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## MONGOLIA GROWTH GROUP LAYS GROUNDWORK FOR STRENGTHENED CASH FLOW

THUNDER BAY, CANADA, May 20, 2014 /FSC/ - Mongolia Growth Group Ltd. (YAK:TSXV, MNGGF:USA)

Mongolia Growth Group Ltd. (“MGG”) or (“the Company”) [www.mongoliagrowthgroup.com](http://www.mongoliagrowthgroup.com), a real estate investment and development company participating in the dynamic growth of the Mongolian economy via ownership of institutional-quality commercial property assets in Ulaanbaatar, Mongolia, announces a re-alignment of its operating cost structure in North America and Mongolia with the goal of further improving cash flow.

Over the past two months, newly appointed CEO Paul Byrne has undertaken a review of both recurring and forecasted costs with a goal of better matching those expenses with current revenue run-rates. Based on first quarter, 2014 levels of both recurring and forecasted costs, the Company has identified annual expenses of approximately CDN \$500,000 that will be reduced or deferred until the Company shows positive cash flow. The majority of these savings are related to expenditures at the Company’s corporate operations, whereby now the emphasis is on building much more capability in Mongolia, where there are greater operating synergies and resulting cost efficiencies. It is anticipated that the cost saving initiatives announced today, will be undertaken over the second half of this year, with savings becoming visible early in 2015.

These savings are in addition to the substantial savings that have been gained through the disposal of Mandal Daatgal, the Company’s former insurance subsidiary.

“The Company has the right business model and operating platform and it is now time that we focus on strengthening cash flow from our high quality asset base,” said Paul Byrne, CEO of MGG. “To achieve this, we need to be more effective with aligning our operating expenditures with our revenues, while still focusing on growth initiatives like our transformation into an asset management, real estate development and funds management business. Going forward, we will be increasing spending on revenue producing initiatives, while re-evaluating all non-revenue producing expenditures. Ultimately, as a business, we need to show stronger cash flow and reward shareholders with a dividend.”

For more information about Mongolia Growth Group, please visit the Company’s website at  
[www.MongoliaGrowthGroup.com](http://www.MongoliaGrowthGroup.com)

Mongolia Growth Group Ltd. is a publicly traded and leading property investment and development company in Ulaanbaatar, Mongolia. MGG owns an extensive property portfolio, in diversified segments of the property market, with an emphasis on institutional-grade commercial assets.

MGG undertakes its own property acquisitions, develops brownfield land assets and repositions outdated properties, relying on in-house services for all facets of both the investment portfolio and development side of the business. In addition, MGG acts as a full-service third party provider for institutional clients and tailors transactions covering acquisition-to-suit, build-to-suit, as well as refurbish-to-suit, for property owners and major tenants.



## Forward-looking Information Cautionary Statement

Information and statements contained in this news release that are not historical facts are “forward-looking information” within the meaning of applicable Canadian securities legislation and involve risks and uncertainties. Forward-looking information and statements contained in this news release include information with respect to our intention to move forward into the construction of international standard properties in Mongolia.

Forward-looking information is necessarily based upon a number of assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. MGG cautions the reader that such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: risks associated with investment in and development of real property in Mongolia; competition, financing and refinancing risks; risks related to economic conditions; risks related to regulation of the real estate business in Mongolia; political risk in Mongolia; changes in Mongolian taxation rules; reliance on key personnel; environmental matters; tenant risks; and other risk factors more particularly described in MGG’s filings with Canadian securities regulators, which filings are available at [www.sedar.com](http://www.sedar.com). Additional risks and uncertainties not presently known to MGG or that MGG currently believes to be less significant may also adversely affect MGG. Forward-looking information is designed to help you understand management’s current views of our near and longer term prospects, and it may not be appropriate for other purposes. MGG does not undertake any obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except to the extent legally required.

The TSXV has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

