group

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