

**FRAGRANCE GROUP LIMITED**

Company Registration No.: 200006656M

ACQUISITION OF PROPERTY BY SUBSIDIARY – FRAGRANCE SOUTH PACIFIC PTY LTD

The Directors of Fragrance Group Limited (the “Company”) is pleased to announce that the Company’s wholly-owned subsidiary, Fragrance South Pacific Pty Ltd (“Fragrance South Pacific”) has entered into a Sale and Purchase Agreement to purchase a property located at 173-177 Macquarie Street, Hobart, Tasmania (the “Property”) at the purchase consideration of AUD4,000,000/-.

The Property, currently an existing commercial building, has a freehold tenure with a land area of approximately 2,000 square metres. The Property is currently zoned “Central Commercial and Administrative” and is strategically located at Macquarie Street, a main thoroughfare leading to the heart of Hobart City’s Central Business District. The Property sits on high ground with a panoramic view over the Sullivans Cove and is within walking distance from shopping and leisure activities like Elizabeth Street, Parks and Waterfront attractions.

The acquisition will be funded internally and the Company is currently exploring various development options in respect of the Property. This transaction is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the current financial year ending 31 December 2014.

None of the Directors nor Substantial Shareholders of the Company has any interest, direct or indirect, in the abovementioned transaction.

By order of the Board

Periakaruppan Aravindan
Executive Director

8 May 2014