

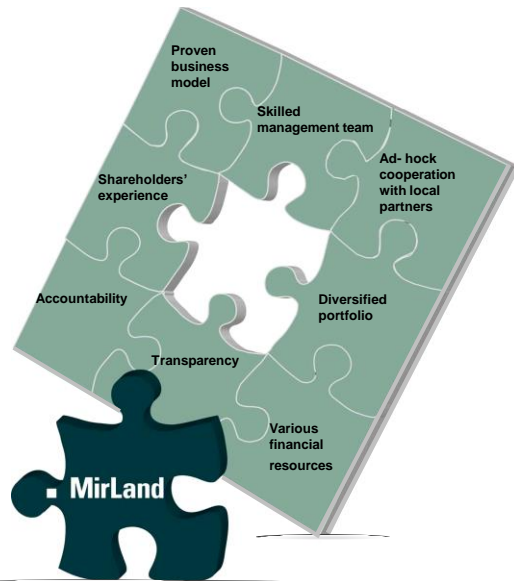
■ MirLand

Development Corporation Plc

Company Presentation



March 2014



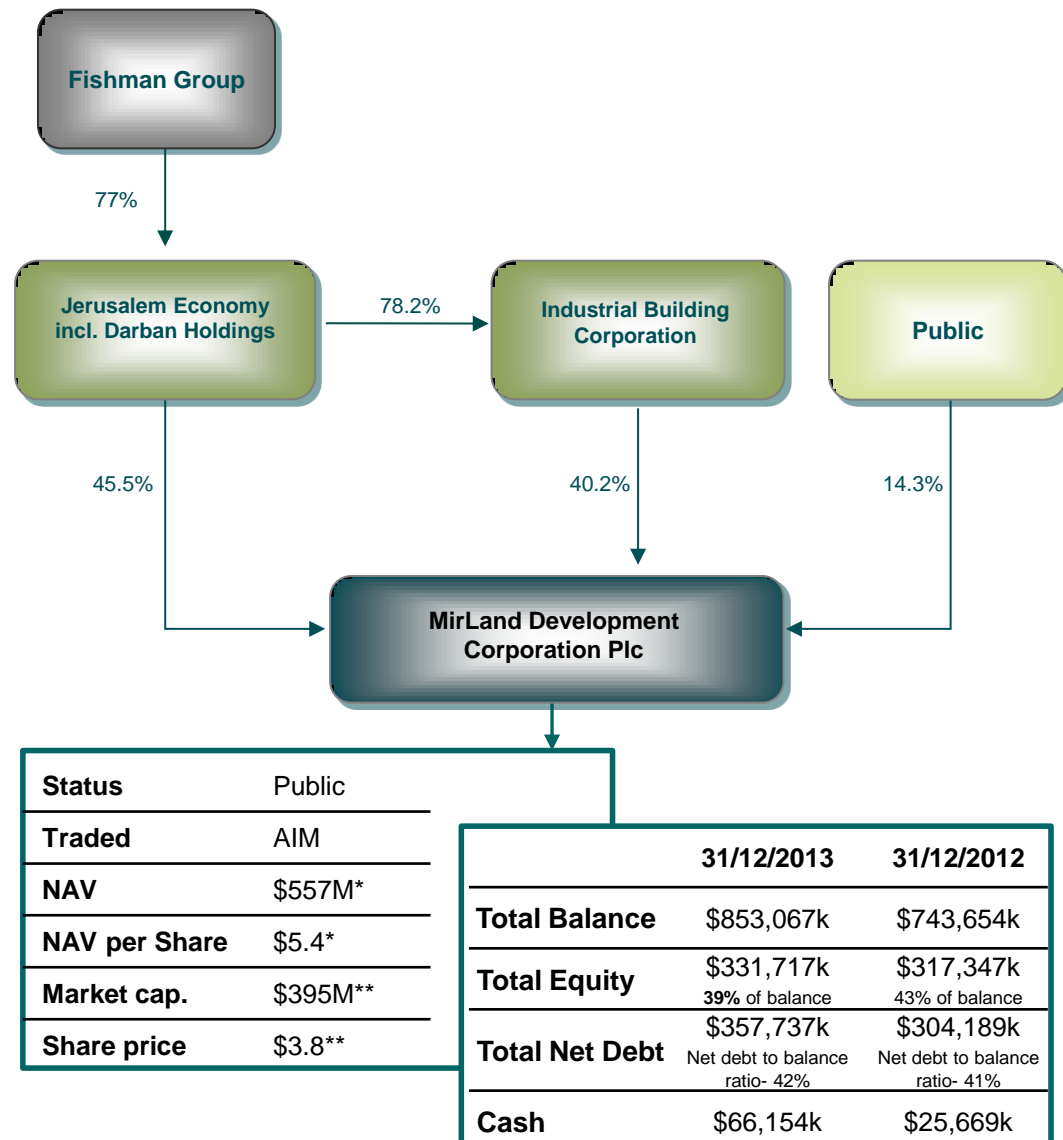
This presentation includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this presentation and include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend policy and the markets in which we, directly or indirectly, will invest. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Our actual investment performance, results of operations, financial condition, liquidity, dividend policy and the development of our financing strategies may differ materially from the impression created by the forward-looking statements contained in this presentation. In addition, even if our investment performance, results of operations, financial condition, liquidity and dividend policy and the development of our financing strategies are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods.

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- Introduction
- Strategy & Business Model
- Russian Economy Overview
& Portfolio Highlights
- Financials
- Appendix



- The Company was established in 2004, as the real estate vehicle of the Fishman Group in Russia
- MirLand diversified portfolio comprises 13 projects across Russia, with a total rentable/saleable area of ~1.3M sqm upon completion
- In 12/2006, the Company successfully raised net proceeds of US\$327M at the London Stock Exchange
- To date, the Company raised net proceeds of circa US\$306M in publicly traded bonds at the TASE



Mitigation of risks by maintaining a diversified portfolio

- Diversification of assets in terms of geographical location, segmentation and development stage

Optimization & diversification of financial resources

- Stock issuance
- Straight bonds issuance at the TSE
- International and Russian banks loans

Predetermined realization strategy

- Residential projects developed for sale
- Commercial projects retained as yielding assets

Realization of growth opportunities

- Cautious consideration of new projects
- Acquisition of land plots with an option for phased development

Dividend distribution

- Starting from 2015 in amount of ~\$15M, subject to adoption of the dividend policy

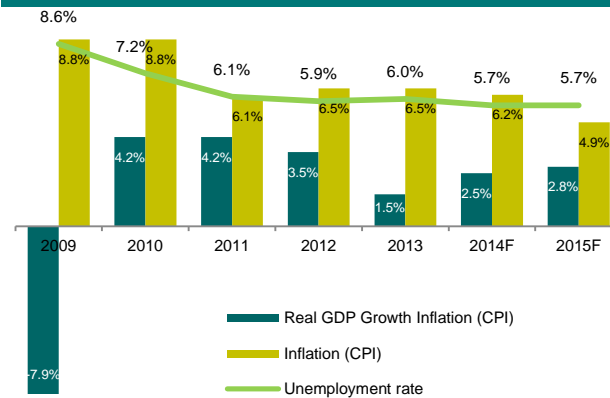


Russian Economy Overview & Portfolio Highlights

- Russia has high reserves of foreign exchange and gold of US\$538 billion and only 14% of general government debt out of GDP
- Unemployment levels remain low while Inflation level continue its decrease
- 2013 was a record year in foreign direct investments
- Private consumption remains a key driver for Russia's economy as disposable income grew 3.5% in 2013
- Consumer confidence in Russia is ranked third place in Europe

With high reserves of foreign exchange and gold together with low debt Russia is well positioned to stimulate economy growth

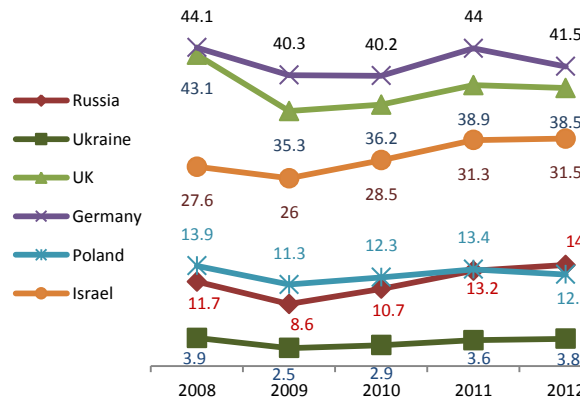
Real GDP Growth, Inflation and Unemployment, %



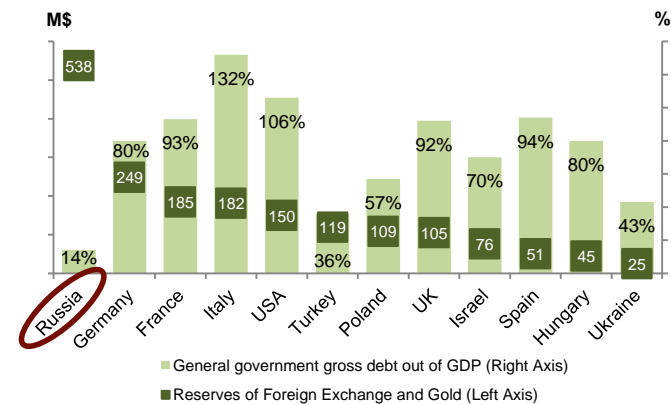
Foreign Direct Investments, \$bn



GDP per Capita Comparison, '\$'000

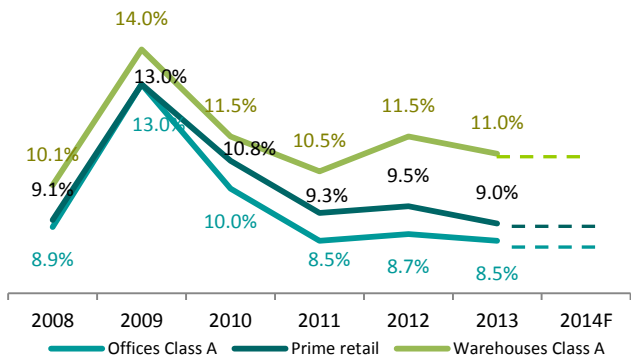


Government Debt % of GDP & Reserves, \$mil

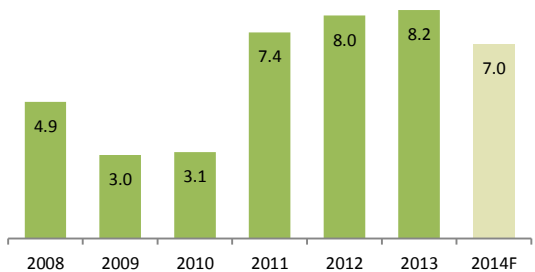


- Investment in commercial real estate in 2013 comprised US\$8.2 billion
- In 2013 Moscow and St. Petersburg were ranked 3rd and 11th (respectfully) investment markets in Europe
- The positive trend in real estate market led to slight compression in capitalization rates during the year

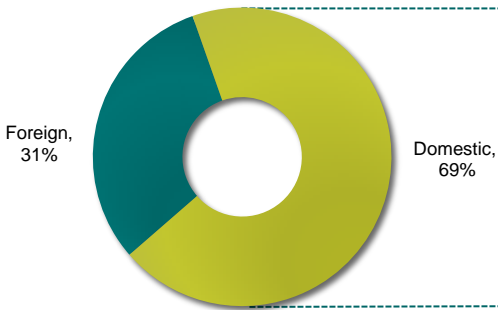
Prime Yields in Moscow, %



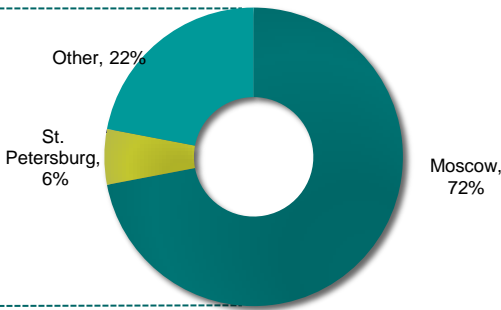
Accumulated Investment in Commercial RE, \$bn



Origin of Investments, %



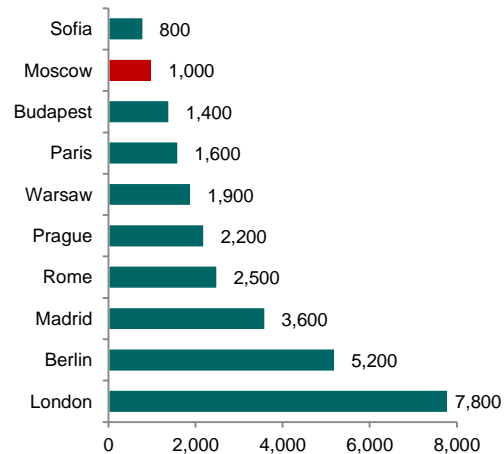
Domestic Investments Split, %



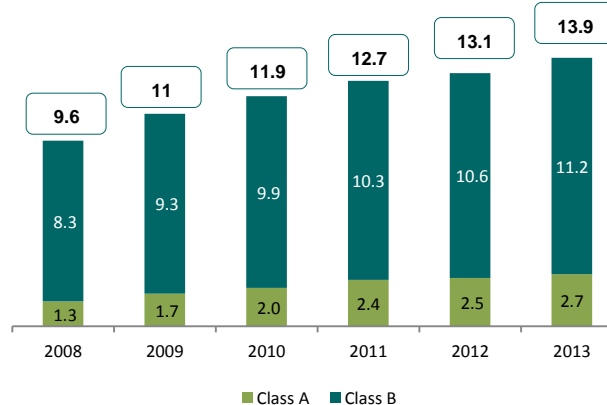
Real estate sector continues to perform well due to strong consumer market

- During 2013 the volume of supply in Moscow continued its steady increase and by the end of the year quality office stock totalled at 13.85 million sqm
- Class B vacancy rate was rather stable during last years
- In 2013, vacancy rate for Class A premises increased to 17.2% as a result of the record volume of completions since 2010

Office Stock per 1,000 ppl

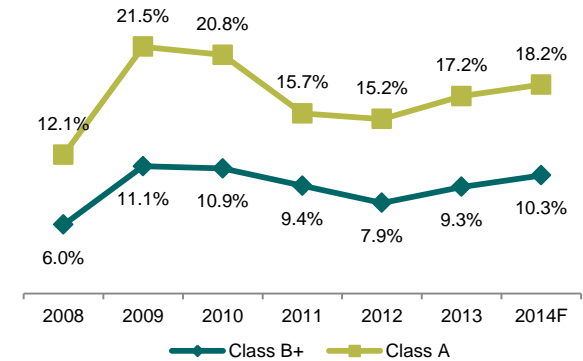


Office Stock in Moscow, mil sqm

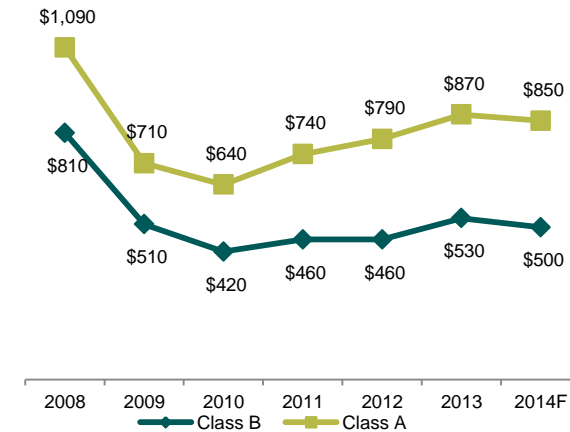


Moscow office stock is only 1 sqm per person, well below the European countries

Vacancy Rates for Class A&B in Moscow, %



Rent Rates for Class A&B in Moscow, \$/sqm



- **Land area:** 4.43ha
- **Total GLA:** 67,871 sqm
- **C&W Valuation*31/12/13:** \$254M

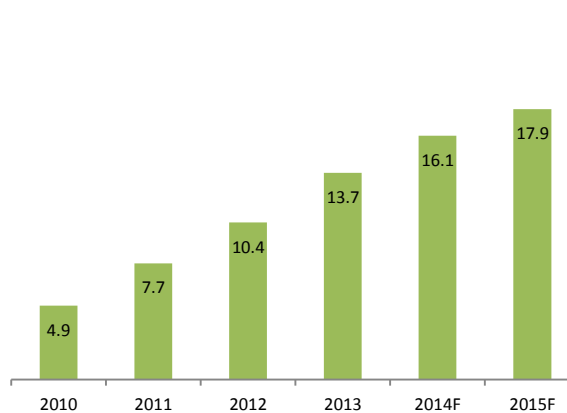
Contracts Data Summary

- **Ave rent rate per sqm:** \$454
- **Ave contract duration:** 4.5 (y)
- **Tenants:** 160
- **Indexation:** ~8%
- **Currency:** linked to USD
- **Occupancy:** 96%

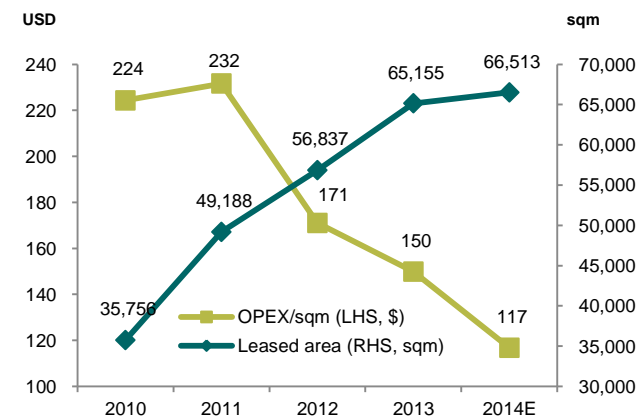
MirLand Business Center comprises 4 Class B+ office projects, located in the northern part of Moscow's Novoslobodskiy business district



Annual NOI (MirLand Share), \$M



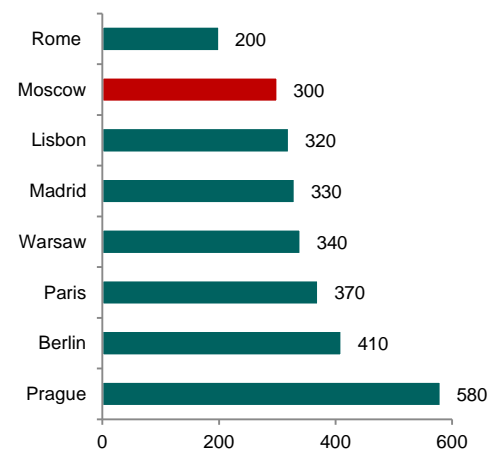
OPEX Dynamics \$/sqm per Leased Area in sqm



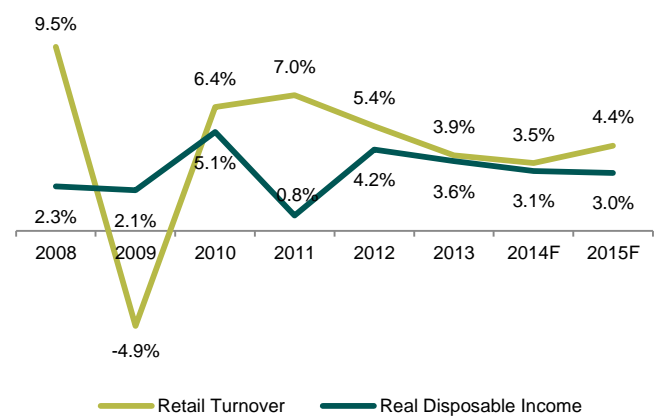
- Total existing quality shopping centre stock in Russia is over 16.4 million sqm
- Russia has the largest retail turnover in EMEA
- As shopping has become a cultural pastime for many, footfall in retail centres remains solid even during economic downturn
- Rental rates were stable during 2013 in spite the growing demand and low vacancy rates

Quality retail stock in Russia is only 115 sqm per 1,000 inhabitants, well below the European average of 260 sqm

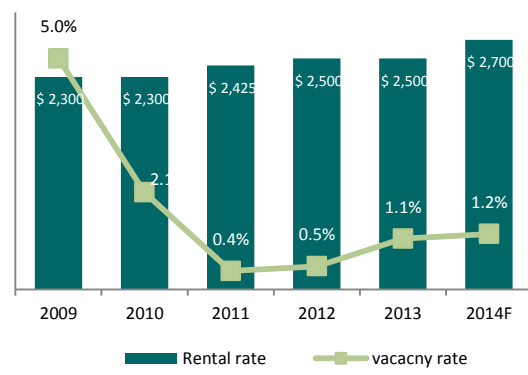
Retail Stock per 1,000 ppl



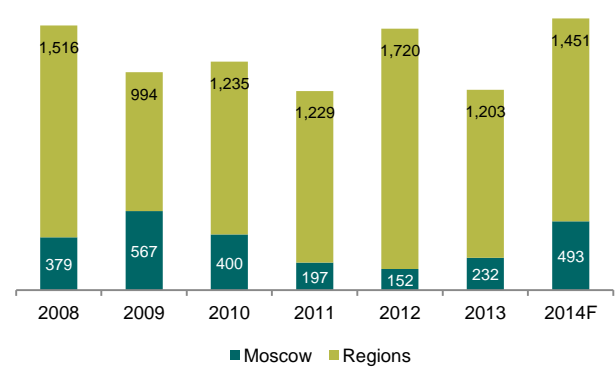
Retail Turnover & Real Disposable Income, %YoY



Moscow Quality Retail Rent & Vacancy, \$/sqm, %



Quality Retail Delivery, '000 sqm



Vernissage Mall, Yaroslavl

- Land area: 12 ha
- GLA: 34,090 sqm
- Completed: Q2 '07
- Rights from freehold: 100%*
- Average monthly footfall: 282K
- C&W Valuation 31/12/13: \$109.8M
- NOI 2013: \$11.9M

Triumph Mall, Saratov

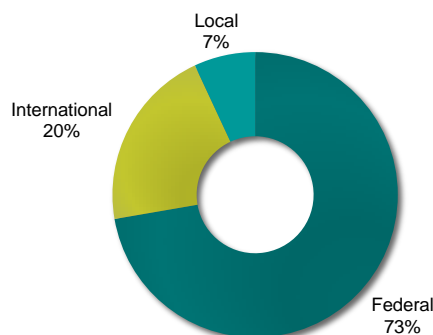
- Land area: 2.2 ha
- GLA: 27,305 sqm
- Completed: Q4 '10
- Rights from freehold: 100%
- Average monthly footfall: 538K
- C&W Valuation 31/12/13: \$135.3M
- NOI 2013: \$13.7M

Contracts Data Summary

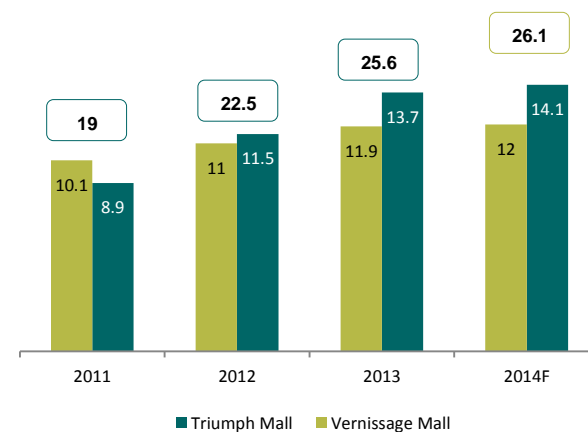
- Annual ave rent per sqm: \$411
- Ave contract duration: 11.5 (y)
- Tenants: 260
- Indexation: ~4%
- Currency: linked to USD
- Occupancy: 100%



Tenants' Mix



NOI Development, \$mil



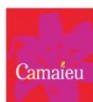
*Agreement signed to acquire the partner's share (closing expected by the end of March 2014)

Our Tenants: International, Federal and Local Brands



MANGO

celio*



CAMAIEU



Accessorize



CALZEDONIA

re RESERVED



O'STIN



RIVE GAUCHE

Seppälä

HOMEcenter

M. Hugo

befree

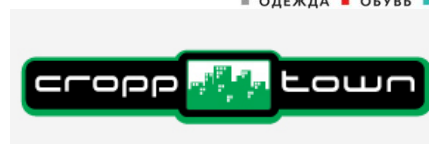


Paolo Conte
fashion



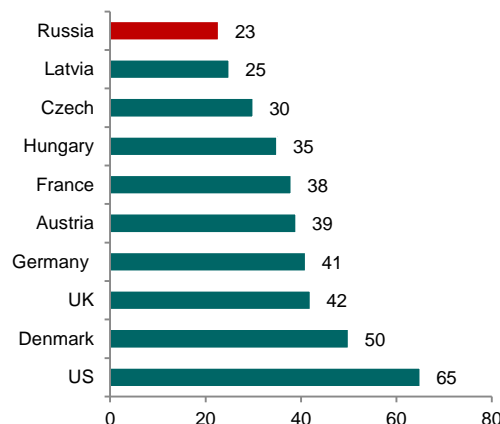
LINDEX

be casual
FINN FLARE
ОДЕЖДА ОБУВЬ АКСЕССУАРИ

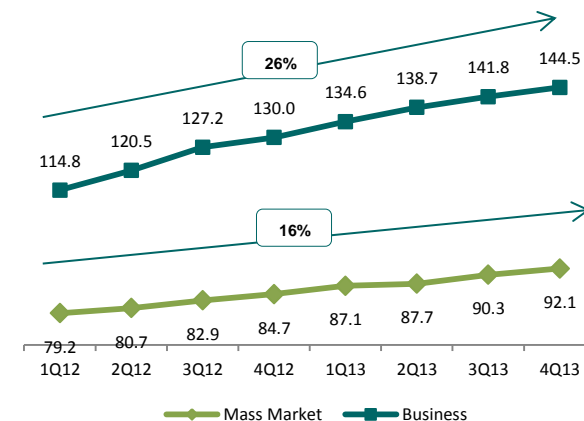


- In Russia the average area per capita totals at circa 23 sqm
- 35% of the existing stock is in poor condition and therefore should be replaced within the next 5-7 years
- The mortgage market amounts to only 3% of GDP
- ~3,300K sqm of housing was delivered in St. Petersburg in 2013
- Over 85% of the delivery is to the mass market segment

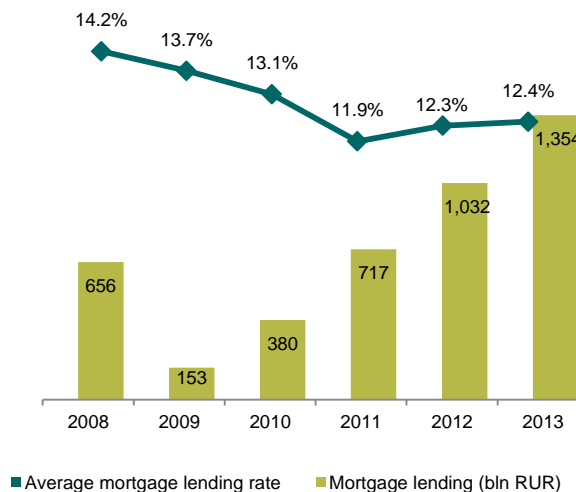
Average Living Space Comparison, sqm/capita



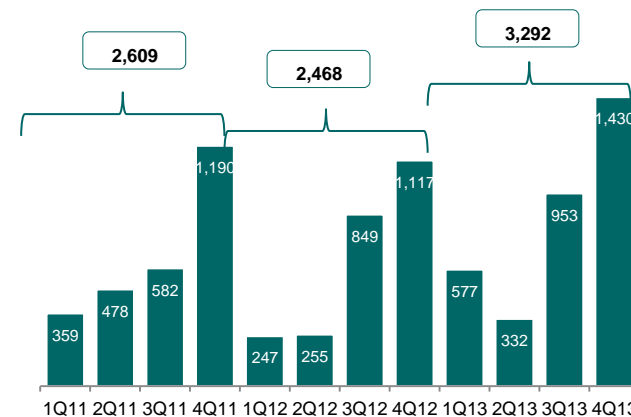
St. Petersburg's Primary Housing Prices, '000 RUB/sqm



Russia's Mortgage Lending market



Delivery in St. Petersburg and Outskirts, '000 sqm



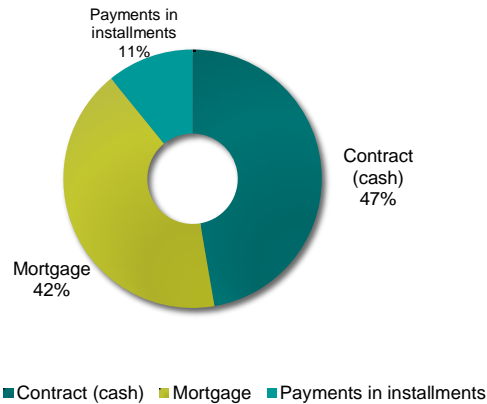
The residential sector in Russia presents one of the best opportunities for growth due to low living space per capita

- **Land area:** 41 ha
- **Total saleable area:** 560,000 sqm (9,000 apt)
- **Rights from freehold:** 100%
- **C&W Valuation 31/12/13:** \$323.2M

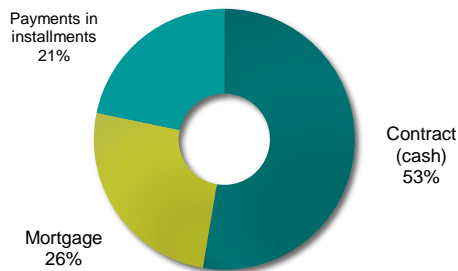
Phased development of a residential neighbourhood with commercial and public areas. Phases I-IV are in process, further development of additional 370K sqm is in planning

	   			
	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>	<u>Phase IV</u>
Commencement	Q3/2011	Q3/2012	Q3/2013	Q4/2014
Completion	Q4/2013	Q4/2014	Q1/2016	Q2/2017
Number of apt	510	630	1,346	~1,400
Total sqm	27,700	34,100	63,200	~64,000
Ave. sale price, RUR	81,700	92,000	100,000	104,000
Total income, USD mil	71	98	194	205
Profit , USD mil	12	26	58	66
% Profit NET	20%	25%-27%	29%-30%	31%-33%
Cash flow projected from Phase, USD mil	13	28	67	76

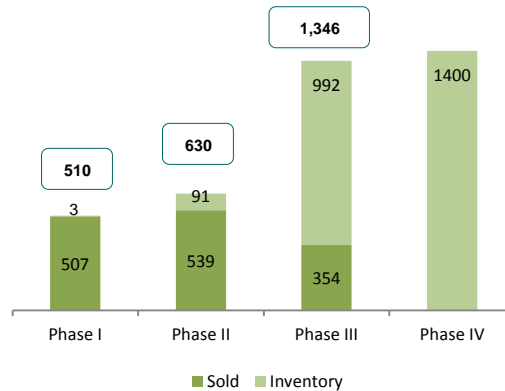
Phase II Payment Spread



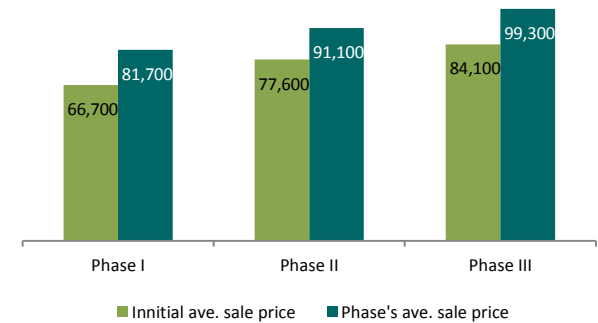
Phase III Payment Spread



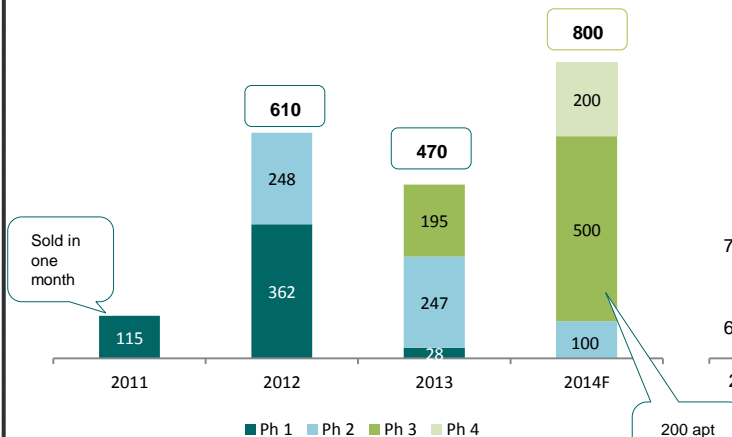
Sales & Inventory by Phases, apt



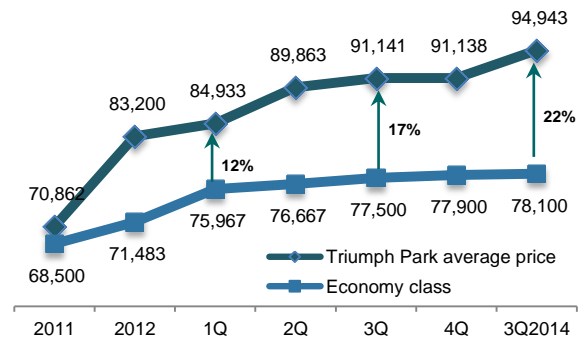
Projected Price vs Initial Sale Price, RUB/sqm



Sales Dynamics All Phases, apt



St. Petersburg Prices vs Triumph Park, RUB/sqm



**Phase I
delivered**

**~1,400
apt
Sold**

**\$170M
Sales**

**~1,000
workers
on site**

**~100K sqm
under
construction**



- Triumph Park is a **winner of Green Awards 2012 и 2013**, the Russian Federal Competition on sustainable development and energy efficiency

BREEAM®



Triumph Park – the **1st**
residential BREEAM
certified project in Russia

Transportation scheme

Parking for Bicycles

Recreation area

Shuttle bus to the metro station

Smoking free territory

Built-in retail infrastructure

Kids and sports playgrounds

- **Land area:** 22.5 ha
- **Saleable area:** 65,629 sqm
- **Phase 1:** 77 houses (out of 163)
- **Rights from freehold:** 100%

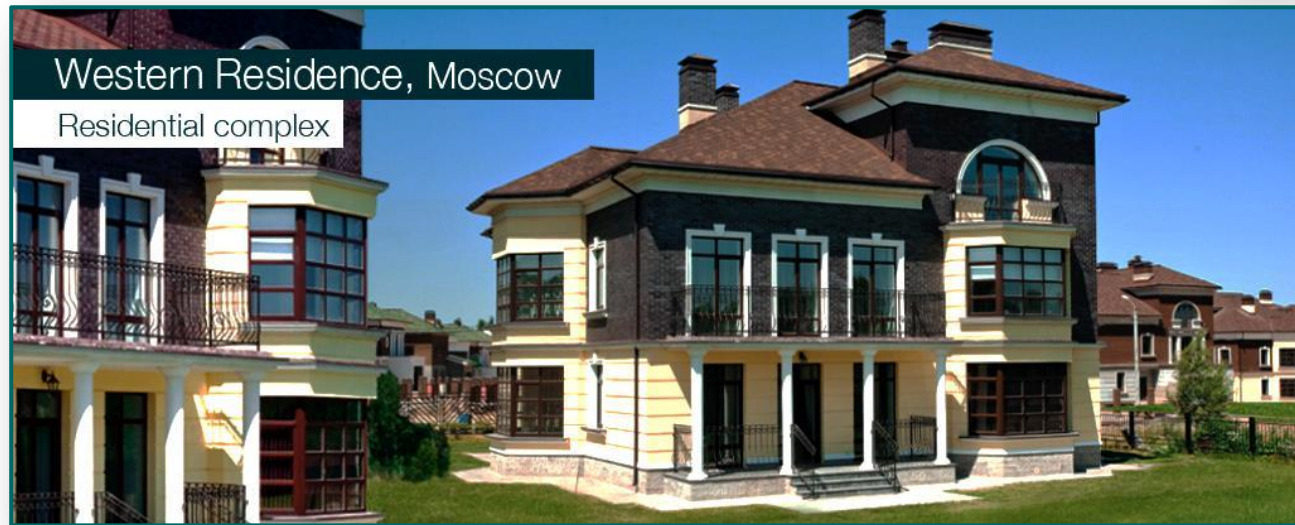
C&W Valuation 31/12/13:

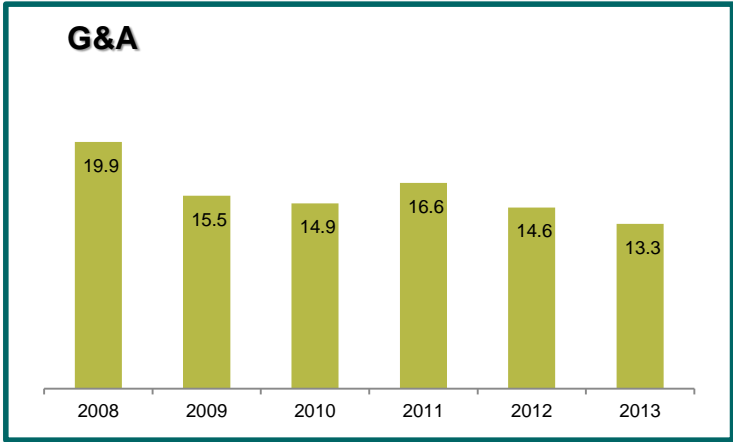
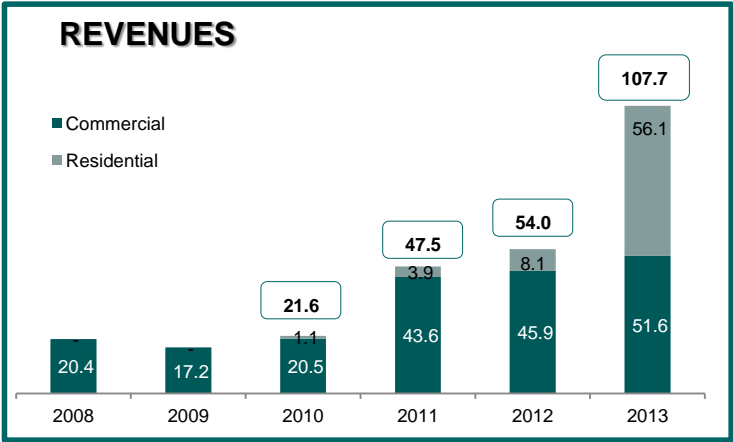
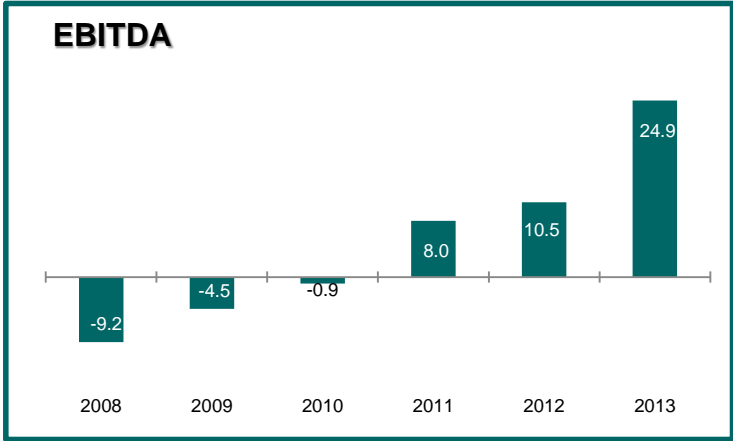
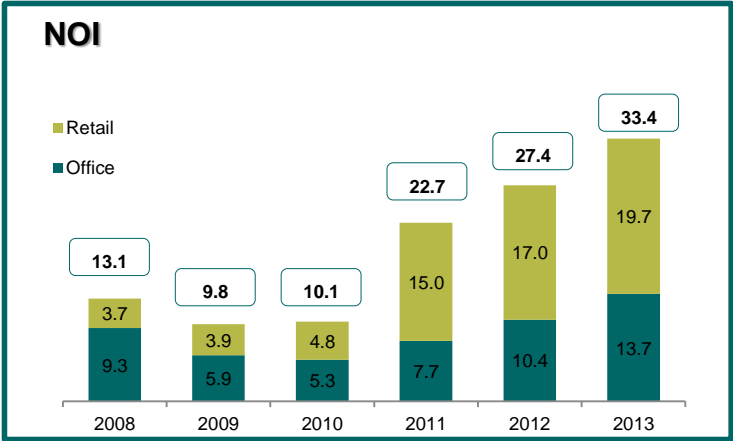
- **Project Value:** \$53.6M

Project Status:

- Total sales: 30 houses
- Infrastructure construction completed
- Completion Certificate obtained
- Delivery is in process

Western Residence is a neighbourhood of cottages and town houses, targeting the middle class segment. Located in the prestigious western outskirts of Moscow - Perkhushkovo settlement

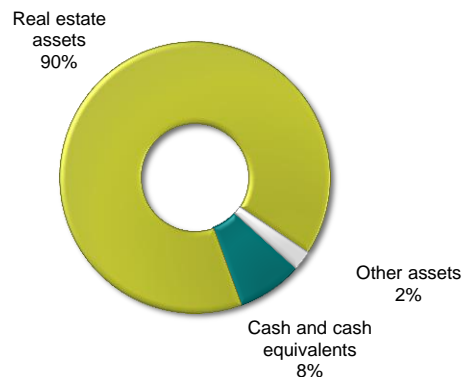




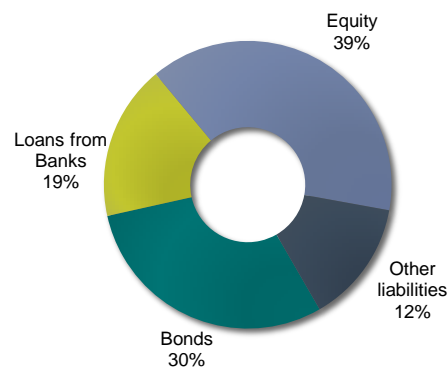
*All figures in mil USD

Financial Highlights

Assets

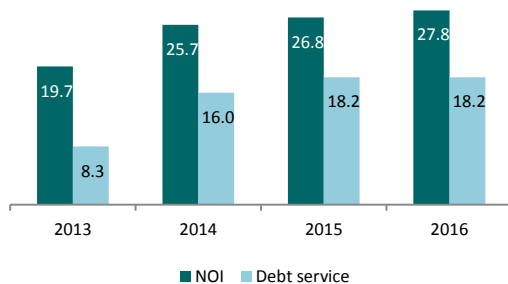


Liabilities & Equity

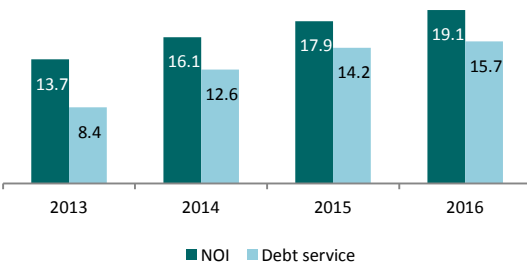


	31/12/2013	31/12/2012	31/12/2011
Total Balance	\$853,067k	\$743,654k	\$739,605k
Total Equity	\$331,717k 39% of balance	\$317,347k 43% of balance	\$347,138k 47% of balance
Property & Land	\$767,281k 90% of balance	\$694,982k 93% of balance	\$684,568k 93% of balance
Total Net Debt	\$357,737k Net debt to balance ratio- 42%	\$304,189k Net debt to balance ratio- 41%	\$324,689k Net debt to balance ratio- 44%
Net Income (Loss)	\$6,206k	(\$42,302k)	\$28,525k
Cash (end of the period)	\$66,154k	\$25,669k	\$32,333k

Retail Projects NOI vs Debt Service*, \$mil

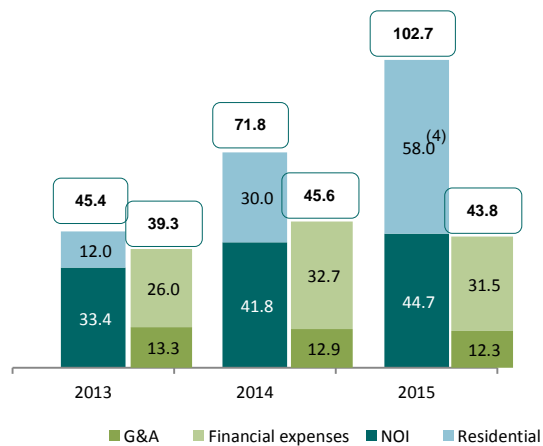


Office Projects NOI vs Debt Service*, \$mil

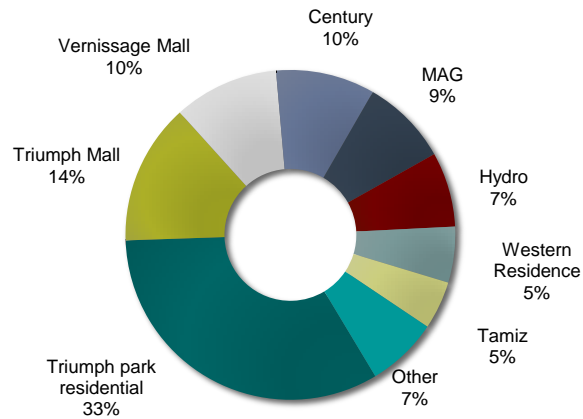


Project/ Data, \$mil	Valuation as of 31/12/2013	Financing ⁽²⁾	Loan to Value	Presented in FS	Asset Cost	NOI 2014F	Loan terms
Retail							
Triumph Mall – Saratov	135.3	94	69%	123.5	77.6	14	7% USD,7(y), 53% balloon
Vernissage Mall – Yaroslavl	109.8	49.2	45%	94.2	50	12	7.75% USD,7(y), 49% balloon
Total retail	245.1	143.2	58%	217.7	127.6	26	
Offices							
Hydro, MAG, Tamiz – Moscow	201.1	67.2	33%	190.3	146.8	13	8.75% USD,6.5(y), 50% balloon
Century Buildings – Moscow ⁽³⁾	95.1	42.8	45%	83.9	64.6	8	Libor+6.85%-7.7% USD,5-7(y), 50% balloon
Total offices	296.2	110	37%	274.2	211.4	21	
Total	541.3	253.2	47%	491.9	339	47	

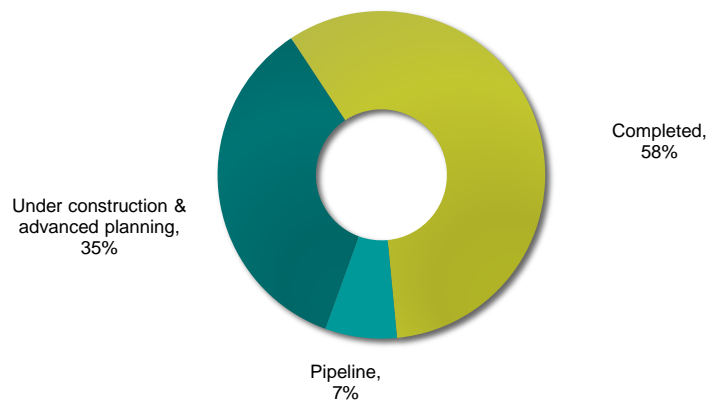
Gross Profit vs G&A and Financial Expenses, \$mil



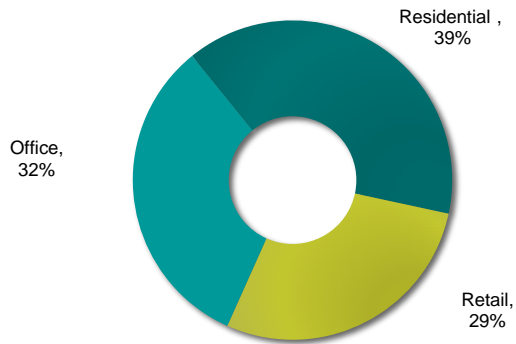
Portfolio Assets by Value, %



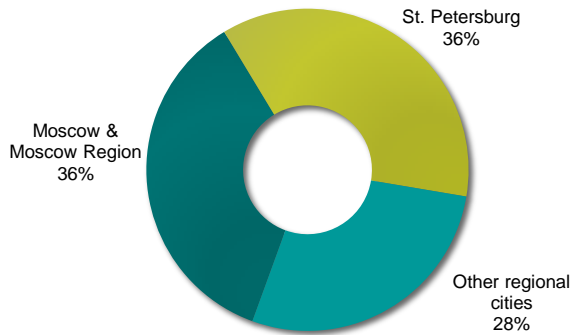
Portfolio Development Stage Distribution by Value, %



Portfolio Segment Distribution by Value, %



Portfolio Geographic Distribution by Value, %



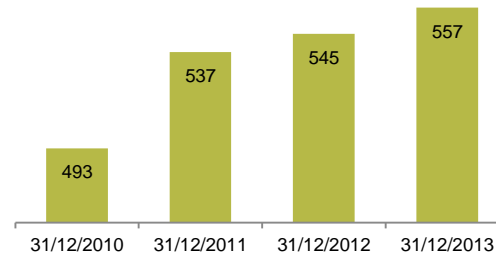
■ Total Portfolio as of 31/12/2013: \$977.2

- Consecutive growth in C&W valuation as well as in Net Asset Value of the Company

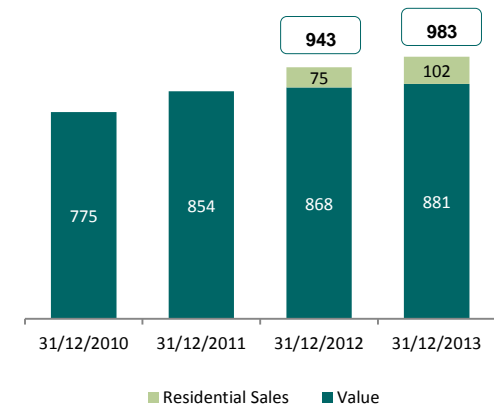
NAV Calculation as of 31/12/2013, \$mil

	\$mil
Market value of the Company's beneficial share in the Properties	880.7
Advances from buyers in residential projects	101.7
Non-property non-current assets	13.2
Non-current liabilities	(341.5)
Current assets less current liabilities	(97.5)
Adjusted Net Asset Value	556.7

NAV Development, \$mil



C&W Valuation (MirLand share), \$mil



- Strong potential upside in case of decrease in discount and cap rates

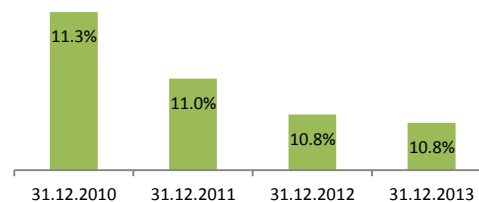
Internal Revaluation Sensitivity Analysis

Sensitivity analysis Mirland share market value, %		Discount rate				
		0.0%	-0.5%	-1.0%	-1.5%	-2.0%
Cap rate	0.0%	0%	2%	5%	7%	10%
	-0.5%	3%	5%	7%	10%	13%
	-1.0%	5%	8%	10%	13%	16%
	-1.5%	8%	11%	14%	16%	19%

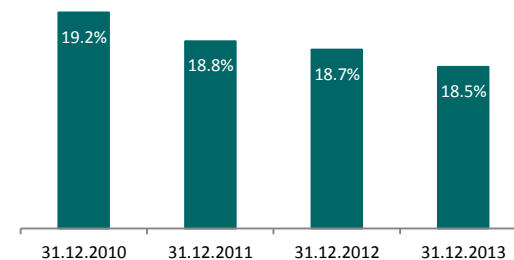
Sensitivity analysis Mirland share market value, \$mil		Discount rate				
		0.0%	-0.5%	-1.0%	-1.5%	-2.0%
Cap rate	0.0%	\$881	\$20	\$41	\$63	\$86
	-0.5%	\$22	\$43	\$65	\$87	\$110
	-1.0%	\$47	\$69	\$91	\$114	\$137
	-1.5%	\$75	\$97	\$120	\$144	\$168

- Conservative C&W approach to valuation of assets, implementing relatively high discount and cap rates

Commercial Projects Weighted Ave Discount Rate, %



Residential Projects Weighted Ave Discount Rate, %



Appendix

- Strong cash balance projection
- Possible dividend distribution, subject to adoption of the dividend policy
- Decrease of Net Debt/Balance ratio to 35% by the end of 2015
- Decrease of Net Debt/Net Cap ratio to 51% by the end of 2015

In '000 USD	31/12/14	31/12/15
Cash balance at the beginning of the period	66,154	65,099
Refinancing of yielding assets	77,832	18,448
Receipt of construction loans	28,940	34,069
Cash flow from sale of residential units	116,982	143,966
Cash flow from ongoing operations	25,440	28,661
Total sources	249,194	225,143
Interest payments to banks and bonds holders	(17,846)	(14,445)
Repayment of bonds	(45,460)	(45,460)
Repayment of interest and loans guaranteed by the parent companies	(20,400)	-
Repayment of interest and loans from banks granted to the subsidiaries	(40,800)	(43,824)
Investments in projects	(125,741)	(111,414)
Dividends	-	(15,000)
Total uses	(250,248)	(230,143)
Cash balance at the end of the period	65,099	60,099

MirLand Development Corporation Assets - Overview of Market Values as at 31st of December 2013

City	Property Name and Address	Portfolio Market Value as of 31st of December 2013	% Owned by MirLand	MirLand Market Value as of 31st of December 2013 (Rounded)	Total sqm of Land	Projected Net Leasable / Saleable Area in sqm upon Completion (excl. Parking)	Market Value per sqm of Projected Net Leasable Area	Discount Rate	Projected Exit Date	Projected Exit Capitalisation Rate for Commercial	Projected Exit Sales Price (Uncompleted Only)	Projected Exit Sales Price per sqm of Net Leasable Commercial Area (Uncompleted Only)	Total Outstanding Investment (excl. VAT & Land for commercial properties and incl. VAT for residential projects)	Total Commercial NOI as of 2014 Market Rental Values (Assuming 100% Occupancy and Fully Completed)
Moscow	Hydro	\$71,700,000	100%	\$71,700,000	12,237	16,696	\$4,295	12.50%	Completed	9.00%	Completed	Completed	Completed	\$7,429,000
Moscow	MAG	\$83,300,000	100%	\$83,300,000	21,940	18,535	\$4,494	12.50%	Completed	9.00%	Completed	Completed	Completed	\$9,120,000
Moscow Region	Western Residence	\$53,600,000	100%	\$53,600,000	225,300	56,876	\$942	14% /18%	2016	Residential	Residential	Residential	\$27,928,000	Residential
Saratov	Triumph Mall	\$135,300,000	100%	\$135,300,000	22,000	27,249	\$4,965	12.50%	Completed	10.50%	Completed	Completed	Completed	\$14,698,000
Moscow	Skyscraper	\$0	100%	\$0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Saint Petersburg	Triumph Park	\$323,200,000	100%	\$323,200,000	326,651	502,135	\$644	19.00%	2013-2020	Residential	Residential	Residential	\$770,369,000	Residential
Saint Petersburg	Triumph Park, retail	\$31,600,000	100%	\$31,600,000	81,663	117,775	\$268	25.00%	2021	10%/ 10%	\$412,677,000	\$3,504	\$141,500,000	\$41,268,000
Yaroslavl	Vernissage Mall	\$100,600,000	50.5%	\$50,800,000	120,000	34,092	\$2,951	12.50%	Completed	10.50%	Completed	Completed	Completed	\$10,883,000
Yaroslavl	Phase II	\$9,200,000	50.5%	\$4,600,000	180,000	55,000	\$167	21.00%	2017	10.50%	\$131,602,000	\$2,393	\$62,152,000	\$12,267,000
Moscow	Tamiz Building	\$46,100,000	100%	\$46,100,000	4,500	11,737	\$3,928	12.50%	Completed	9.00%	Completed	Completed	Completed	\$4,828,000
Moscow	Century Buildings	\$95,100,000	51%/61%	\$52,971,000	5,800	20,904	\$4,549	12.50%	Completed	9.00%	Completed	Completed	Completed	\$10,562,000
Kazan	Triumph House	\$11,200,000	100%	\$11,200,000	22,000	16,783	n/a	16.00%	2019	10.00%	\$57,037,000	\$3,398	\$24,051,000	\$5,367,000
Saratov	Logistics Complex	\$7,400,000	100%	\$7,400,000	260,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Novosibirsk	Logistics Complex	\$8,900,000	100%	\$8,900,000	406,752	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total		\$977,200,000		\$880,700,000							\$601,320,000		\$1,026,000,000	

MirLand Business Center

- Class B office complex 67,870 sqm



Western Residence

- Phase I: 77 houses - competed
- Phase II: 86 houses (pipeline)



Triumph Park neighborhood

- Phases I-IV in process
- Phases V-VIII in planning

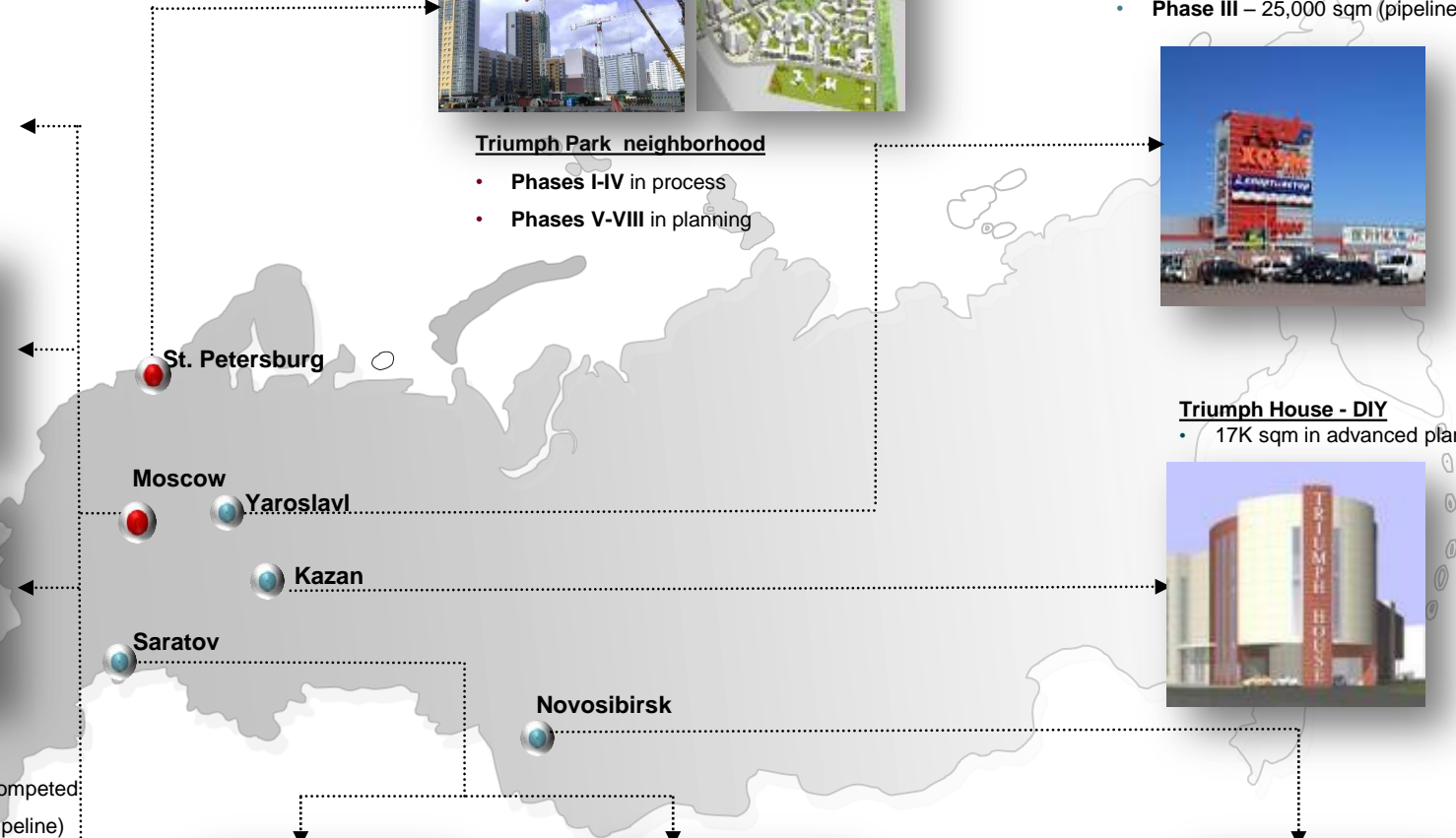
Vernissage Mall

- Phase I - 34,090 sqm SC
- Phase II – 30,000 sqm in advanced planning
- Phase III – 25,000 sqm (pipeline)



Triumph House - DIY

- 17K sqm in advanced planning



Triumph Mall

- 27,250 sqm SC & entertainment



Logistics Centre - 26 ha (pipeline)



Logistics Centre - 40.7 ha (pipeline)

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