



March 26, 2013

## February 2013 Monthly Newsletter

Dear Shareholders of Mongolia Growth Group Ltd.,

February was a month of somewhat reduced activity in Mongolia due to the Tsagaan Sar holiday. That said, we have continued to sign new leases on our two recently renovated office buildings and expect to start to see generous revenue increases by the month of March.

At MGG, we are rarely inactive and we have used the winter slowdown to make the necessary preparations for a sizable renovation campaign during this summer. To start with, we intend to upgrade the fire suppression systems in a number of buildings while also completing maintenance overhauls which should save us substantially in terms of recurring maintenance expense in the future.

In terms of improving the revenues of our properties, we are looking at adding a vertical extension to one property and are waiting on permissions for a second such renovation project. Finally, we are looking to upgrade a number of our street level retail storefronts. We have now found that if you replace the brick walls facing the street with glass windows, you can increase the rents that you receive by about a third, at the expense of less than ten percent of the total property cost—naturally we are big fans of such renovations. During the past two years, we have undertaken a few such renovations and we hope to undertake some more substantive ones in 2013 now that some legacy leases have expired. Finally, we are still actively exploring a number of projects that would entail much more substantial work, should we acquire them.

February also marked the two year anniversary of our company. Naturally, we are all very proud of the progress that we continue to make at MGG. From a standing start with just 2 employees, we have grown to 98 employees, of which 90 are Mongolian. In addition, we have built a company with unique property and insurance assets that should have leverage to the growth of the Mongolian economy.

Just as importantly, we are proud to report that according to World Bank Mongolia, the Mongolian economy has continued to reward our original thesis by growing 11.8% in 2012 after growing at a 17% rate in 2011. The economy is expected to grow approximately 16.2% in 2013.

Sincerely,

**Harris Kupperman**  
**Chairman & CEO**  
**Mongolia Growth Group Ltd.**

For further details on the foregoing document, please refer to the Corporation's filing on SEDAR.  
For more information on Mongolia Growth Group Ltd., please see our website:

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## Forward-looking Information Cautionary Statement

Information and statements contained in this Letter to Shareholders 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 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 and the insurance business in Mongolia; competition, financing and refinancing risks; risks related to economic conditions; risks related to regulation of the real estate and insurance business in Mongolia; political risk in Mongolia; changes in Mongolian taxation rules; claims against our insurance policies differing from our assumptions; reliance on key personnel; environmental matters; tenant and policyholder risks; risk of insurance fraud; and other risk factors more particularly described in 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 Letter to Shareholders.

