

March 2015



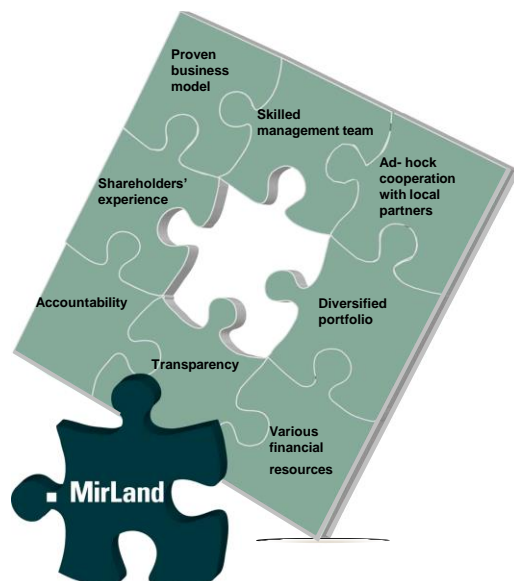
MirLand Development Corporation Plc

MirLand - 2014 RESULTS PRESENTATION



Forward Looking Statements Disclaimer

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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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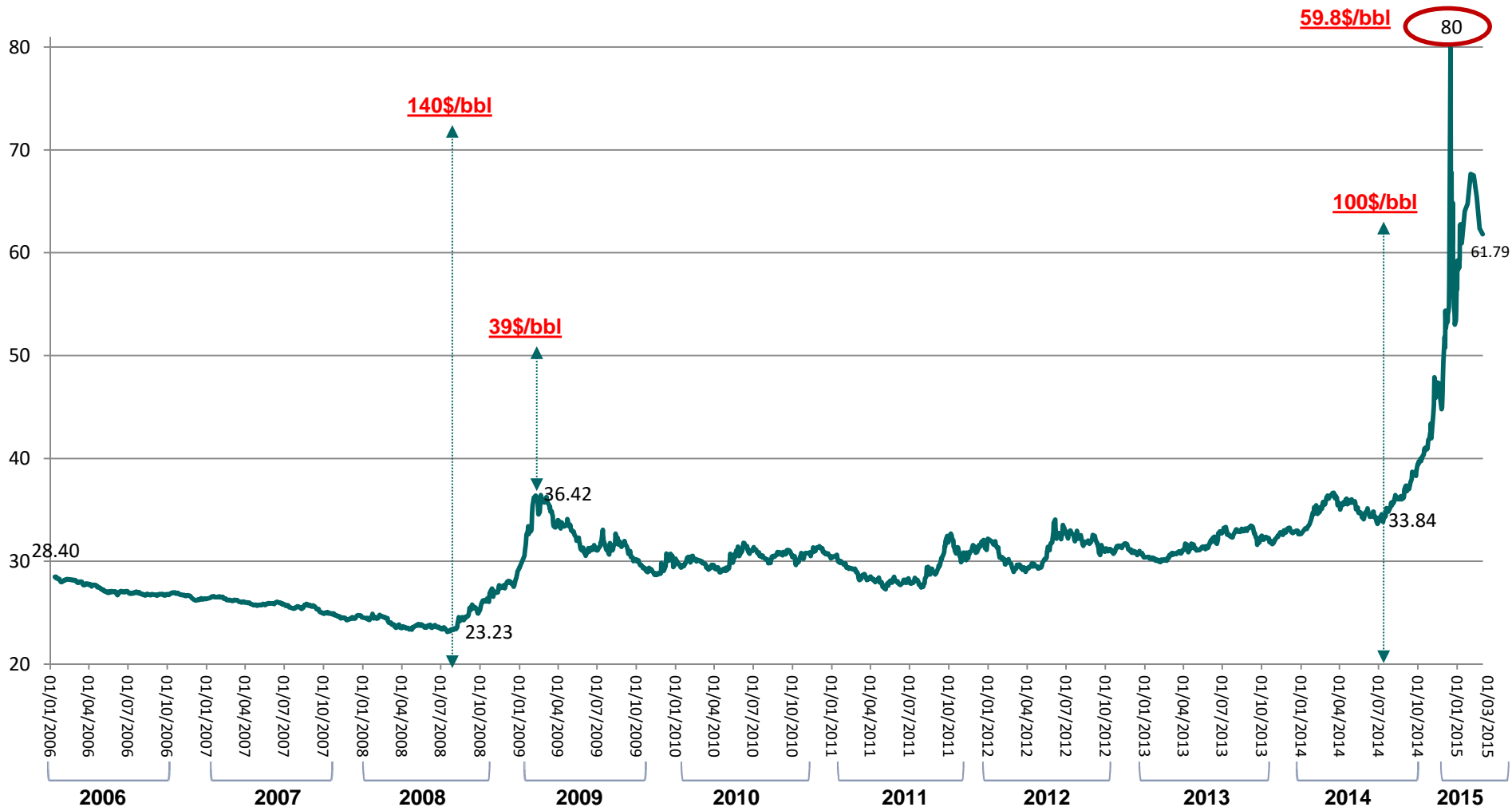
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- **Russian Economy Overview**
- **Real Estate Market**
- **Portfolio Overview**
- **Financials**
- **Cushman & Wakefield Valuation of Assets**

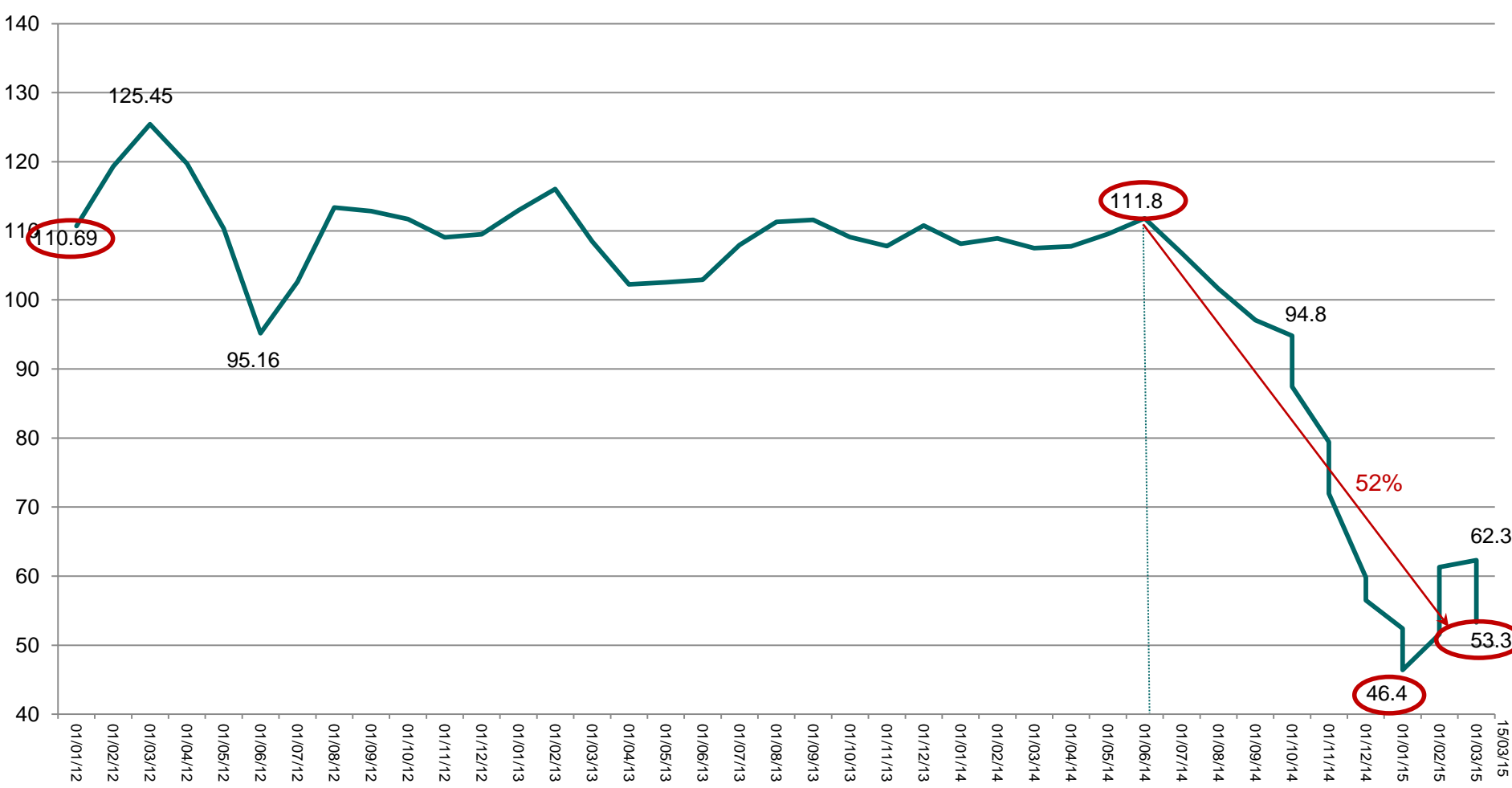
CHAPTER I

Russian Economy Overview

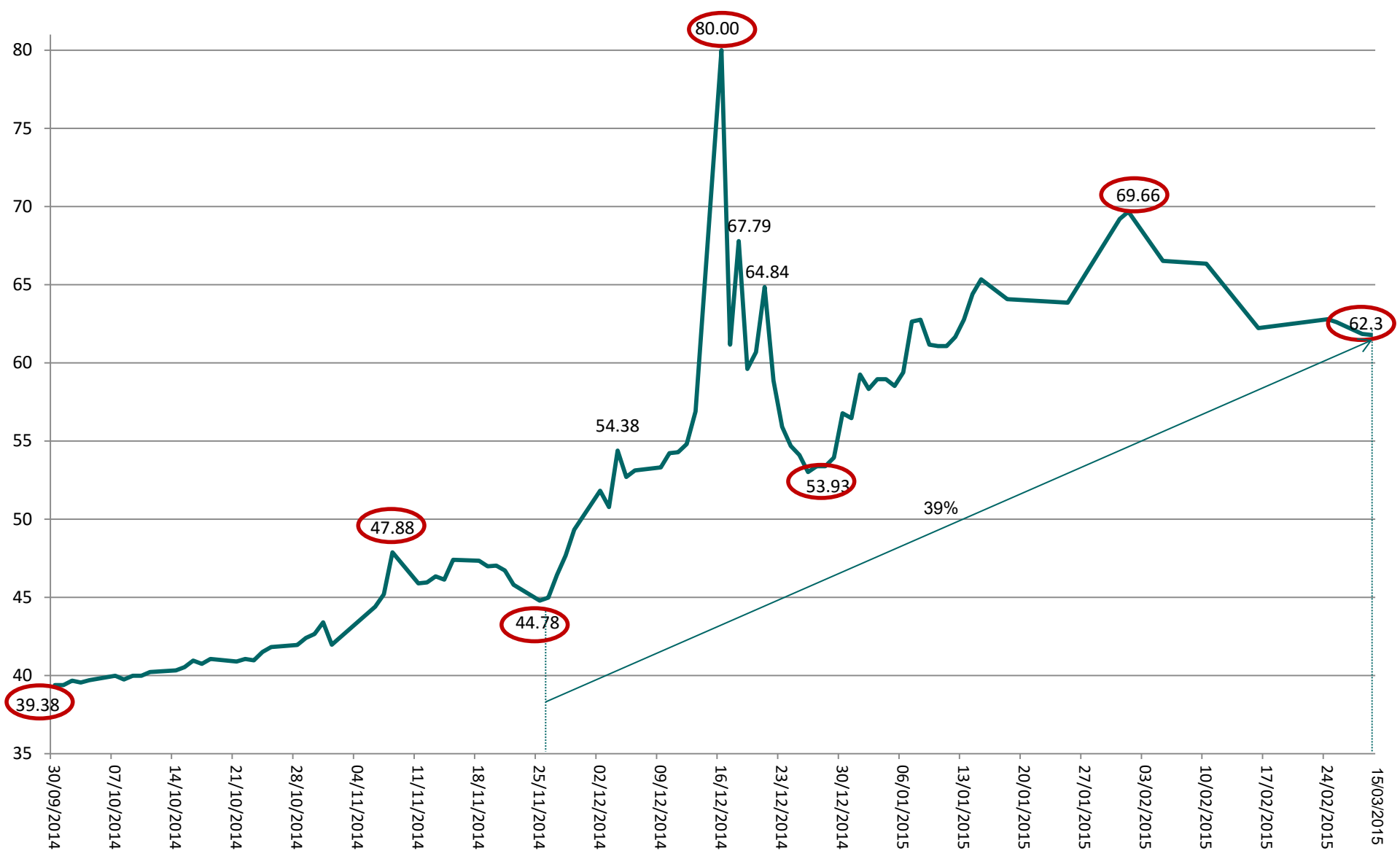
RUB/USD Exchange Rates 2006-2015



Brent Oil Price Dynamics 2012 – 2015, USD/bbl



RUB/USD Exchange Rates 30/09/2014 – 1/3/2015

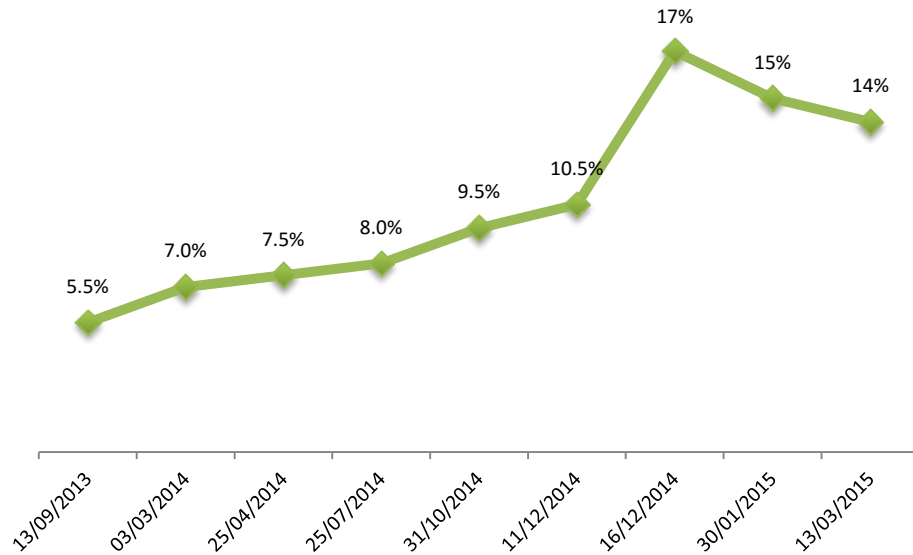


Source: Central Bank of Russia

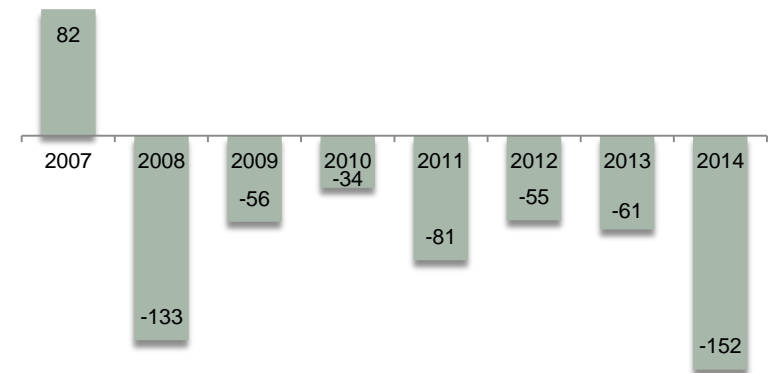
Russian Economy Highlights

- **Russia's international reserves** fell by \$124bn or 24.4% in 2014 to \$385bn as of January 1, 2015
- **Interest Rate** reached an all time high of 17% in December 2014, and currently at 14%
- **Net capital outflow** for 2014 jumped to a historical high of \$152bn. The Central Bank predicts a capital outflow in 2015 of about \$118bn

CBR Interest Rate, %



Net Capital Outflow, \$ bln



Credit Rating

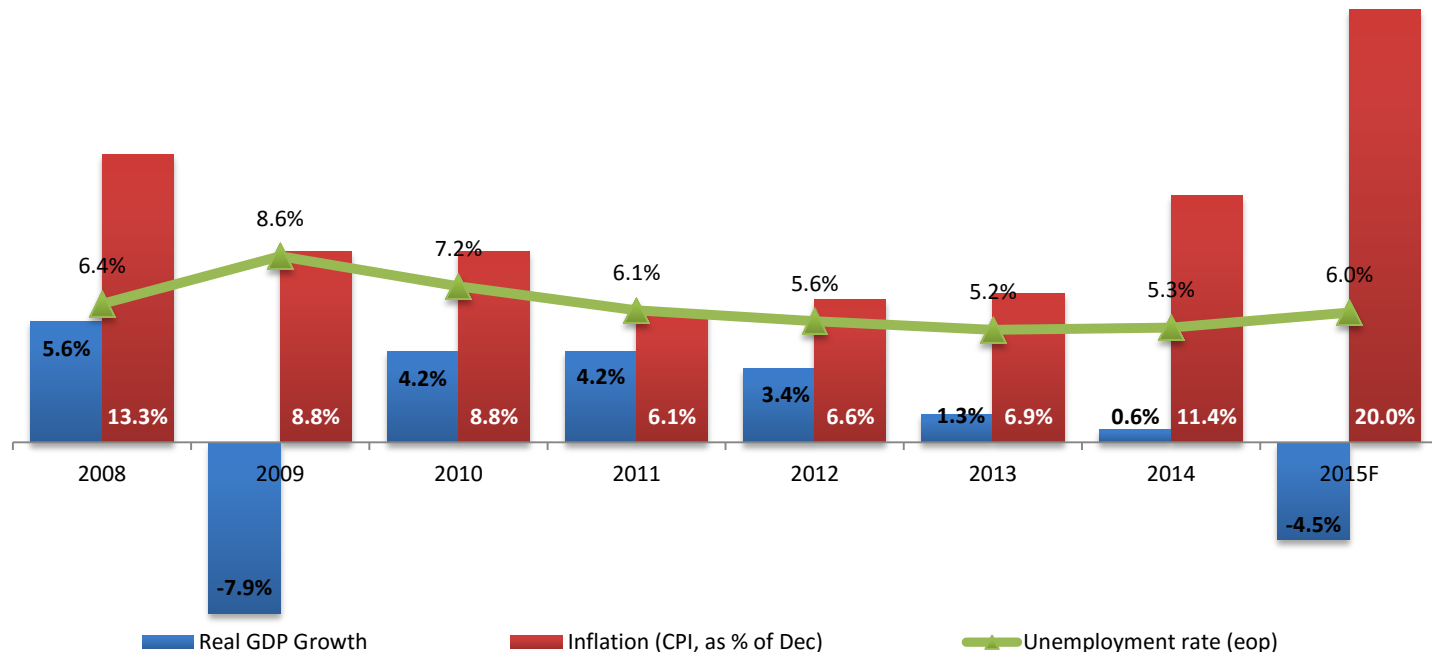
	S&P (Jan '15)		Moody's (Feb '15)	
Russia	BB+	negative	Ba1	negative

Russian Economy Highlights

- **GDP** – By the end of 2014 the most relevant economic forecast came from the Russian Central Bank. The predicted scenario was for \$60/bbl and GDP contracting by 4.5% in 2015 and recovery will start around 2017
- **Inflation** stayed in the 6-8% y/y range for most of 2014, increased rapidly toward end-2014, reaching 11.4%, and has proceeded to 16.2% y/y as of today. Some estimations predict a peak as high as 20% in 2015
- **Unemployment rate** increased to 5.5% in January 2015 from 5.3% in December 2014

Source/ GDP forecast	2014	2015	2016	2017
Ministry of Economic Development	0.6%	-0.8%		
Central Bank	0.6%	-4.5%	-0.9%	5.6%
International Monetary Fund		-3.0%	-1.0%	
Citigroup	0.5%	-1%	-1.7%	

Real GDP Growth, Inflation and Unemployment, % (by C&W and Company Estimation)



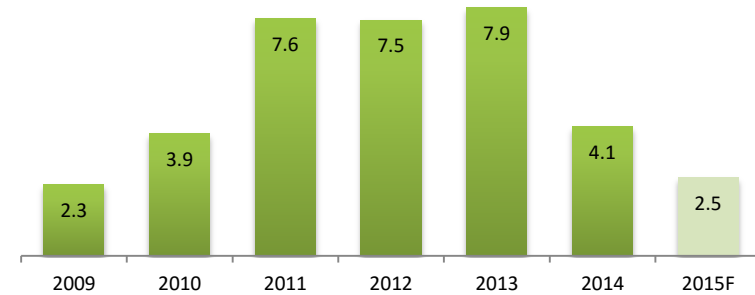
CHAPTER II

Real Estate Market Overview

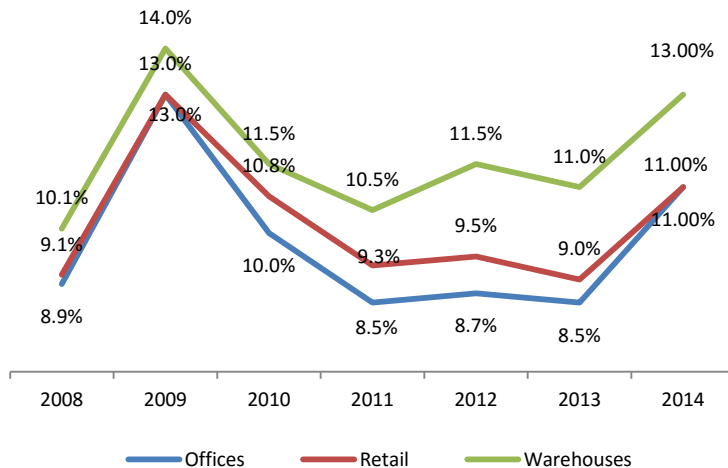
Real Estate Market Highlights

- **Prime yields increased** in 4Q14 by 1.75% for offices, 1.5% for prime retail, and 1.5% for warehouses (compared to 3Q14) to 11%, 11% and 13% respectively
- The **total volume of investments** in 2014 accounted for \$4.1bn, comparable to the level of 2010 (54%, standing for \$2.2bn invested in offices). The forecast for 2015 is \$2.5bn
- The leading share of investments belongs to Russian investors with 82% (\$3.4bn). Moscow's investment deals comprise more than 90%

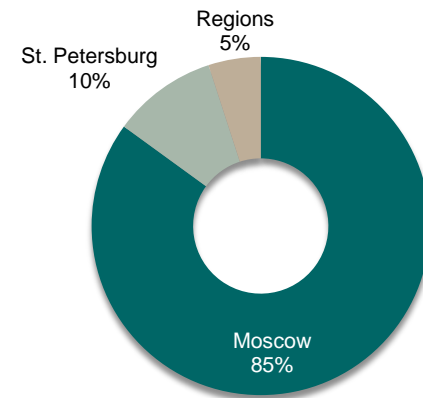
Accumulated Investment Volume in Commercial RE, USD bn



Prime Cap Rates in Moscow, %



Investment Breakdown by Region in 2014



CHAPTER III

Portfolio Overview

Mirland Business Center, Moscow

Office complex

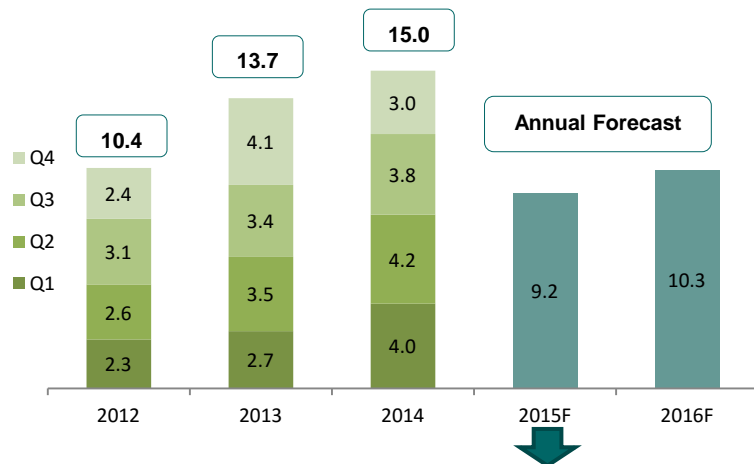


Project details

■ Land area:	4.45ha
■ Total GLA:	67,871 sqm
■ Occupancy 31/12/14:	86%
■ C&W Valuation* 31/12/14:	\$175M
■ C&W Valuation* 30/06/14:	\$252M
■ Valuation Change:	(-30%)

*MirLand share

NOI QoQ (MirLand Share), \$M



2015F NOI calculation:

Currency 36.2 to 62.0 RUB/USD

Occupancy 87% to 75%

Rent Discount

Reduction in USD mil

3.9

1.5

0.4

NOI Forecast Calculation, \$mil

Parameter	2015F	2016F
Currency	62RUB/USD	55RUB/USD
Occupancy	75%	79%
NOI	\$9.2M	\$10.3M

Triumph Mall, Saratov

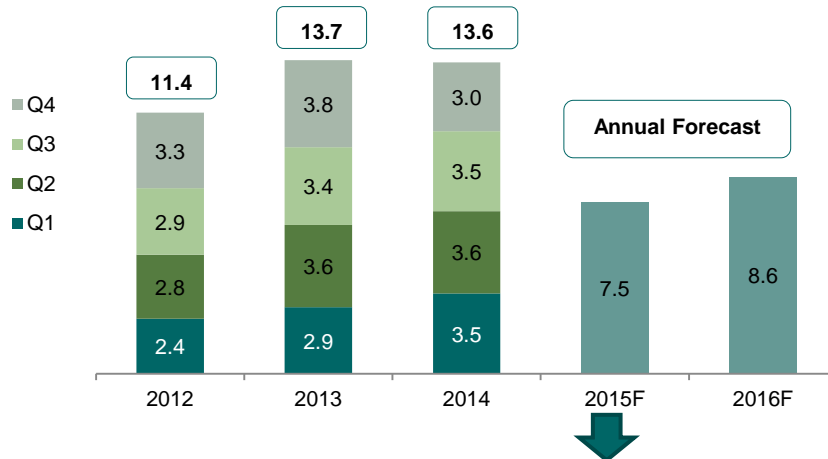
Shopping center



Project details

■ Land area:	2.2 ha
■ GLA:	27,305 sqm
■ Completed:	Q4 '10
■ Rights from freehold:	100%
■ Occupancy 31/12/14:	100%
■ C&W Valuation 31/12/14:	\$96.5M
■ C&W Valuation 30/06/14:	\$137.3M
■ Valuation Change:	(-30%)

NOI Development QoQ, USDml



Annual Forecast

2015F NOI calculation

Reduction
in USD mil

FX 36.2 to 62.0 RUB/\$

4.7

Occupancy 100% to 90%

0.8

Rent Discount

1.6

NOI Forecast Calculation, \$mil

Parameter	2015F	2016F
Currency	62RUB/USD	55RUB/USD
Occupancy	90%	92%
NOI	\$7.5M	\$8.6M

Vernissage Mall, Yaroslavl

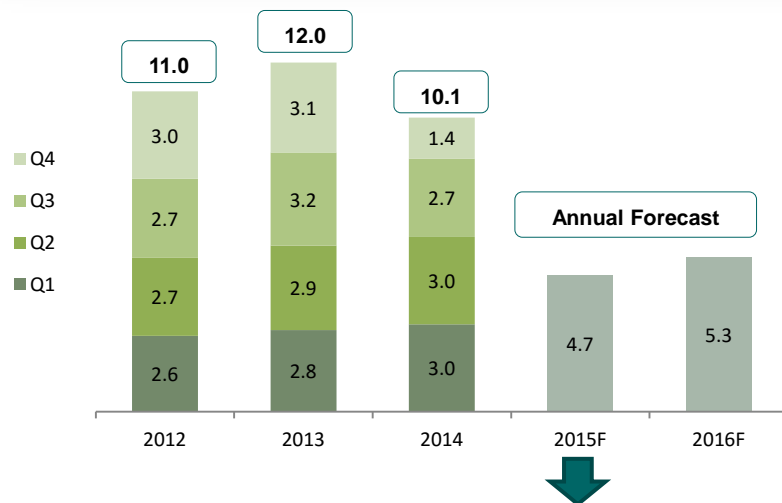
Shopping center



Project details

■ Land area:	12 ha
■ GLA:	34,090 sqm
■ Completed:	Q2 '07
■ Rights from freehold:	100%
■ Occupancy 31/12/14:	97%
■ C&W Valuation 31/12/14:	\$70M
■ C&W Valuation 30/06/14:	\$102.8M
■ Valuation Change:	(-32%)

NOI Development QoQ, \$mil



NOI Forecast Calculation, \$mil

Parameter	2015F	2016F
Currency	62RUB/USD	55RUB/USD
Occupancy	85%	87%
NOI	\$4.7M	\$5.3M

2015F NOI calculation	Reduction in USD mil
FX 36.2 to 62.0 RUB/\$	3.4
Occupancy 100% to 85%	0.8
Rent Discount	2

Triumph Park, Project Advancement



Triumph Park –
where dreams
become
opportunities



Triumph Park, St. Petersburg - Summary

- Land area: 41 ha
- Total saleable area: 560,000 sqm (9,000 apt)
- Rights from freehold: 100%
- C&W Valuation 31/12/14: \$176M
- C&W Valuation 30/06/14: \$324.6M
- Valuation Change: (-46%)

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Phased development of a residential neighbourhood with commercial and public areas

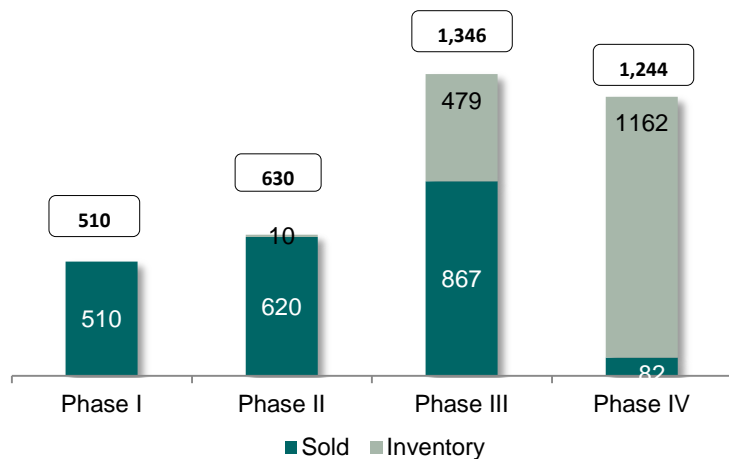


	Phase I	Phase II	Phase III	Phase IV
Start	Q3/2011	Q3/2012	Q3/2013	Q3/2014
Finish	Q2/2013	Q4/2014	Q4/2016	Q4/2017
Number of apt	510	630	1,346	1,244
Total sqm	27,719	34,088	63,186	60,694
Average sale price, RUB	81,700	92,000	100,000	104,000
Total income, \$mil	71	98	194	205
Profit, \$mil (32RUB/\$)	12	26	58	66
Profit, \$mil (53.5RUB/\$)	6	14	31	35
NET Profit %	20%	24% - 28%	28% - 30%	30% - 33%
Cash-flow projected from phase, \$mil (32RUB/\$)	12.5	14	72.4	78.7
Cash-flow projected from phase, \$mil (53.5RUB/\$)	-	2	22.4	44
Decrease in Cash-flow projection		12	50	34.7

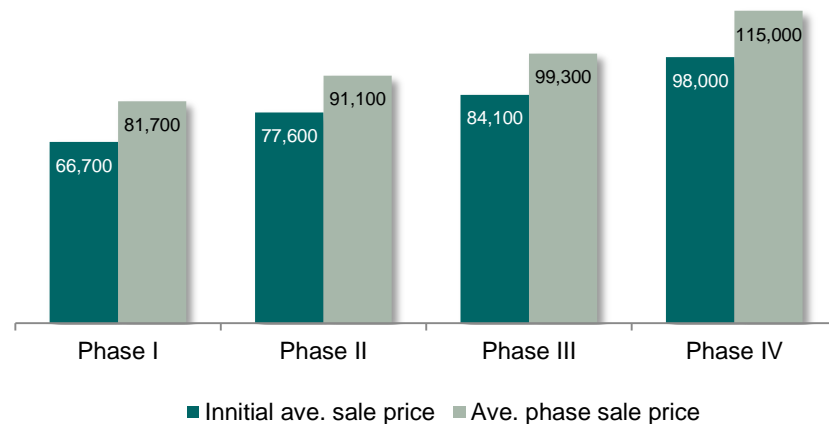
96.7

Triumph Park, St. Petersburg - Sales

Sales & Inventory by Phases, apt



Initial Sale Price vs Ave. Phase Price, RUB/sqm



Western Residence, Moscow

Residential complex



Project details

■ Land area:	22.5 ha
■ Saleable area:	65,629 sqm
■ Phase 1:	77 houses
■ Rights from freehold:	100%

■ C&W Valuation 31/12/14:	\$31M
■ C&W Valuation 30/06/14:	\$51.5M
■ Valuation Change:	(-40%)

Sales:

- Total sales: 44houses
- 2014 sales: 11 houses
- 2015 sales: 4 houses



CHAPTER IV

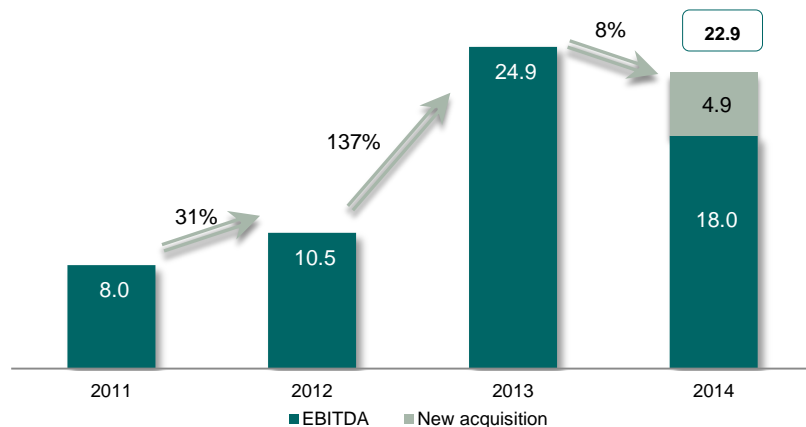
Financials

Financial Highlights – 31/12/2014

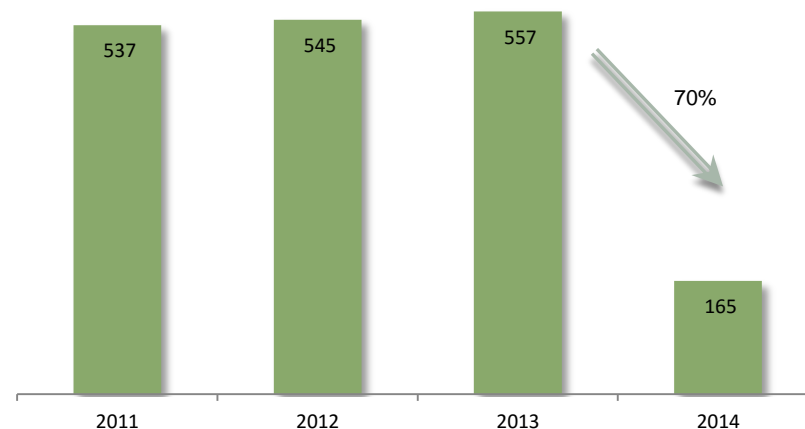
	31/12/2014	31/12/2013	31/12/2012
Total Balance	\$756,606K	\$893,170K	\$743,654K
Total Equity	\$141,447K 19% of balance	\$331,177K 37% of balance	\$317,347K 43% of balance
Property & Land	\$672,814K 89% of balance	\$807,384K 90% of balance	\$694,982K 93% of balance
Total Net Debt	\$430,148K Net debt to balance ratio- 57%	\$357,737K Net debt to balance ratio- 40%	\$304,189K Net debt to balance ratio- 41%
Net Income (loss)	(\$62,877k)	\$6,206K	(\$42,302k)
Cash (end of the period)	\$40,646K	\$66,154K	\$25,669K

Key Performance Indicators (MirLand Share)

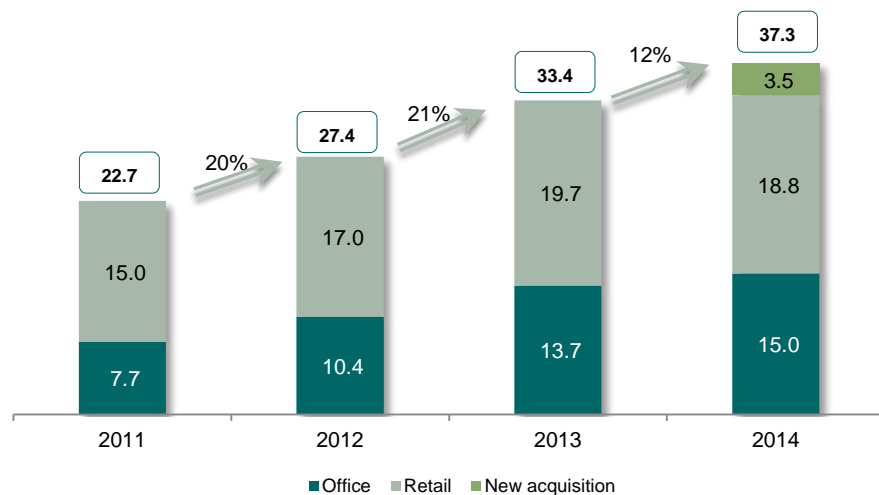
EBITDA, USDml



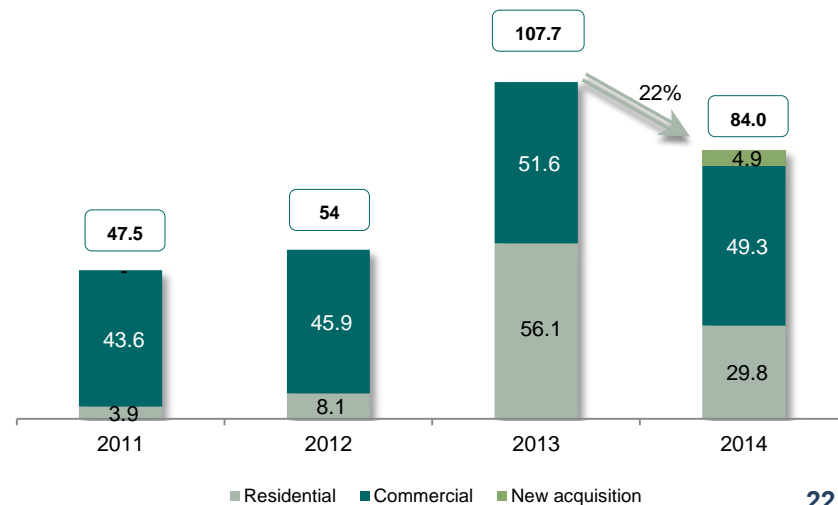
NAV, USDml



NOI, USDml



Revenues, USDml



FX Impact on Company Equity and P&L

	FS 30.9.2014	Average in Q4	Profit and Loss Items			Total Profit and Loss	Foreign currency translation reserve movements	Total Equity movements
			Forex (Finance)	Forex (Nominal Revaluation)	Real Revaluation			
	US Dollars'000		US Dollars'000					
Investment Properties	585,800	576,887	-	173,066	(171,200)	1,866	-	1,866
				-30.0%				
Inventories of buildings	226,875	223,587	-	-	-	-	(67,076)	(67,076)
							-30.0%	
Bank Loans,net of origination costs	(242,383)	(241,977)	(72,593)	-	-	(72,593)	-	(72,593)
				-30.0%				
Loans provided to subsidiaries, net	(145,778)	(146,283)	(43,885)	-	-	(43,885)	-	(43,885)
				-30.0%				
BONDS, NIS nominated	(245,057)	(243,440)	12,172	-	-	12,172	-	12,172
				-5.0%				
TOTAL	179,457	168,774	(104,306)	173,066	(171,200)	(102,440)	(67,076)	(169,516)

	1 USD/RUB	1 RUB/USD
31.12.2014	56.2584	0.0178
30.09.2014	39.3866	0.0254
		-30.0%
	1 USD/NIS	1 NIS/USD
31.12.2014	3.889	0.2571
30.09.2014	3.695	0.2706
		-5.0%

CHAPTER V

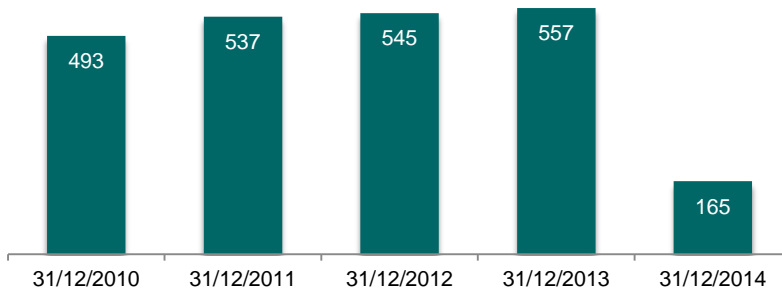
Cushman & Wakefield Valuation of Assets

Cushman & Wakefield Valuation of Assets

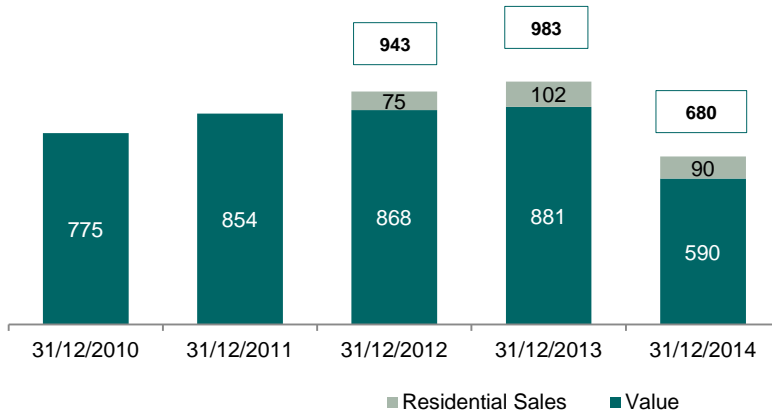
NAV Calculation

As of 31/12/2014, \$M	
Market value of the Company's beneficial share in the Properties	589.5
Advance from buyers in residential projects	90.4
Non-property non-current assets	12.1
Non-current liabilities	(47.4)
Current assets less current liabilities	(480)
Adjusted Net Asset Value	164.6

NAV Development, USD'M



CW Valuation Development, (Mirland share) USD'M



MirLand Development Corporation Assets - Overview of Market Values as at 31st of December 2014



Ref.	City	Property Name and Address	Portfolio Market Value as of 31st of December 2014	Percentage Owned by MirLand	MirLand Market Value as of 31st of December 2014 (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	Total Outstanding Investment (excl. VAT & Land for commercial properties and incl. VAT for residential)	Total Commercial Rental Income as of 2015 Market Rental Values (Assuming 100% Occupancy and Fully Completed)
001	Moscow	Hydromashservice, 2-Khutorskaya str., 38A	\$45,900,000	100%	\$45,900,000	12,237	16,696	\$2,749	14.00%	Completed	\$6,083,000
002	Moscow	MAG, 2-Khutorskaya str., 38A	\$55,700,000	100%	\$55,700,000	21,940	18,535	\$3,005	14.00%	Completed	\$6,541,000
003	Moscow Region	Western Residence, Perkhushkovo, Odintsovsky district	\$31,000,000	100%	\$31,000,000	225,300	56,876	\$545	15.50%	n/a	Residential
004	Saratov	Triumph Mall, 167 Zarubina street	\$96,500,000	100%	\$96,500,000	22,000	27,241	\$3,542	14.00%	Completed	\$10,912,000
005	Saint Petersburg	Triumph Park, Residential	\$176,000,000	100%	\$176,000,000	326,651	467,242	\$377	20.00%	\$634,799,000	Residential
006	Saint Petersburg	Triumph Park, Trade Center	\$15,500,000	100%	\$15,500,000	81,663	n/a	n/a	n/a	n/a	n/a
007	Yaroslavl	Vernissage Mall, Kalinina str.	\$70,000,000	100.0%	\$70,000,000	120,000	34,092	\$2,053	14.00%	Completed	\$7,159,000
008	Yaroslavl	Phase II	\$9,900,000	100.0%	\$9,900,000	180,000	55,000	\$180	21.50%	\$43,353,000	\$7,836,000
009	Moscow	Tamiz Building	\$33,500,000	100%	\$33,500,000	4,500	11,737	\$2,854	14.00%	Completed	\$3,870,000
010	Moscow	Century Buildings	\$72,300,000	51%/61%	\$40,200,000	5,800	20,904	\$3,459	14.00%	Completed	\$7,569,000
011	Kazan	Triumph House	\$7,400,000	100%	\$7,400,000	22,000	16,783	n/a	17.50%	\$18,276,000	\$4,269,000
012	Saratov	Logistics Complex	\$5,500,000	100%	\$5,500,000	260,000	n/a	n/a	n/a	n/a	n/a
013	Novosibirsk	Logistics Complex	\$2,400,000	100%	\$2,400,000	406,752	n/a	n/a	n/a	n/a	n/a
Total			\$621,600,000		\$589,500,000					\$696,400,000	\$54,200,000

THANK YOU!