

25 September 2009

## **MirLand Development Corporation plc**

("MirLand" / the "Company")

### **MIRLAND ENTERS INTO NEW LOAN AGREEMENT**

MirLand Development Corporation plc, one of the leading residential and commercial property developers in Russia, announces that it has entered into a loan agreement (the "Loan") with Jerusalem Economy Ltd ("JEC"), Industrial Buildings Corporation Ltd ("IBC") and Darban Investments Ltd ("Darban"). JEC, IBC and Darban hold an effective interest in approximately 76.3% of the Company.

The terms of the Loan allow for the Company to draw down up to \$10 million during 2009. The Loan, which is unsecured, will be used by the Company principally to fund ongoing working capital requirements in respect of its Triumph Park and Western Residence residential projects in St. Petersburg and Moscow, where construction of Phase 1 is now underway, as well as other projects. In addition the Loan will enable the Company to further progress the permitting of other projects. The Board of MirLand believes that both the Triumph Park and Western Residence projects will offer considerable attractions to potential investors and owner-occupiers when market conditions improve and wishes to ensure both projects continue to progress to take advantage of the anticipated recovery.

The Loan is repayable by the end of 2010 and carries an annualized interest rate of 15%, payable when the Loan itself is repaid.

Mr Eliezer Fishman, a non-executive director of the Company, and his wife Tova Fishman together hold approximately 53% in two companies which, through various intermediate companies hold an effective interest of approximately 73% of JEC which in turn holds an interest in approximately 28.8% of the Company. JEC also holds an interest of approximately 65% in IBC which in turn holds an interest of approximately 34% in the Company. Mr Fishman holds an interest in approximately 54.3% of Darban, which in turn holds an interest of approximately 13.5% in the Company.

The Loan constitutes a related party transaction for the purposes of the AIM Rules for Companies because of the holdings described above. The Directors, other than Eliezer Fishman - who has abstained from voting in relation to this transaction, consider, having consulted with the Company's nominated adviser, Credit Suisse Securities (Europe) Limited, that the terms of the Loan are fair and reasonable insofar as its shareholders are concerned.

#### **Commenting, MirLand's Chairman, Nigel Wright, said:**

"Whilst market conditions remain testing in Russia, Mirland's determination to progress its key development projects and maintain its competitive advantage is undiminished. As previously mentioned, we have delayed commencement of certain pipeline projects due to adverse market conditions. However, our ability to capitalize on any market upturn when it comes will be significantly enhanced by continuing progress on our key residential projects in St. Petersburg and Perkushkovo and completion in the short term of our substantially pre-leased retail mall development in Saratov. It is our continuing view that we must maintain a flexible approach as markets gradually emerge out of the current slowdown

***For further information, please visit [www.mirland-development.com](http://www.mirland-development.com), or contact:***

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