Silvano Fashion Group, registry code 10175491

15 October 2010

SFG: NOTICE TO CONVENE AN EXTRAORDINARY GENERAL MEETING AND AGENDA

The Management Board of Aktsiaselts Silvano Fashion Group (reg. no 10175491, address Tulika 15/17, 10613 Tallinn, Estonia) convenes an Extraordinary Meeting of Shareholders of Aktsiaselts Silvano Fashion Group on Tuesday, 9th of November 2010 at 12 p.m (Estonian time) in the hotel „Park Inn Central Tallinn“, conference room „Studio 3“, address Narva mnt 7C, Tallinn.

The Supervisory Council has approved the following agenda and proposal for the extraordinary general meeting and the Management Board has prepared the following draft of the resolution of the general meeting:

1. Authorization for buyback of own shares

Supervisory Council's proposal:

According to Aktsiaselts Silvano Fashion Group (hereinafter **SFG**) proposal of the Management Board on 14 October 2010, which was approved by the Supervisory Council on 15 October 2010, the Supervisory Council makes the proposal for the buyback of own shares on the following conditions:

- SFG is entitled to buy back its own shares from the approval of the buyback of own shares by the Extraordinary General Meeting until 30 June 2011;
- The total nominal value of own shares to be bought back by SFG may not exceed 3 960 700 shares, i.e 10% of total share capital of SFG;
- The maximum price payable by SFG for one share will be 4.00 EUR;
- The maximum amount payable by SFG for its own shares is 15,842,800 EUR;
- Own shares will be paid for with assets exceeding the share capital, compulsory reserves and share premium.
- 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 no later than 2 weeks (two weeks) from the approval of the buy-back program by the Extraordinary General Meeting.

Draft of the resolution as prepared by the Management Board:

Confirm SFG buyback of own shares under the following conditions:

- SFG is entitled to buy back its own shares from the approval of the buyback of own shares by the Extraordinary General Meeting until 30 June 2011;
- The total nominal value of own shares to be bought back by SFG may not exceed 3 960 700 shares, i.e 10% of total share capital of SFG;
- The maximum price payable by SFG for one share will be 4.00 EUR;

- The maximum amount payable by SFG for its own shares is 15,842,800 EUR;
- Own shares will be paid for with assets exceeding the share capital, compulsory reserves and share premium.
- 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 no later than 2 weeks (two weeks) from the approval of the buy-back program by the Extraordinary General Meeting.

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. The description of the proposed share buy-back programme is published simultaneously with this announcement.

At the general meeting, a shareholder is entitled to receive information about the company's business and performance from the company's management board. The management board may decide to withhold information if there is reason to believe that the disclosure of the information may cause significant damage to the company's interests. If the management board refuses to disclose information, a shareholder may demand that the general meeting adopt a resolution regarding the lawfulness of the information request or file a petition with a court of law within two weeks requesting that the court require the management board to disclose the information.

Shareholders, whose shares represent at least 1/20 of the share capital, may request for additional items to be included on the agenda, if the respective request is submitted in writing at least 15 days prior to the general meeting, by close of business (5 p.m. Estonian time). Shareholders, whose shares represent at least 1/20 of the share capital, may present their draft resolutions to each agenda item in writing no later than 3 days before the general meeting, by close of business (5 p.m. Estonian time).

The explanations regarding additional agenda items submitted by the shareholders, other documents to be submitted to the general meeting in accordance with the law and other documents related to the agenda of the meeting are available for reading at the headquarters of SFG at Tulika 15/17, Tallinn from the time of publication of this notice until 08th November 2010 from 09 a.m. until 5 p.m. on each working day. In order to have access to the documents, shareholders who are private persons must present a valid identification document and lawful representatives of shareholders who are legal entities have to show an extract from the registry where the legal entity is registered and a document verifying their identity; proxies have to show the above as well as a letter of authorization. On 9th of November 2010, the documents can be studied at the venue of the general meeting from 11 a.m until the end of the general meeting.

Documents and data, which are disclosed according to Estonian Commercial Code § 294[1] are available on the homepage of SFG: www.silvanofashion.com.
To attend the general meeting:

- Shareholders who are private persons have to show a document verifying their identity; appointed proxies have to show a document verifying their identity and a letter of authorization;
- Lawful representatives of shareholders who are legal entities have to show an extract from the registry where the legal entity is registered and a document verifying their identity; proxies have to show the above as well as a letter of authorization. A document issued by a foreign authority has to be apostilled or legalized and preferably translated into Estonian.

A shareholder may notify SFG of the appointment of a proxy or the withdrawal of authorization before the general meeting by sending a corresponding digitally signed e-mail message to info@silvanofashion.com or by delivering the information in person on workdays between 9 a.m to 5 p.m or by post to Silvano Fashion Group, Tulika 15/17, 10613 Tallinn, Estonia by 5 p.m. on the 8th November 2010 at the latest.

Shareholders entitled to participate in the extraordinary general meeting will be determined on the day of the general meeting prior to the beginning of the general meeting.

In case you have any questions regarding the general meeting of the shareholders or the agenda items, please contact Märt Meerits (e-mail address info@silvanofashion.com; tel: +372 680 1396). The questions, answers and the minutes of the general meeting shall be published on the company's website.

Märt Meerits
Member of the Management Board of Aktsiaselts Silvano Fashion Group