

24 January 2013

**MirLand Development Corporation plc**

("MirLand" or the "Company")

**Skyscraper Project**

MirLand, one of Russia's leading residential and commercial property developers, announces that its subsidiary company, Real Service LLC, which owns the development rights to the commercial office project known as the "Skyscraper" in Moscow, received yesterday a letter dated 9 January 2013, from the Department of Land Resources of the Moscow government, notifying it of the termination of its lease agreement in connection with an area of 0.9 Ha leased to the subsidiary by the Moscow Government for the Skyscraper project (the "Lease Agreement").

The letter is based upon the Moscow Government's claim that the subsidiary is not in compliance with the terms of the Lease Agreement as it has not taken steps to develop the Skyscraper project as required by the lease and applicable law. The letter stipulates that termination of the Lease Agreement will take effect following the expiration of a period of one month from the date of the letter. The letter further states that the subsidiary has the right to file an objection to the lease termination within a period of one month from the date of the letter. Cancellation of the lease will be subject to a hearing and the final verdict of such legal proceedings.

As of 30 September 2012, the Company ascribed in its financial statements a value of approximately US\$36.1 million to the Skyscraper project.

The Company is evaluating the legal options available to the subsidiary in connection with the Lease Agreement, having regard to the legal practice which has evolved since the date on which the amendment to the laws upon which the Moscow government is relying came into effect including the compensation that may be available to it. The Company intends to submit a rigorous objection to the purported termination. At this stage, the Company is unable to determine the likelihood of its success in those legal proceedings and will issue a further update at the earliest opportunity.

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

MirLand Development Corporation plc +7 495 787 49 62

Roman Rozental +7 499 130 31 09

[roman@mirland-development.com](mailto:roman@mirland-development.com)

FTI Consulting

Dido Laurimore / Will Henderson +44 20 7831 3113