

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

Trading update

At the Extraordinary General Meeting to be held at 11am today, Bagir (AIM: BAGR), a designer, creator and provider of innovative tailoring, will make the following statement:

"2016 continues to be a successful year for Bagir. We are trading in line with market expectations for this financial year and we are making significant progress under our strategic plan to maintain this momentum across the business into 2017 and beyond.

The recent placing to raise £6.4 million, conditional on the passing of the placing resolutions at today's EGM, is transformative for the business as together with the agreement with our lenders, it will clear the \$21million of debt we have currently outstanding and mark the start of the next chapter for the Company.

We have set out a clear path for growing the business and we are very focused on pursuing it. The main elements are:

- o expanding our current customer base so as to reduce reliance on any one individual customer by securing high volume sales orders from the larger end of the US, EU and South African retail market supported by a new pricing model;
- o reinvesting in product development and innovation to support the current suite of strong products;
- o ensure optimum operational efficiency in line with the new shape of the Company; and
- o expanding operations at the Company's chosen production sites in Egypt, Vietnam and Ethiopia maximising the potential for customs/tariff free trade routes. The Ethiopian factory while still in start-up phase, has not been affected by recent political events in Ethiopia and there is no expectation that this will change.

We are again excited about the potential of the business. One advantage of having been through the process of the last two years is that we have had to review every aspect of the business without exception and as a result, I believe the business is stronger and leaner than it has ever been and arguably better positioned to compete. We look forward to updating all shareholders on our continued progress."

For further information, please contact:

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