

1 April 2015

**MirLand Development Corporation plc**

**(“MirLand” or the “Company”)**

**Bonds update**

Further to its announcement on 26 January 2015 and its Full Year Results for the year ending 31 December 2014, announced on 18 March 2015, MirLand today announces the indicative non binding debt restructuring terms (the “**Restructuring**”) with the trustees of the Series A-F bondholders (the “**Trustees**”).

Any definitive agreement between the Company and the Trustees requires approval by the board and shareholders of the Company and will be subject to sanction by the Cypriot Court and bondholders approval. The agreement as structured would also represent a related party transaction under the AIM Rules for Companies.

The key terms of the proposed Restructuring are as follows:

- Payments of principal are currently postponed for 3.5 years and, once the Restructuring has been approved, the interest payments due for all Series of Bonds in 2015, together with interest payments of Series A and B Bonds deferred from 2014, will be paid in full.
- Interest payments for Series A-F bonds will be paid annually on the same day up to and including 2017, and then they will be paid semi-annually.
- The interest on the Series A-F Bonds will increase by 1.25% to the base interest of each bond series with this additional interest being added to the principal and paid off with the principal payments.
- All future interest payments will be paid in full although 50% of the payments due in 2016 may be deferred conditionally on an equity fundraising being undertaken by the Company.
- The majority shareholders in MirLand will participate in a pre-emptive equity issue of 15 million US Dollars of which half will be subscribed for upon approval of the Restructuring by the board, shareholders, bondholders and the Court and half in 2016 (“Equity Fundraising”).
- The majority shareholders will undertake to subscribe for all the shares issued in the Equity Fundraising subject to the extent that other shareholders choose to participate.
- All bond payments with regard to the bonds held by the majority shareholders will be subordinated and paid one year after the first principal payment.
- Restrictions will be placed on the sale of bonds held by the majority shareholders.
- Bondholders will be issued with 5% of the Company’s issued share capital together with options over a further 5% of the issued share capital at an exercise price discounted to the prevailing market price.
- Options on similar terms will be granted to the majority shareholders in the Company in an amount which will enable them to hold up to 84% of the issued share capital of the Company.
- The Company will be entitled to repay the bonds prior to the maturity date without penalty.
- Restrictions on payments of dividends, related party transactions and change of control of the Company will be placed on the Company and the majority shareholders.

The Restructuring (if completed) will help the Company to continue developing its projects, managing its assets and providing financial support to its subsidiaries.

Further announcements will be made in due course.

**MirLand Development Corporation plc**

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