

26 January 2015

MirLand Development Corporation plc

(“MirLand” or the “Company”)

Bonds update

Further to its announcement on 8 January 2015, MirLand today announces that, on 25 January 2015, following consultation with trustees of the Series A-F bondholders (the “**Trustees**”), it has agreed not to undertake certain transactions which would involve incurring any material obligations without giving the Trustees the agreed prior notice (the “**Agreement**”).

The Agreement has been reached in order to allow the Company and the Trustees an interim period (“**Interim Period**”) to agree a restructuring of its debt which addresses the challenges posed by the current instability in the Russian economy for the benefit of all the Company's creditors and shareholders.

The Company's obligations under the Agreement cease in the event of any enforcement action being taken against the Company.

Furthermore, the Company's controlling shareholders, Jerusalem Economy Ltd., Industrial Buildings Corporation Ltd. and Darban Investments Ltd., as well as Dunchoille Holdings Ltd. (a subsidiary wholly owned by the Company), have undertaken that, during the Interim Period, no disposal will be made by them of any of the Company's debentures held by them, unless they give the Trustees prior written notice specifying the particulars of the transaction.

The Company will continue to engage proactively with the Trustees in order to reach a mutually beneficial agreement and will keep the market updated.

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