

27 February 2015

MirLand Development Corporation plc

("MirLand" or the "Company")

Trading update

MirLand, one of Russia's leading residential and commercial property developers, today announces a trading update for the 3 month period to December 31, 2014.

The Company's independent appraiser (Cushman and Wakefield) has indicated that preliminary valuation of the Company's portfolio of investment properties and investment properties under development as of 31 December 2014 will record a decrease during the fourth quarter of approximately US\$162 million (Company's share). The above mentioned decrease is on a non-cash basis and therefore will not affect the Company's cash reserves.

As a result of this, Mirland expects the fourth quarter results to be affected by an equity deduction of circa US\$170 million and an equity attributed to shareholders deduction of circa US\$164 million. In addition, the Company expects the gross value of its portfolio of properties to decrease from circa US\$921 million recorded at end-September 2014 to circa US\$590 million (Company's share) at the year end (31 December 2014).

The decrease in the value of the Company's projects and investments has occurred due to the ongoing negative impact of the Russian economy. In particular, Russia has seen a significant and continued devaluation of the Rouble against the US dollar alongside the continued negative effect of low oil prices and the recent downgrades of the Russian Federation sovereign credit rating by Standard & Poor's and Moody's. The outlook for Russia remains both challenging and uncertain.

Despite the difficult market conditions, MirLand has maintained a general positive operating performance in Rouble terms and has seen a relatively high average occupancy of above 90% in its yielding assets. In addition, sales at the Company's flagship Triumph Park development have continued at a moderate pace, with 75 units sold in the first three days of sales of phase four.

The Company is continuing its discussions with the trustees of the Series A-F bondholders to agree a restructuring of its debt and will update the market in due course.

It should be noted that the figures presented in this update are estimates based on preliminary data. The preparation of the Company's financial statements is currently underway and remains subject to a final review by the Company's auditor. The figures in MirLand's final financial statements may differ from the information stated above.

The Company intends to announce preliminary full year results for the year to 31 December 2014 on Wednesday 18 March 2015.

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