

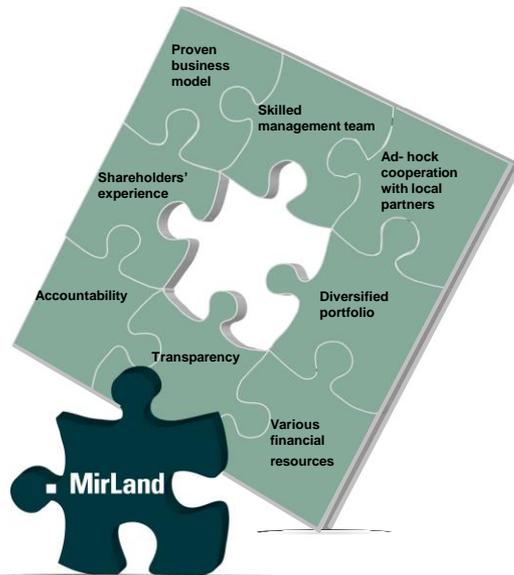
MirLand

Development Corporation Plc

Company Presentation



March 2014



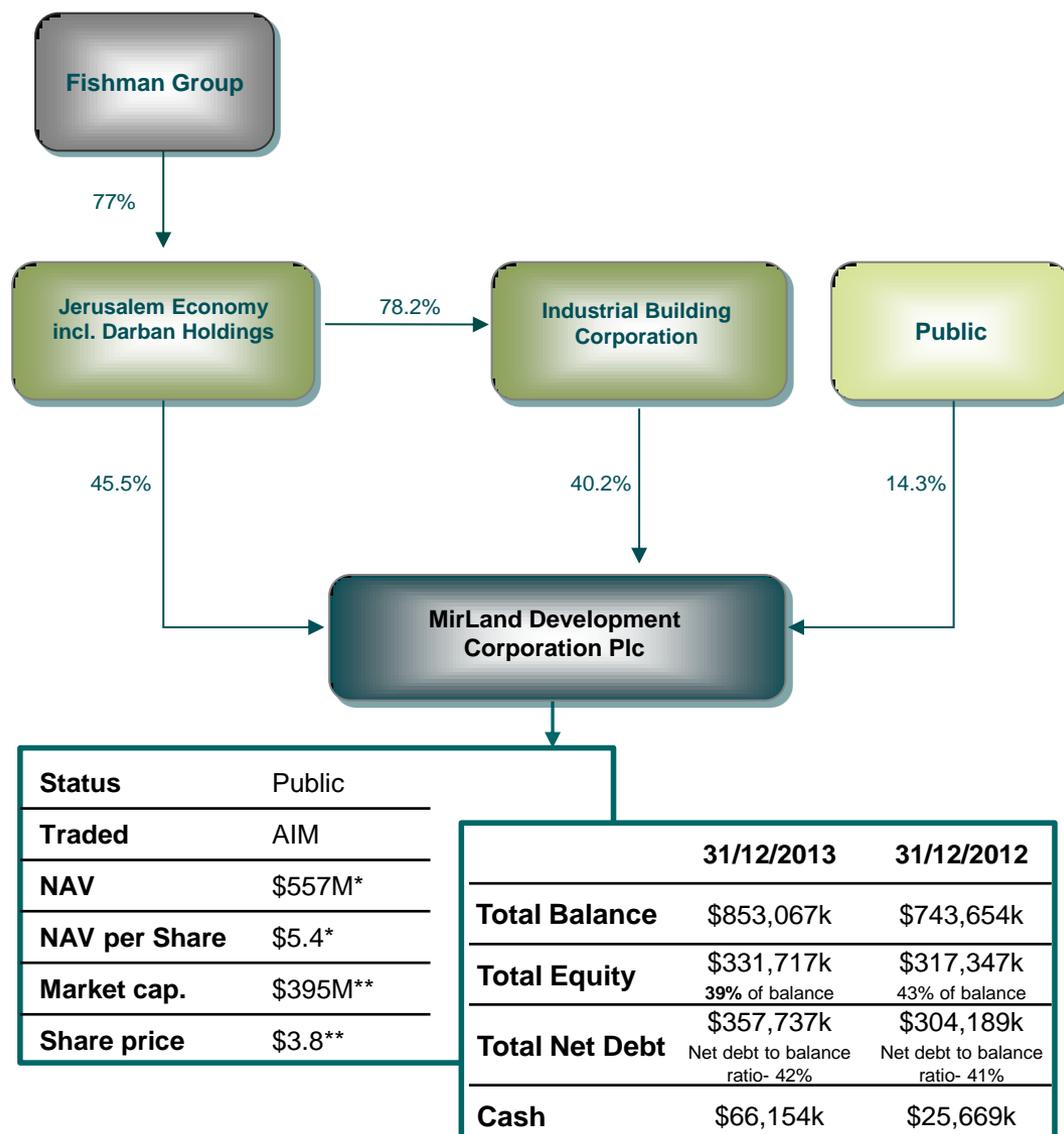
This presentation includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” 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



(*) As of December 31, 2013 , (**) As of March 2014

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

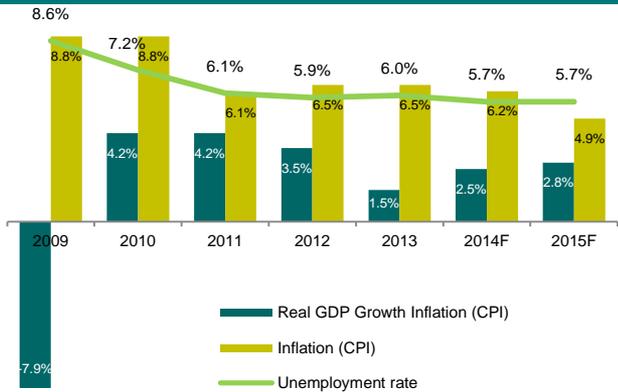
- Starting from 2015 in amount of ~\$15M, subject to adoption of the dividend policy



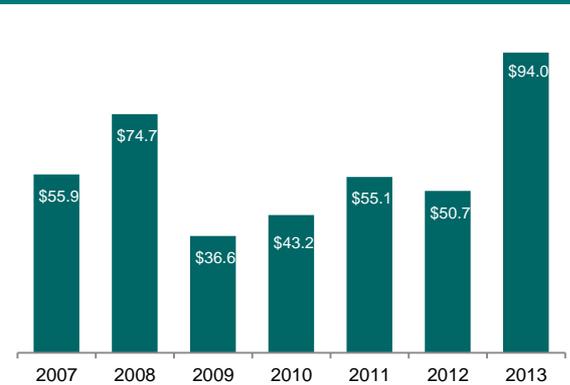
Russian Economy Overview & Portfolio Highlights

- 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

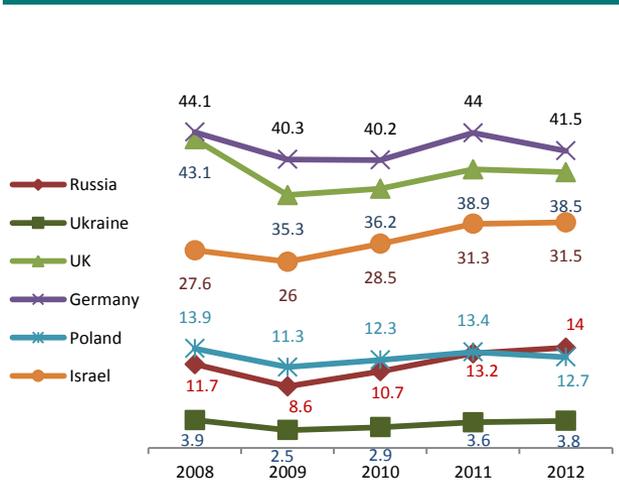
Real GDP Growth, Inflation and Unemployment, %



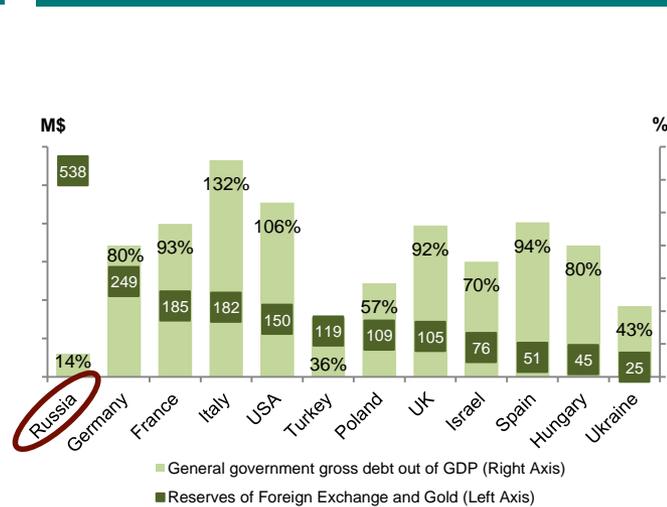
Foreign Direct Investments, \$bn



GDP per Capita Comparison, \$'000



Government Debt % of GDP & Reserves, \$mil



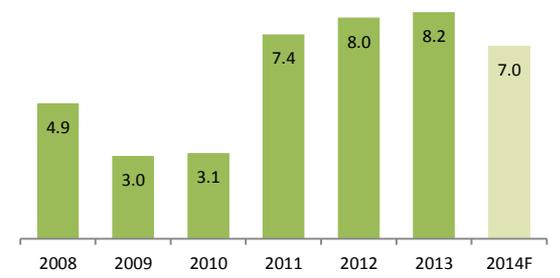
With high reserves of foreign exchange and gold together with low debt Russia is well positioned to stimulate economy growth

- 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

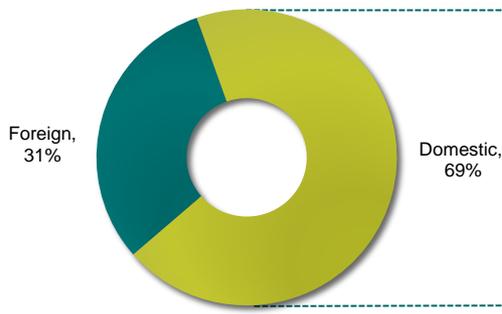
Prime Yields in Moscow, %



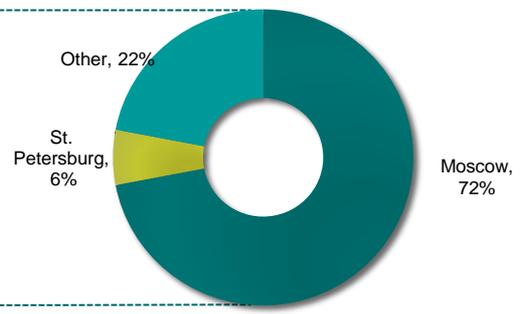
Accumulated Investment in Commercial RE, \$bn



Origin of Investments, %



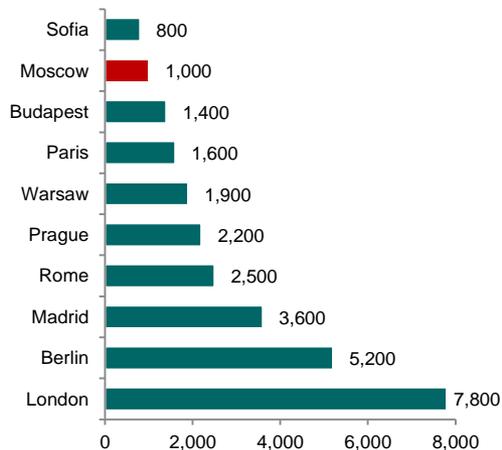
Domestic Investments Split, %



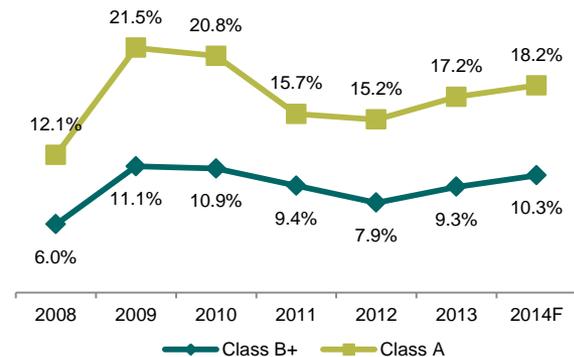
Real estate sector continues to perform well due to strong consumer market

- 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

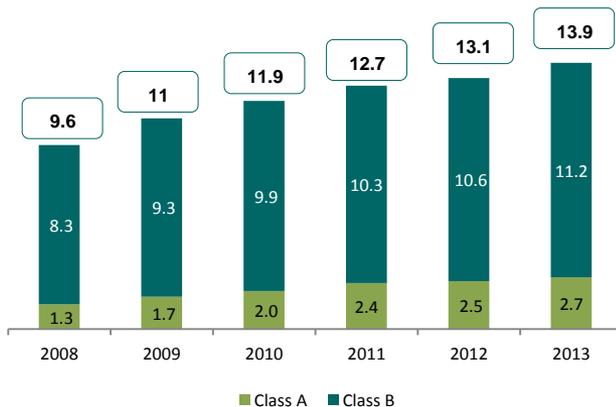
Office Stock per 1,000 ppl



Vacancy Rates for Class A&B in Moscow, %



Office Stock in Moscow, mil sqm



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



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

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

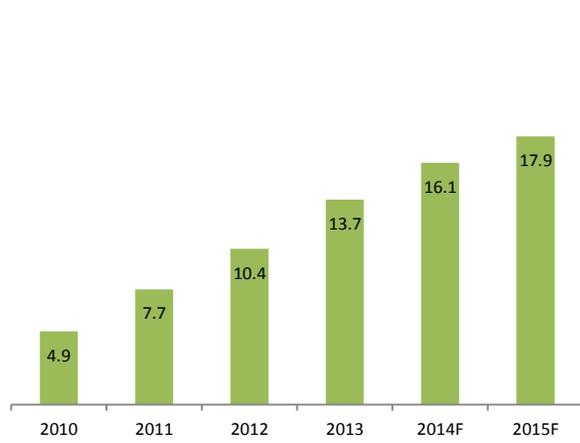
Contracts Data Summary

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

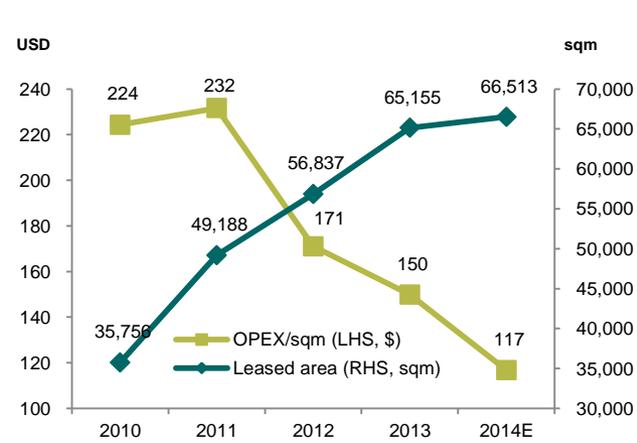


MirLand Business Center comprises 4 Class B+ office projects, located in the northern part of Moscow's Novoslobodskiy business district

Annual NOI (MirLand Share), \$M



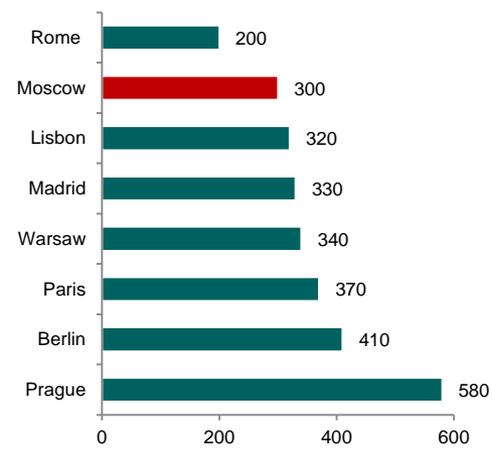
OPEX Dynamics \$/sqm per Leased Area in sqm



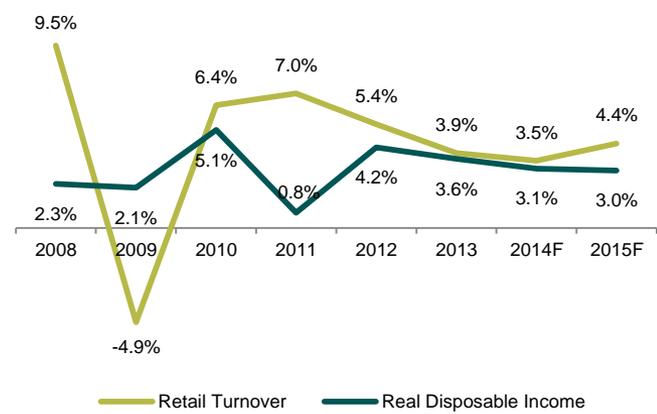
*MirLand share

- 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

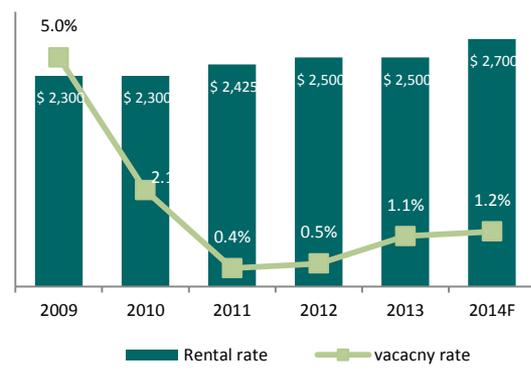
Retail Stock per 1,000 ppl



Retail Turnover & Real Disposable Income, %YoY



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



Quality Retail Delivery, '000 sqm



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

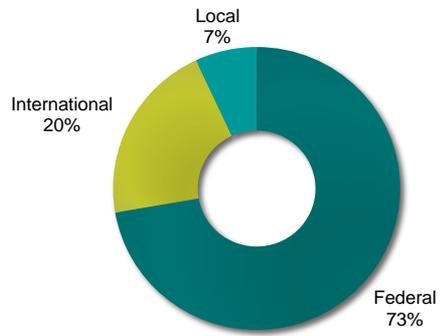
- Land area: 2.2 ha
- GLA: 27,305 sqm
- Completed: Q4 '10
- Rights from freehold: 100%
- Average monthly footfall: 538K
- C&W Valuation 31/12/13: \$135.3M
- NOI 2013: \$13.7M

Contracts Data Summary

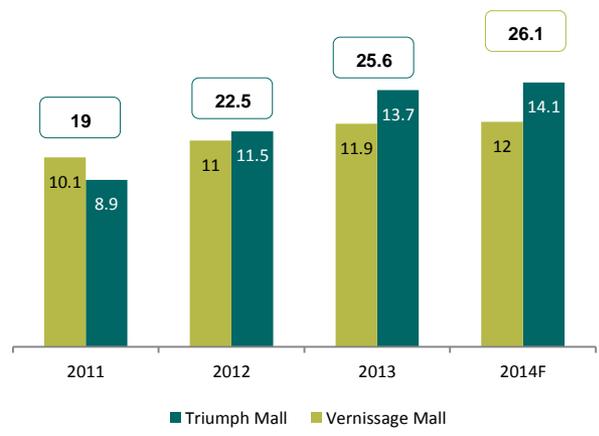
- Annual ave rent per sqm: \$411
- Ave contract duration: 11.5 (y)
- Tenants: 260
- Indexation: ~4%
- Currency: linked to USD
- Occupancy: 100%



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



CALZEDONIA

re RESERVED



Accessorize



O•STIN



RIVE GAUCHE

Seppälä

HOMEcenter

M. Hugo

befree



Paolo Conte fashion



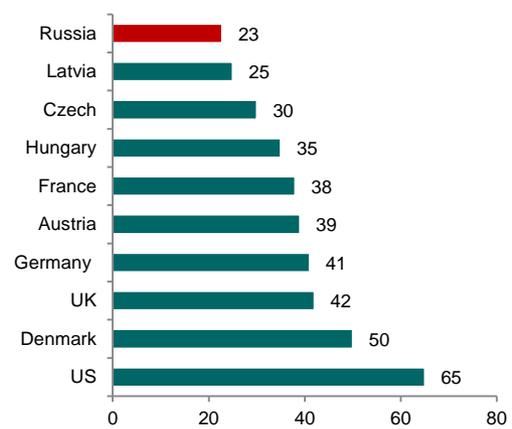
LINDEX

be casual
FINN FLARE
ОДЕЖДА ОБУВЬ АКСЕССУАРИ

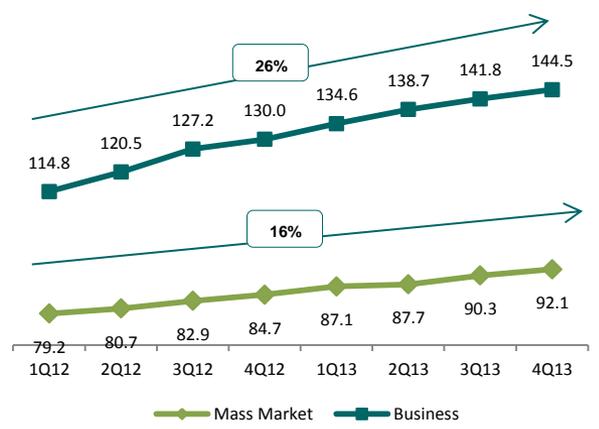


- In Russia the average area per capita totals at circa 23 sqm
- 35% of the existing stock is in poor condition and therefore should be replaced within the next 5-7 years
- The mortgage market amounts to only 3% of GDP
- ~3,300K sqm of housing was delivered in St. Petersburg in 2013
- Over 85% of the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

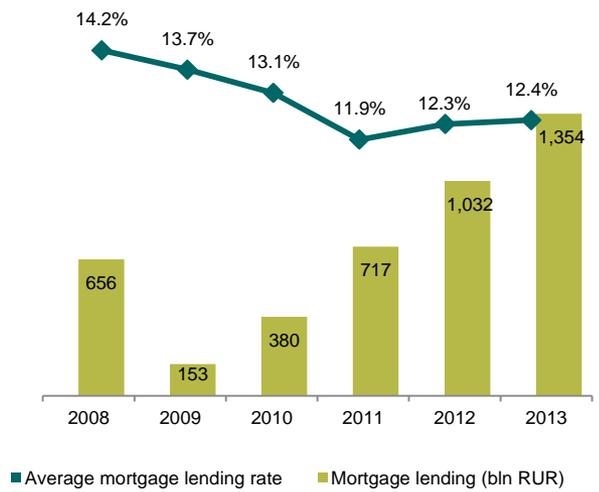
Average Living Space Comparison, sqm/capita



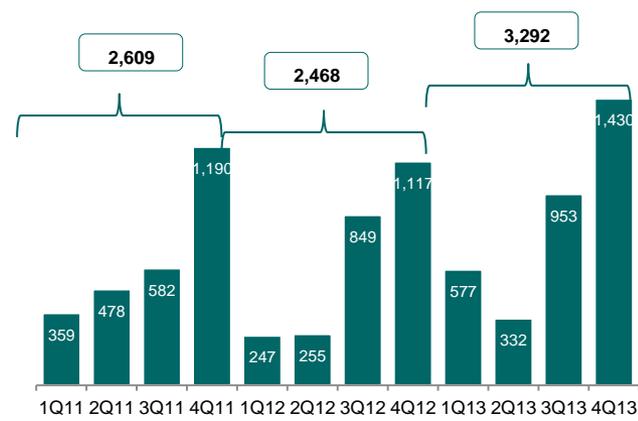
St. Petersburg's Primary Housing Prices, '000 RUB/sqm



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

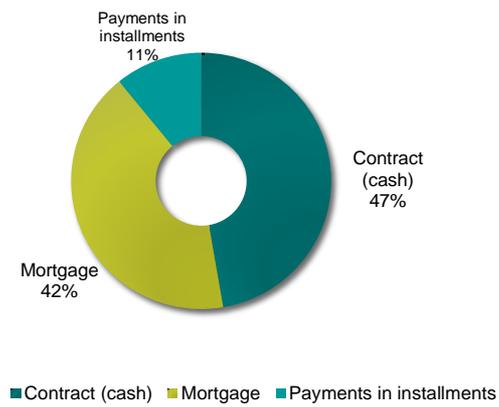
Source: Rosstat, AHML, Peterburgskaya Nedvizhimost,

- 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

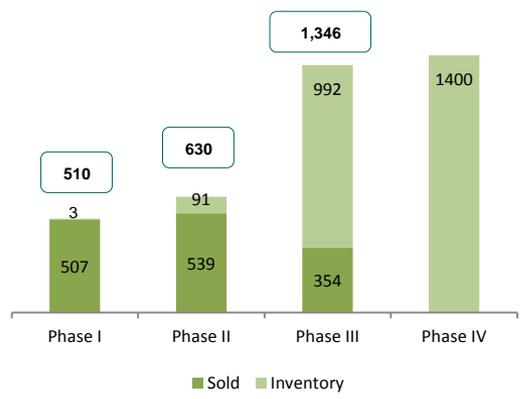
Phased development of a residential neighbourhood with commercial and public areas. Phases I-IV are in process, further development of additional 370K sqm is in planning

| |  |  |  |  |
|---|---|--|---|---|
| | Phase I | Phase II | Phase III | Phase IV |
|  | | | | |
| 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



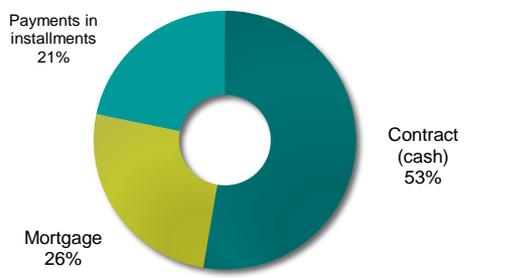
Sales & Inventory by Phases, apt



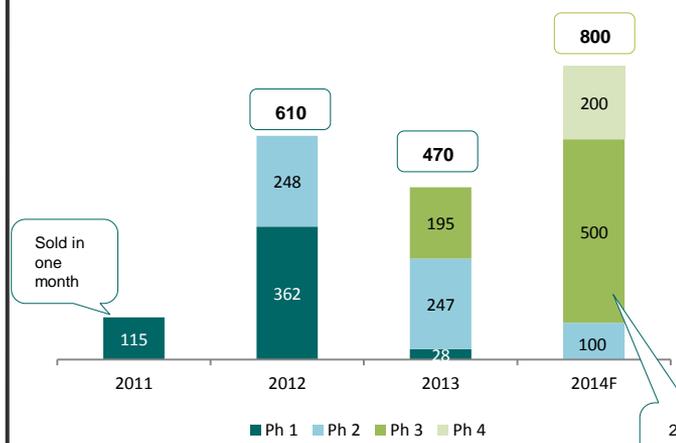
Projected Price vs Initial Sale Price, RUB/sqm



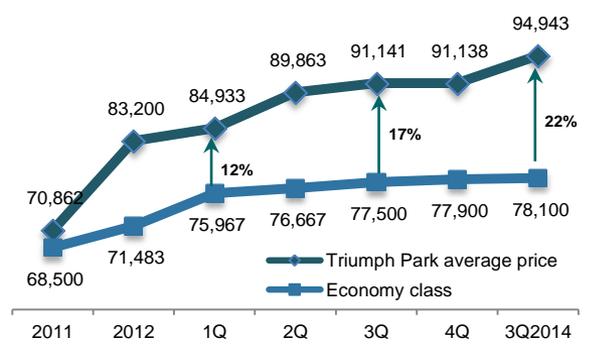
Phase III Payment Spread



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
0044-7724



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 | |

*Depended on the exchange rate

- 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

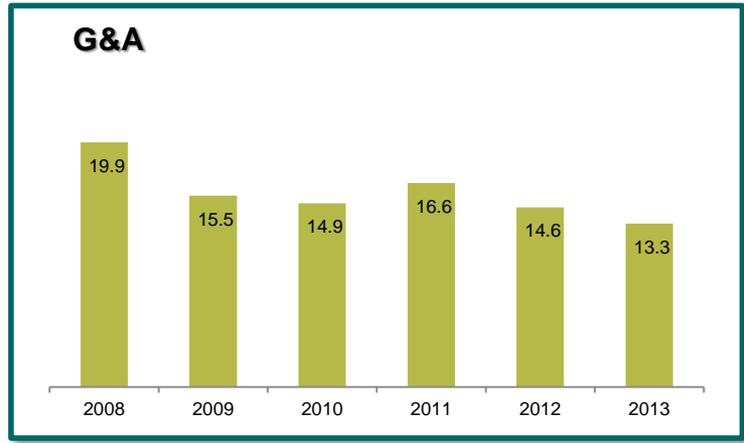
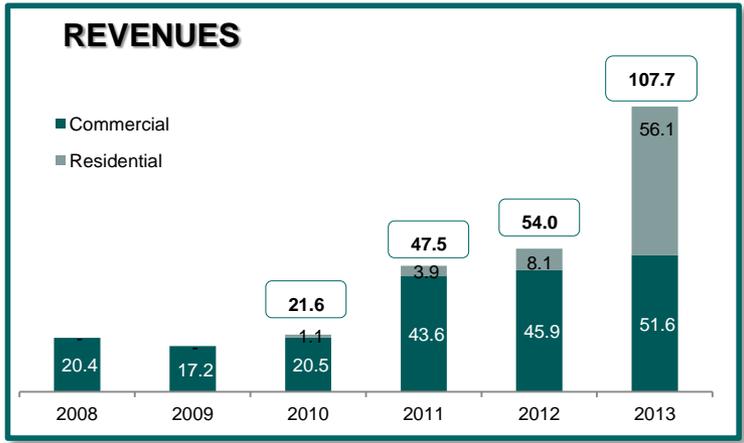
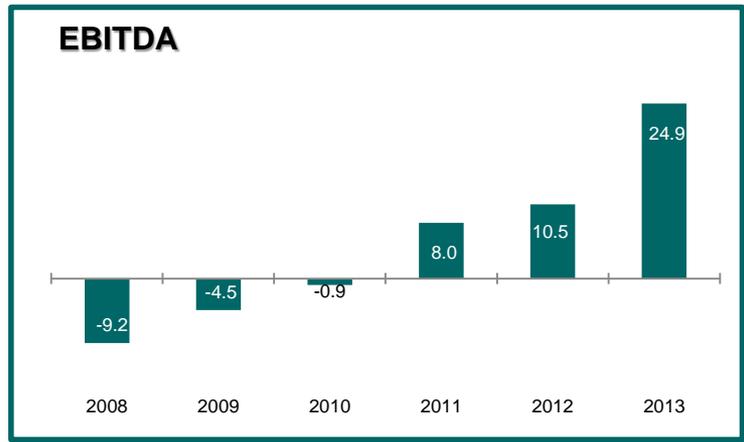
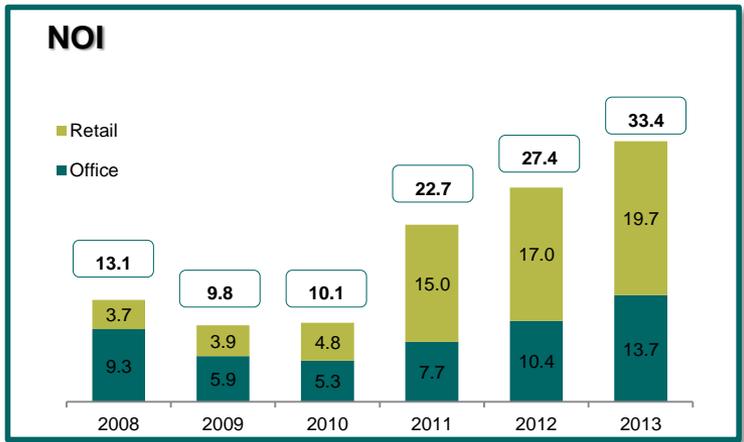
Project Status:

- 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

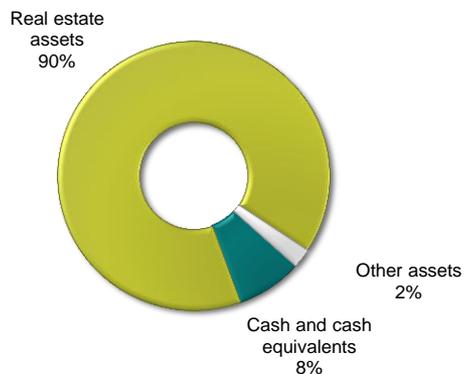




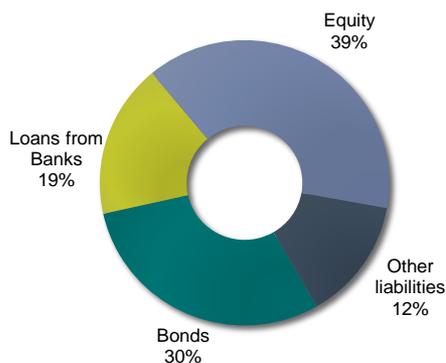
*All figures in mil USD

Financial Highlights

Assets

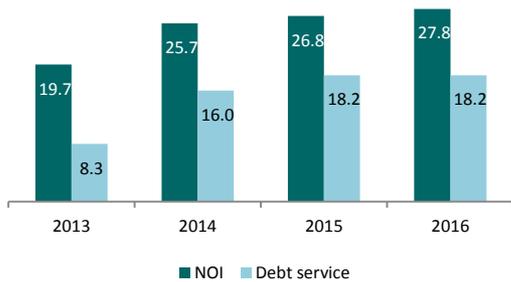


Liabilities & Equity

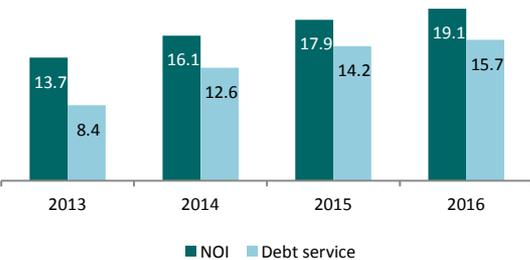


| | <u>31/12/2013</u> | <u>31/12/2012</u> | <u>31/12/2011</u> |
|---------------------------------|---|---|---|
| Total Balance | \$853,067k | \$743,654k | \$739,605k |
| Total Equity | \$331,717k 39% of balance | \$317,347k 43% of balance | \$347,138k 47% of balance |
| Property & Land | \$767,281k 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

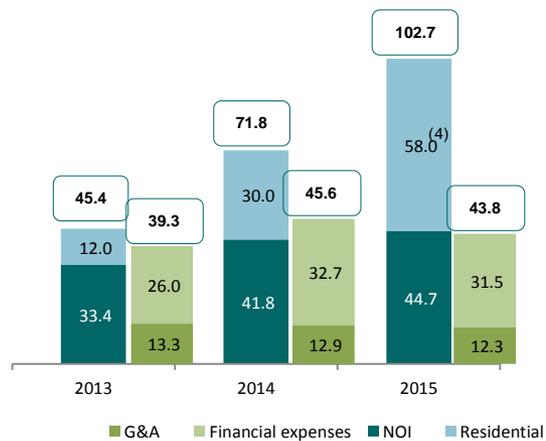


Office Projects NOI vs Debt Service*, \$mil



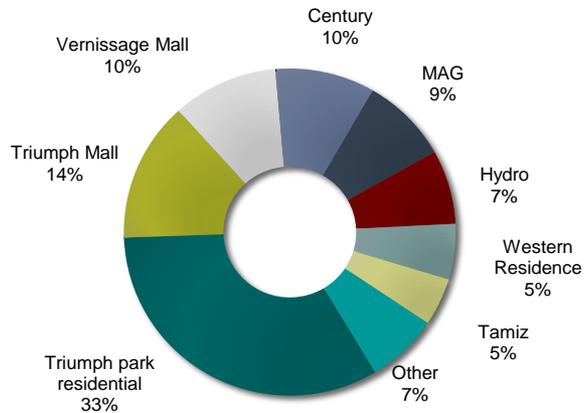
| Project/ Data, \$mil | Valuation as of 31/12/2013 | Financing ⁽²⁾ | Loan to Value | Presented in FS | Asset Cost | NOI 2014F | Loan terms |
|---|----------------------------|--------------------------|---------------|-----------------|--------------|-----------|--|
| Retail | | | | | | | |
| Triumph 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

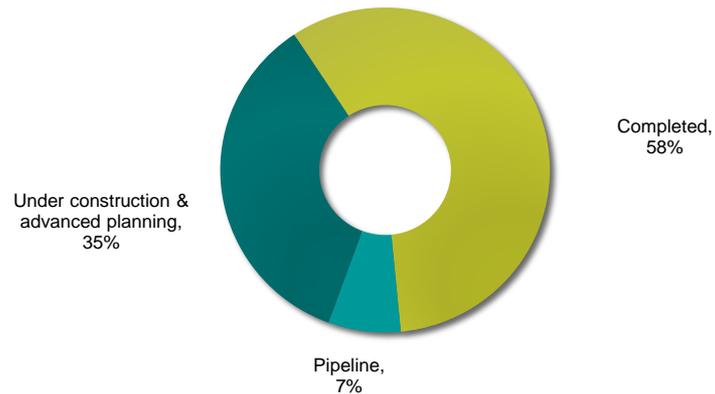


(*) Principal and Interest (2) Incl. outstanding credit line (3) 100% of the project (4) Possibility of income recognition in H1/2016

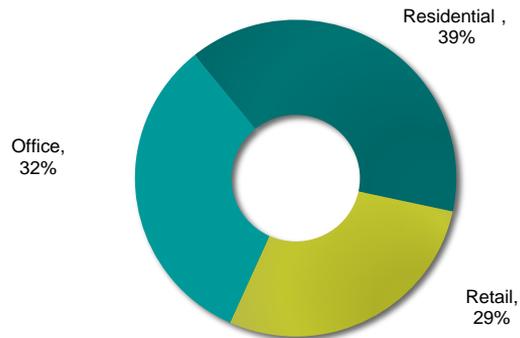
Portfolio Assets by Value, %



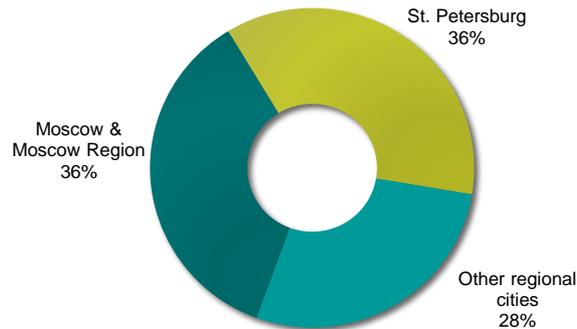
Portfolio Development Stage Distribution by Value, %



Portfolio Segment Distribution by Value, %



Portfolio Geographic Distribution by Value, %



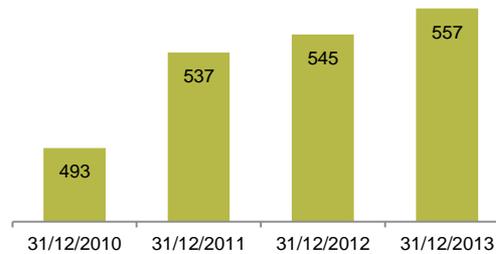
■ Total Portfolio as of 31/12/2013: \$977.2

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

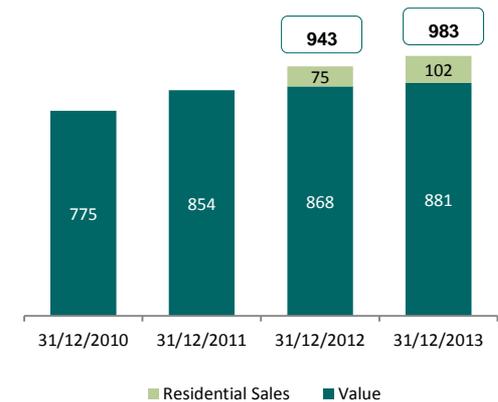
NAV Calculation as of 31/12/2013, \$mil

| | \$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

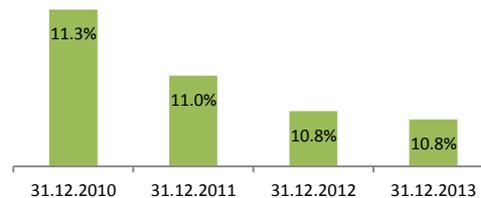
Internal Revaluation Sensitivity Analysis

| Sensitivity analysis | | Discount rate | | | | |
|-------------------------------|-------|---------------|-------|-------|-------|-------|
| Mirland share market value, % | | 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% |

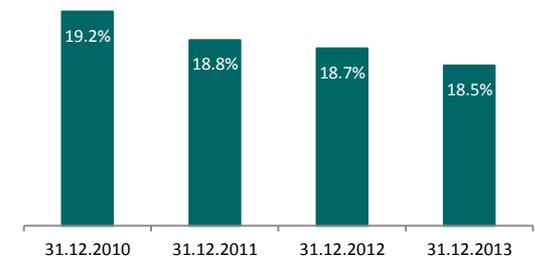
| Sensitivity analysis | | Discount rate | | | | |
|-----------------------------------|-------|---------------|-------|-------|-------|-------|
| Mirland share market value, \$mil | | 0.0% | -0.5% | -1.0% | -1.5% | -2.0% |
| Cap rate | 0.0% | \$881 | \$20 | \$41 | \$63 | \$86 |
| | -0.5% | \$22 | \$43 | \$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

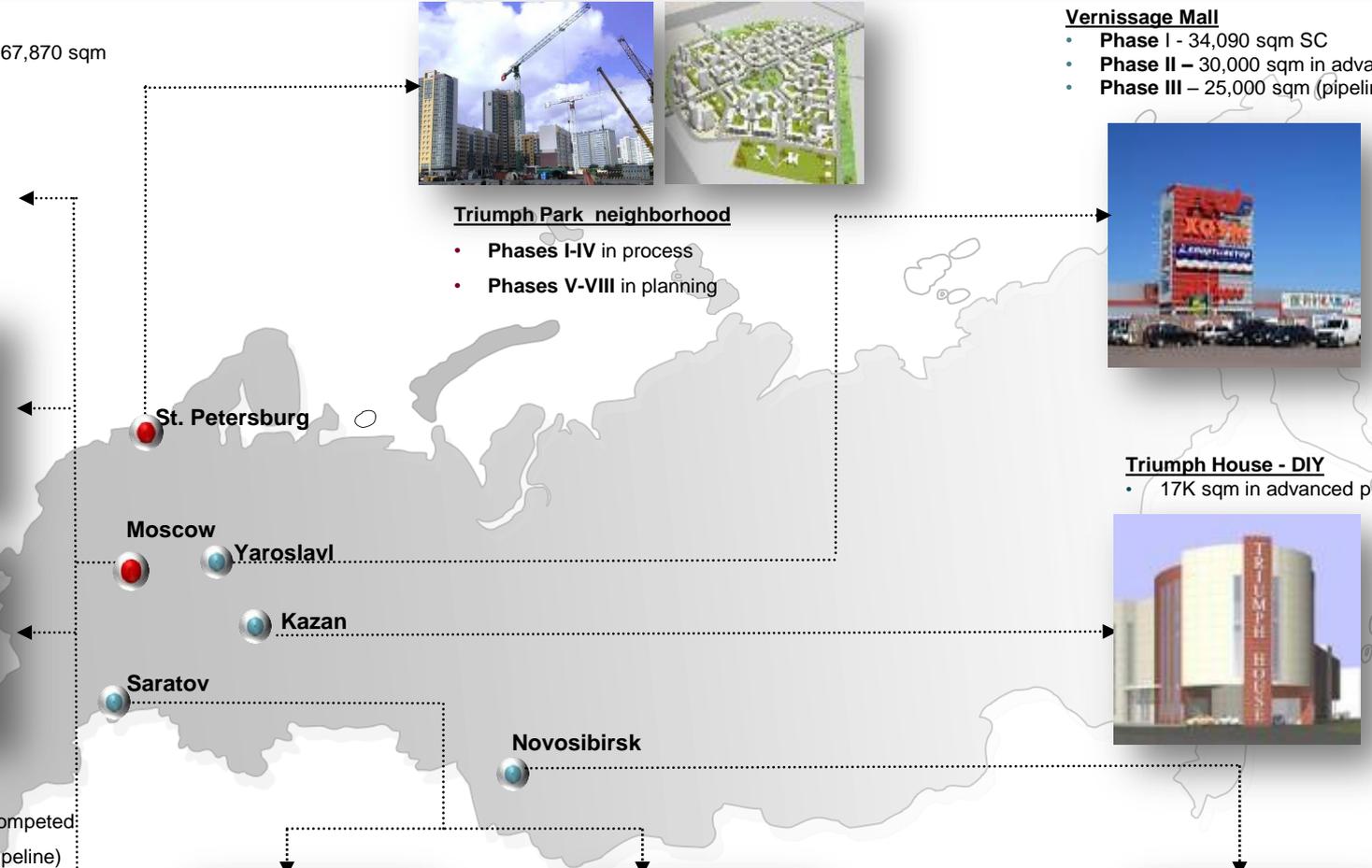
Vernissage Mall

- 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)

