

AS SILVANO FASHION GROUP
Tulika 15/17, 10613 Tallinn, Estonia
Reg.no 10175491

SHARE BUYBACK PROGRAMME

Subject to approval by the Extraordinary General Meeting of the Shareholders on 9 November 2010

This document outlines the objectives and conditions of the share buyback programme (the “**Programme**”) to be implemented by AS Silvano Fashion Group (the “**Company**”) in accordance with 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 buyback of own shares by the Company in the course of the Programme is subject to the approval of the Extraordinary General Meeting of the Shareholders of the Company, held on 9 November 2010.

Information on the Company

The Company is a holding company for a vertically integrated fashion group (the “**Group**”), which manages several brands of women apparel and lingerie with manufacturing facilities and a developing retail & franchise network. The revenue of the Group in the first six months of 2010 was EEK 731.6 million (EUR 46.76 million), representing a 28.6% increase as compared to the respective period in the previous year. Consolidated net income for H1 2010 totaled EEK 139.72 million (EUR 8.93 million) and net cash position reached EEK 264.4 million (EUR 16.9 million).

Objectives

The objective of the Programme is to reduce the capital of the Company, therefore allocating Company’s excess cash to the shareholders. The Company itself will be more efficiently managed and additional liquidity is created on the stock exchanges. The Company intends to cancel shares acquired during the Programme.

Scope of the Programme

- 1. Stock repurchasing program volume:** up to 10% of the outstanding share capital (percentage of shares in the process of dissolution), i.e. 3,960,700 shares. The Company will not purchase more than 25% of the average daily volume of trading in its shares in any one day on the regulated market on which the purchase is carried out, based on the average daily volume traded in the 20 trading days preceding the date of purchase (which may, in case of extreme low liquidity on the relevant market, be raised to 50% in accordance with the applicable law).
- 2. Maximum price.** The maximum price payable by the Company for one share shall be EUR 4.00 (four Euros). The price payable by the Company for its shares in individual

transactions shall not exceed the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

- 3. Amounts to be invested.** The maximum amounts to be invested by the Company in the programme shall be EUR 15,842,800 (fifteen million eight hundred forty two thousand eight hundred).
- 4. Program duration:** Beginning: from the approval of the buy-back program by the Extraordinary General Meeting of the Company. Ending: 30 June 2011.

Appointment of the purchasing agent

The Board has decided to appoint a lead manager that is an investment firm or a credit institution which makes its trading decisions in relation to the Company's shares independently of, and without influence by, the issuer with regard to the timing of the purchases. The lead manager shall be appointed not later than 2 weeks (two weeks) from approval of the buyback programme by the Extraordinary General Meeting.

Management Board of Silvano Fashion Group