

22 February 2016

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 31 December 2015.

The Company's independent appraiser (Cushman & Wakefield) has indicated that a preliminary valuation of the Company's portfolio of investment properties and investment properties under development as at 31 December 2015 will record a decrease during the fourth quarter of approximately US\$63 million of the value of the portfolio attributable to the Company. The above mentioned decrease is on a non-cash basis and, therefore, has no effect on the Company's cash reserves.

As a result of the revaluation, MirLand expects the fourth quarter results to be affected by an equity reduction of approximately US\$65 million and a reduction of approximately US\$61 million in equity attributed to shareholders. In addition, the Company expects the gross value of the portfolio attributable to the Company to decrease from approximately US\$483 million as at 30 September 2015 to approximately US\$384 million as at 31 December 2015.

The revaluation of the Company's projects and investments has occurred due to the ongoing 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. There have also been recent downgrades to the Russian Federation sovereign credit rating by Standard & Poor' and Moody's. The outlook for Russia remains both challenging and uncertain.

As a result of these negative economic conditions, the Company is behind on its payment of US\$0.5 million out of a total of US\$1.5 million which is due to one of its banks which provides financing to one of its shopping centres. The total loan amount provided by banks against the Company's subsidiaries' yielding assets is US\$240 million. Currently, the Company is negotiating with its banks in order to restructure the loans provided to the Company's subsidiaries.

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 above 86% in its yielding assets. In addition, sales at the Company's flagship Triumph Park development have continued at a moderate pace, with 644 units sold in 2015.

The Company is continuing its discussions with the trustees of the Company's Series A-F bondholders regarding the proposed restructuring plan as announced in November 2015 in order to adapt and reflect the economic conditions the Company is experiencing. The Company will provide further updates in due course.

It should be noted that the figures presented in this announcement 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 Board and the Company's auditor. The figures in MirLand's final financial statements may differ from the information stated above.

The Company intends to announce its full year results for the year ended 31 December 2015 on Wednesday 16 March 2016.

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