

THE BOARD OF DIRECTORS RESOLUTIONS

MOSCOW, RUSSIA – May 18, 2012 – HALS-Development (LSE, MICEX, RTS: HALS), a major Russian real estate company, announces the Board of Directors resolutions passed at the meeting on 17 May 2012 (minutes #12 dated 17/05/2012):

- 1) To pre-approve the Annual report of JSC «HALS-Development» for 2011 (Appendix 1).
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 2) To pre-approve the financial statements of JSC «HALS-Development» for 2011, RAS (Appendix 2).
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 3) To recommend to AGSM not to pass the resolution on payment of dividends on results of the activity of the Company in 2011 in connection with absence of the net profit by the end of 2011.
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 4) To convene AGSM of the Company.
Determine:
 - the form of the meeting: meeting (compresence);
 - the date of AGSM: June 29, 2012;
 - the place of AGSM: Russian Federation, 115184, Moscow, Bolshaya Tatarskaya St. 35, bldg. 4, office of HALS-Development JSC;
 - the start time of AGSM: 11:00;
 - the time of the beginning of registration of shareholders participating in AGSM of the Company: 10:00.
 - the date for drawing up a list of shareholders eligible to participate in AGSM: May 17, 2012.Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 5) To approve the following agenda of AGSM of the Company:
 1. On approval of the Annual Report of JSC HALS-Development for 2011.
 2. On approval of the annual accounting statement of JSC HALS-Development, including the profit-and-loss statement (profit and loss accounts of JSC HALS-Development) for 2011.
 3. On distribution of profit (including payment (declaration) of dividends) and losses of JSC HALS-Development in accordance with the results of financial year 2011.
 4. On determining of quantitative composition of the Board of Directors of JSC HALS-Development.
 5. On election of the Board of Directors of JSC HALS-Development.
 6. On election of the Audit Commission of JSC HALS-Development.
 7. On approval of the Auditor of JSC HALS-Development for 2012 according to RAS.
 8. On approval of the Auditor of JSC HALS-Development for 2012 according to IFRS.
 9. On approval of transactions that are potentially interesting and that may be effected by JSC HALS-Development in future within the framework of its regular economic activity.

10. On payment of remuneration to the independent member of the Board of Directors of JSC HALS-Development according to his function in 2011-2012 yrs.

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 6) 1. To send bulletins for voting at AGSM of the Company by registered mail to all shareholders specified in the list of shareholders eligible to participate in the AGSM, not later than May 29, 2012.
2. To determine the postal address for sending completed voting bulletins for AGSM: 115184, Moscow, str. Bolshaya Tatarskaya, 35, building 4.

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 7) To approve the following list of materials regarding the agenda of AGSM of the Company, submitted to shareholders during preparation to AGSM:
- annual accounting statements of the Company for 2011 (RAS);
 - annual report of the Company for 2011;
 - report of the auditing Commission of the Company on the results of the audit of annual accounting statements and on the accuracy of data contained in the annual report of the Company for 2011;
 - recommendations of the Board of Directors of the Company on distribution of profits (including dividend payment) and losses of the Company by the results of activity in 2011;
 - information on candidates to the Board of Directors of the Company, to the auditing Commission of the Company and about candidates auditors of the Company, Minutes of the Board's audit Committee;
 - draft resolutions on the issues on the agenda of AGSM of the Company.

Provide to the shareholders eligible to participate in AGSM of the Company the opportunity to familiarize themselves with the materials on the issues of the agenda of AGSM in working days (from Monday to Friday inclusive), from May 29, 2012 June to 29 June 2012 inclusive from 10:00 to 19:00 in the office of the OJSC «gals-development» at the address: str. Moscow, str. Bolshaya Tatarskaya, 35, building 4, and also on the page of «Hals-the development of the Internet (www.hals-development.ru) .

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 8) To determine that the Announcement on AGSM of the Company shall be sent to each shareholder indicated in the list of shareholders eligible to participate in AGSM by registered mail no later than May 29, 2012.

Voting results:

“FOR” – 7 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 9) To approve the text of the Announcement on AGSM of the Company in accordance with Appendix 3.

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 10) To approve the form and text of voting bulletins for AGSM of the Company in accordance with the Appendix 4.

Voting results:

“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.

- 11) To approve the party-related transaction – the Additional agreement about providing of services on the preparation of the General meeting of shareholders and perform the functions of the Counting Commission, under the conditions specified in Appendix 5 to the present Minutes, to Contract #106/2009 dated 03 November 2009, rendering of services on the keeping of the register of owners of registered securities, concluded between JSC «HALS-Development» and CJSC VTB Registrar (such Contract as revised supplementary agreement # 1 dated December 01, 2009, # 2 dated 01 December 2009, # 3 dated December 29, 2009, # 4 dated December 30, 2009, # 5 dated May 24, 2010, additional agreement dated May 27, 2011, additional agreement dated August 15, 2011, additional agreement dated September 29, 2011, additional agreement dated October 18, 2011 - Appendix 6 to the present Minutes), in which fulfilment there is an interest of the shareholder, which holds more than 20 per cent of voting shares of the Company - JSC VTB Bank, whose affiliate CJSC VTB Registrar) is a party in the transaction.

Voting results:

“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.

- 12) To approve the Regulation on the remuneration and bonuses to the employees of the Company (Appendix 7).

Voting results:

“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.

- 13) To approve the candidature of Kochura Valery Valerievich to the post of the Head of the Service of internal control of the Company.

Voting results:

“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.

6 members of 7 elected members of the Board of Directors have participated at the meeting. There was a quorum on the agenda.

Hals-Development ("the Company") is one of the leading diversified companies on the Russian real estate market.

The Company was the first Russian property developer to list its shares on the main market of the London Stock Exchange. The Company's shares are also listed on the Moscow Interbank Currency Exchange, the Moscow Stock Exchange and the Russian Trading System Stock Exchange.

Main shareholder of Hals-Development is Bank VTB (51.24%); free float is about 21,16%.

Starting operations in 1994, Hals-Development has successfully completed about 40 projects with a total area over 450,000 square meters, including several residential complexes in Kuntsevo, the headquarters of DaimlerChrysler company, the Hals Tower office building, the headquarters of the Trubnaya Metallurgical Company, the hotel for the MaMaison chain (Orco Property Group).

Hals-Development is currently developing the SkyLight complex in Moscow; reconstructing the building of the Central "Detsky Mir" on Lubyanka; constructing LETO shopping center in Saint Petersburg; developing the Project «Multi-function complex with a transport terminal as part of the Moscow International Business Center «Moscow-City», and fulfils several other projects.

Hals-Development has assembled a balanced and diversified portfolio of assets in fast-growing sectors of the market. The Company's strategy is focused on building Class A and B office space, multifunctional retail and office complexes, business-class residential buildings.

For further information please contact:

Elena Balashova
Corporate Secretary
Tel. +7 (495) 589-2222 (ext. 3350)
balashovaep@hals-development.ru

The information in the press release may contain forward-looking statements regarding future events or the future financial performance of Hals-Development. You can identify forward looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could", "may" or "might" the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and those actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date thereof or to reflect the occurrence of unanticipated events.