

11 August 2016

MirLand Development Corporation plc

("MirLand" or the "Company")

Approval by the Preliminary Meetings of the Settlement between the Company and its Bondholders

Mirland announces that, following preliminary meetings held in Israel on 9 August 2016 ("**Preliminary Meetings**"), a proposed Settlement Plan (the "**Settlement**" or the "**Settlement Plan**") has been approved between the Company and its Bondholders (Series A-F) (the "**Bondholders**"). The terms of the Settlement are in line with those announced by the Company on 20 July 2016.

After reviewing the results of the Preliminary Meetings, the Settlement Plan was approved by a majority of 96% of the par value of the bonds (Series A-F) according to the below resolutions:

1. The Series C-F Bondholders approved the Settlement with a majority greater than 75% of the par value of each series.
2. The Series A-B Bondholders did not approve the Settlement with the requisite majority, such that the Series A Bondholders voted in favour of the Settlement with a majority of 62.2% of the participating voting parties and the Series B Bondholders voted in favour of the Settlement with a majority of 51.97% of the participating voting parties.
3. As a result of the above and in accordance with the direction motion provided by the Tel Aviv Court on 3 August 2015, the trustee of each Bond series shall vote in a meeting of the creditors as follows:
 - (i) the trustee of Series A Bonds shall split the votes of the participants in proportion to the voting majority at the Preliminary Meeting being 62.22% for and 37.78% against;
 - (ii) the trustee of Series B Bonds shall split the votes of the participants in proportion to the voting majority at the Preliminary Meeting being 51.97% for and 48.03% against; and
 - (iii) the trustees of Series C-F Bonds, since the proportion of those in favour of the Settlement is greater than 75% of the par value of the series, vote in favour of the Settlement for the **entire** value of the series.
4. Given the required majority, pursuant to Cypriot Companies Law*, the Bondholders (Series A-F) have approved the Settlement with the Company.

The completion of the Settlement is subject to various conditions, including the approval of certain resolutions by the Company's shareholders in a general meeting. There is no certainty that the conditions precedent set in the Settlement documents will be completed by the set deadlines, nor that that the Settlement will be completed.

The Company will now act to convene a meeting of the creditors and an extraordinary general meeting of the shareholders of the Company (“EGM”) to consider and, if thought fit, to approve the Settlement Plan pursuant to a ruling of the Cypriot Court on 4 July 2016.

The Company will make further announcements in due course.

Notes:

*A majority consisting of more than 50% (of the par value) of the creditors present and voting at the meeting, either personally or by a representative.

MirLand Development Corporation plc

Yevgeny Steklov

+357 (25) 871 785

Yevgeny@mirland-development.com

FTI Consulting

+44 20 3727 1000

Dido Laurimore / Ellie Sweeney/Tom Gough

Investec Bank plc

+44 20 7597 4000

Jeremy Ellis / David Anderson