

24 November 2014

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

Investment in Ethiopian Production Facility

Bagir (AIM: BAGR), a designer, creator and provider of innovative formalwear tailoring, is pleased to announce that, further to the Company's Interim Results dated 11 September 2014, the outstanding conditions relating to the agreement to invest in a production facility in Ethiopia have now been met and the agreement has become effective.

The agreement sees Bagir complete the purchase of a 50% stake in Nazareth Garments Share Company ("Nazareth"), an Ethiopian company which owns and operates a garment factory in Ethiopia, for a total consideration of US\$1.5m, payable in cash on completion. US\$1.2m of the total consideration will be used for machinery and general facility improvements to help ensure that the output is suitable for export, with the balance paid to the shareholders of Nazareth.

The factory in Ethiopia manufactures trousers and formal shirts predominantly for the Ethiopian market. Nazareth currently employs approximately 400 staff and owns a 9,000m² factory building and the 50,000m² plot on which the factory is located. As at 7 July 2013, being the end of Nazareth's fiscal year, Nazareth had revenue of approximately US\$0.9m, profit before tax of approximately US\$0.2m and net assets of approximately US\$0.3m.

The factory is now expected to undergo certain upgrades to its facilities to enable the production of high quality trousers and jackets for export into the global market. This is currently forecast to commence during the first half of 2015.

The production facility in Ethiopia is expected to give Bagir a competitive advantage due to the duty free export environment to the EU and US, the competitive costs, and the government support for the textile industry.

Danny Taragan, CEO of Bagir Group Ltd, said:

"We are pleased to have completed the acquisition of a 50% stake in Nazareth Garments Share Company in Ethiopia. The Nazareth factory manufactures trousers and formal shirts and, once certain operational upgrades have been completed, will enable us to utilise competitive advantages to produce high quality garments for global export. The duty free export environment to the UK and US, combined with governmental support for the textile industry, means that once the site upgrades are completed, we will be well placed to deliver quality garments at a competitive price for our customers."

For further information, please contact:

Bagir Group Ltd.

Danny Taragan, Chief Executive Officer
Udi Cohen, Chief Financial Officer

via FTI Consulting

N+1 Singer

Jonny Franklin-Adams
Alex Wright
Emily Watts

+44 (0) 20 7496 3000

FTI Consulting

Alex Beagley
Tom Hufton

+44 (0) 20 3727 1000