

10 August 2010

MirLand Development Corporation plc

('MirLand' / the 'Company')

MIRLAND ISSUES SERIES C BONDS

MirLand Development Corporation plc, one of the leading residential and commercial property developers in Russia, is pleased to announce that it has raised approximately \$53.2 million by issue of New Israeli Shekel (“NIS”) 200,000,000 C Series bonds (the “Bonds”) to the public in Israel.

The Bonds are to be redeemed in five annual, equal and consecutive payments on 31 August from 2012 to 2016 (inclusive).

Interest is payable on the Bonds, in semi-annual payments, at the annual rate of 8.5% linked to the Israeli consumer price index. In the event of any downgrading of the current rating of the Bonds (iBBB), the interest rate will be increased by 0.5%.

The proceeds of the Bonds will be applied for general working capital purposes.

M.B.S. Sport Agencies Ltd., a private company which is ultimately controlled by Mr Eliezer Fishman, a non-executive director of the Company and members of his family, subscribed for NIS 250,000 (approximately \$66,345) of Bonds. Mr Eliezer Fishman and his wife Tova Fishman together hold approximately 53% in two companies which through various intermediate holding companies hold an effective interest of approximately 72.5% in Jerusalem Economy Ltd. Jerusalem Economy Ltd. also holds an interest of approximately 69.1% in Industrial Buildings Corporation Ltd. which in turn holds an interest of approximately 34% in the Company. Mr Fishman holds an interest of approximately 58.1% of Darban which in turn holds an interest of approximately 13.5% in the Company. The subscription by M.B.S. Sport Agencies Ltd. constitutes a related party transaction for the purposes of the AIM Rules for Companies because of the holdings described above. The Directors, other than Mr Eliezer Fishman and his son Mr Eyal Fishman, who have 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 subscription by M.B.S. Sport Agencies Ltd. are fair and reasonable insofar as the shareholders of the Company are concerned.

Commenting on the issue, Chairman of the board Nigel Wright, said:

“We are very pleased with the take up of the new Bonds, the proceeds of which will provide us with additional working capital to support the development of our current pipeline of residential and commercial assets.”

For further information, please visit www.mirland-development.com, or contact:

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