

15 May 2014

Bagir Group Ltd.

Trading Statement

Bagir Group Ltd. ("Bagir" or the "Company"), a designer, creator and provider of innovative formalwear tailoring, provides the following trading statement.

The Company has experienced an unexpected reduction in the volume of purchase orders and a reduction in margins on retained revenue from its largest customer (the "Customer") predominantly for the fourth quarter of the year. The Company also notes that there can now be no certainty that the Customer's previous order patterns with the Company will be sustained.

Following these reductions in purchase orders, the Company now expects revenue for the year ending 31 December 2014 to be approximately \$100m to \$104m and EBITDA to be approximately \$4m to \$6m. Accordingly, the Company has commenced the process of obtaining a waiver from its debt providers regarding its banking covenants.

In light of the above, the Company intends to adjust its operating structure and costing model as appropriate to help ensure the efficient allocation of the Company's resources and to look to achieve material cost reductions. Furthermore, the Company is pursuing additional business with existing customers while continuing to source new business which may compensate for part of the loss of revenue, but at this stage the outcome of these actions cannot be certain.

Commenting, Danny Taragan, Chief Executive of Bagir Group, said:

"Clearly the reduction in purchase orders and the reduction in margins on revenue is a major disappointment, however the Company plans to take the necessary actions to help mitigate these issues."

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