

1 September 2015

MirLand Development Corporation plc

(“MirLand” or the “Company”)

Potential Reduction of Beneficial Holding of Controlling Shareholder

MirLand, one of the leading international residential and commercial property developers in Russia, announces that it was informed on 30 August 2015 by the CEO of Jerusalem Economy Ltd. (“**JEC**”) (a company which is controlled by Mr Eliezer Fishman (“**Mr Fishman**”), a non-executive director of the Company, and which also beneficially owns a majority holding in the Company) of the conditional sale by Bank Leumi to a company controlled by the Nakash family and its partners of debt owed by private companies controlled by Mr Fishman/his family which is secured over approximately 40% of the total issued share capital of JEC.

If the transaction completes, the Company understands that this will reduce the beneficial holding of Mr Fishman/his family in MirLand.

The Company will provide further updates in due course.

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