

3 September 2015

MirLand Development Corporation plc

(“MirLand” or the “Company”)

Update re: Potential Reduction of Beneficial Holding of Controlling Shareholder

On 1 September 2015, MirLand, one of the leading international residential and commercial property developers in Russia, made an announcement regarding the conditional sale by Bank Leumi Le-Israel Ltd. (“**BLI**”) to a company controlled by the Nakash family and their partners in Ampa (the “**Purchaser**”) of debt owed by private companies controlled by Mr Fishman/his family which is secured over shares in Jerusalem Economy Ltd. (“**JEC**”) (a company 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) representing approximately 40% of the total issued share capital (and approximately 45% of the voting rights) of JEC (the “**Sale Shares**”).

MirLand understands that, further to an announcement made by JEC to the Tel Aviv Stock Exchange on 1 September 2015, a share purchase agreement (the “**Agreement**”) was entered into by T.L.C. Properties and Investments Ltd. (a company controlled by Mr Fishman/his family) (the “**Seller**”) for the conditional sale to the Purchaser of the Sale Shares, including, amongst other matters, the obtaining of the approval of the (Israeli) Anti-Trust Commissioner to such sale. The date for fulfilment of all of those conditions is 15 November 2015. However, if the only condition outstanding at that time is the approval of the (Israeli) Anti-Trust Commissioner, the period for fulfilment of it will be automatically extended to 29 November 2015.

MirLand further understands that the Agreement contains provisions relating to changes to the composition of the board of directors of companies controlled by Mr Fishman/his family, including MirLand.

MirLand notes that the Purchaser is to be a company directly or indirectly owned as to 80% by Joe Nakash, Rafi Nakash and Avi Nakash and as to 5% by each of Shlomi Fogel, Naftali Tzader, Shuki Wolf and Avi Hormro, but that each such person the right to hold his interest in JEC directly. Similarly, other persons may, with the consent of BLI, join as purchasers.

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.

MirLand Development Corporation plc

Roman Rozental

roman@mirland-development.com

+7 495 787 49 62

+7 499 130 31 09

FTI Consulting

Dido Laurimore / Ellie Sweeney / Tom Gough

+44 20 3727 1000

Investec Bank plc

Jeremy Ellis / David Anderson

+44 20 7597 4000