

28 February 2011

MirLand Development Corporation plc

('MirLand' / the 'Company')

MIRLAND ISSUES SERIES C BONDS AND WARRANTS

MirLand Development Corporation plc, one of the leading residential and commercial property developers in Russia, is pleased to announce that it has raised approximately \$17.1 million by the issue of 56,126,000 New Israeli Shekel (“NIS”) 100 par value C Series bonds (the “**Bonds**”) to the public in Israel. Based on the closing price of the issue, the Bonds have an annual effective gross yield of approximately 5.6%.

The Bonds are to be redeemed in five annual and equal 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 Bond (ilBBB), the interest rate will be increased by 0.5%.

In addition, the Company issued two series of warrants as follows: 425,000 (series 2) warrants, each warrant convertible in to Bonds against cash payment in the amount of NIS 112 and 1,000,000 (series 3) warrants, each warrant convertible in to NIS 100 par value D Series bonds against cash payment in the amount of NIS 102.7. If these warrants are fully exercised, the additional proceeds to the company will amount to approximately \$41 million, reflecting an annual effective gross yield of approximately 5.5% and 6.1% on Bonds C and D series, respectively. Warrants that are not exercised by March 31st 2011 will expire.

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

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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