

26 February 2016

MirLand Development Corporation plc

(“MirLand” or the “Company”)

Reduction of Beneficial Holding of Controlling Shareholder

MirLand, one of Russia's leading residential and commercial property developers, notes the announcement made to the Tel Aviv Stock Exchange on 25 February 2016 by Jerusalem Economy Ltd. ("JEC"), a company controlled by Eliezer Fishman, a non-executive director of the Company, which effectively holds a legal and beneficial interest in approximately 85.81% of the Company's entire issued share capital.

The JEC announcement states that administrators acting on behalf of Bank Leumi (to which 27% of those shares in JEC have been pledged (the “Pledged Shares”)) have sold the Pledged Shares to Mr Shlomo Nechama (a former Chairman of Bank Hapoalim).

The JEC announcement states that sale of the shares is conditional upon the receipt of certain regulatory and court approvals.

The Company will provide further updates in due course.

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