

Bagir Group Ltd.
("Bagir" or the "Company")

Bagir announces Ethiopia manufacturing milestone

Bagir (AIM: BAGR), a designer, creator and provider of innovative tailoring, is pleased to announce the successful completion of its first international contract from its manufacturing site in Ethiopia. The first order, which is from the leading global high street retailer H&M, was for tailored trousers, and has been completed and shipped to the US. More orders for other destinations are now in production.

In July this year Bagir announced the restructuring of its manufacturing facilities to focus on just three production centers in Vietnam, Egypt and Ethiopia, with the sites in Vietnam and Egypt fulfilling the majority of the total manufacturing output in the immediate future and Ethiopia representing an important but longer-term opportunity for the Company. Ethiopia benefits from highly competitive production costs, incentives for investors, low energy costs, proximity to the European market and duty-free export status for sales to both the EU and USA.

The Company holds a 50% joint venture interest in its site in Ethiopia, covering 50,000 sqm and employing 450 people. Quality remains at the heart of what Bagir aspires to and so over the last 18 months Bagir has re-located key members of its management team to Ethiopia in order to ensure that the garments produced there meet international quality control standards. This first 'test' order by H&M demonstrates the high-quality levels of the garments being produced in Ethiopia as well the potential of Bagir's manufacturing strategy in Ethiopia.

Eran Itzhak, Bagir CEO said:

"To produce formal trousers for export to the US is an important milestone achieved for the Ethiopian site. Alongside tariff free trade and low-production costs, the site has good connectivity for onward distribution and we are confident Ethiopia will become an increasingly important part of our manufacturing base as quite simply it can produce top quality garments for less."

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