

DATE: 9 September 2013

Chagala Group Limited
('Chagala' or 'the Company' or 'the Group')

Interim results for the six months ended 30 June 2013

Chagala Group Limited, the specialist London-listed Kazakhstan real estate developer and operator (symbol: CHGG), is pleased to announce its unaudited interim results for the six months ended 30 June 2013.

Financial Highlights:

- Total revenue increased to \$16.61m (HY2012: \$15.37m)
- EBITDA increased to \$5.4m (HY2012: \$4.56m)
- Operating Profit increased to \$2.22m (HY2012: \$0.46m)
- Profit before tax increased to \$0.35m (HY 2012 : \$ -1.38m)
- Total Assets of \$151.85m, decreased from 31 December 2012 (\$154.97 m)

Operational Highlights:

- Broke ground on Saraishyk apartment block 1 in Atyrau – the Group's first real estate for sale venture comprised of 18 two and three bedroom apartments through its JV with ADM Capital.
- Completed purchase of fully let office building in Almaty through our JV with ADM Capital leading to a facilities management contract for the building as well.
- Completed renovation of Uralsk property significantly improving the product on offer.
- Awarded a substantial accommodation contract for a three year period in Bautino.

The interim report is also available for viewing at www.chagalagroup.com

For further information:

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Chief Executive Officer's Review

The efforts made over the last two years are beginning to deliver the positive results we expected. Actions taken in controlling costs, implementing more efficient staffing levels and aggressive sales efforts have all delivered results and have lead to a significant improvement in HY2013 results as compared to HY2012.

We expect the second half of the year to build on the first and continue to deliver improved results. Overall occupancies achieved for the Group at HY2013 were: 41% for our Hotel rooms (34% HY2012), 72% for serviced apartments (48% HY2012) and 100% for our office space (97% HY2012). Group revenue for HY2013 totalled \$16.61 mln (HY2012 \$15.37 mln).

Changes to the Board of Directors

Following the financial results delivered in 2012, the Board of Directors, senior management and selected shareholders agreed that a review of costs associated with maintaining a six member Board of Directors needed to be undertaken. Subsequent to that review, the decision was made to reduce the Board in both size and cost. This reduction was formalized at the Annual General Meeting held on 18 July, 2013. From that date, the Board of Directors for the Chagala Group is comprised of three individuals: Mr. Timothy Abson, Mr. Javier del Ser, Mr. Francisco Parrilla. We will appoint an independent director this fiscal year. In addition to the reduction in numbers, the fees paid to directors will also be reduced. These changes will result in a cost savings to the Group of roughly 200K annually.

Portfolio Activity

Our JV partnership with ADM Capital has provided the Group with two exciting projects so far in 2013. The first of four apartment blocks for sale known as Saraishyk broke ground at the Atyrau complex. In addition, the JV completed the purchase of a fully let, six floor office block in Almaty. Chagala is now operating the building.

Chagala Atyrau - Improved business levels vs. 2012 as a result of successful accommodation contract award in late 2012 and new business derived from more aggressive sales and marketing efforts.

Chagala Aktau - Substantial improvement in performance vs. 2012 due to strong food and beverage performance and the fact that the property has now had time to establish itself in the local market and attract a regular clientele.

Chagala Bautino - Improved business levels vs. 2012 due to successful tender for accommodation, three year contract.

Chagala Aksai - Delays on project expansion at the BG/AGIP lead Karachaganak oil and gas condensate field due to unresolved investment decisions continue to negatively impact our business. No change in situation expected this fiscal year.

Chagala Uralsk - Project delays at Karachaganak also negatively impacting Uralsk operations.

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