

4 August 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 three month period ended 30 June, 2015.

The Company's independent property valuer (Cushman and Wakefield) has indicated that a preliminary valuation of the Company's portfolio of investment properties and investment properties under development as of 30 June 2015 will record a decrease during the second quarter of approximately US\$32 million of the value of the portfolio attributable to the Company. This decrease is on a non-cash basis and, therefore, has no effect on the Company's cash reserves.

As a result of this revaluation, MirLand expects the second quarter results to be affected by an equity reduction of approximately US\$42 million and an equity attributed to shareholders reduction of approximately US\$40 million. In addition, the Company expects the gross value of the portfolio attributable to the Company to decrease from approximately US\$571 million as at 31 March 2015 to approximately US\$506 million as at 30 June 2015

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 generally positive operating performance in Rouble terms and has seen a relatively high average occupancy of approximately 85% in its yielding assets. In addition, sales at the Company's flagship Triumph Park residential development have continued at a moderate pace, with 345 units sold since the beginning of the 2015 financial year.

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.

The Company intends to announce its results for the six months to 30 June 2015 on Wednesday 19 August 2015.

**MirLand Development Corporation plc** +7 495 787 49 62

Nigel Wright, Chairman +44 7909 915999

Roman Rozental, Chief Executive +7 499 130 31 09

[roman@mirland-development.com](mailto:roman@mirland-development.com)

**FTI Consulting** +44 20 3727 1000

Dido Laurimore / Tom Gough / Ellie Sweeney

**Investec Bank plc**

+44 20 7597 4000

Jeremy Ellis / David Anderson

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 audited financial statements may differ from the information stated above.