

THE BOARD OF DIRECTORS RESOLUTIONS

MOSCOW, RUSSIA – June 26, 2012 – HALS-Development (LSE, MICEX, RTS: HALS), a major Russian real estate company, announces the Board of Directors resolutions passed at the meeting on 25 June 2012 (minutes #13 dated 25/06/2012):

- 1) To approve the Company's consolidated financial model (Appendix 1).
Voting results:
"FOR" – 6 votes.
"AGAINST" - 0 votes.
"ABSTAINED" - 0 votes.
- 2) To approve the Company's consolidated budget for 2012 (Appendix 2).
Voting results:
"FOR" – 6 votes.
"AGAINST" - 0 votes.
"ABSTAINED" - 0 votes.
- 3) To introduce the amendments and additions to the Regulation on the procedure of access to the inside information of JSC HALS-Development, the rules of protection of such information as a confidential information of the Company, and the monitoring of the compliance with the requirements of the Federal Law dated 27.07.2010 №224-FZ and legal acts and regulations, passed in accordance with this Law (in the part of the changes of the List of the insider information of HALS-development JSC) according to Appendix 3.
Voting results:
"FOR" – 6 votes.
"AGAINST" - 0 votes.
"ABSTAINED" - 0 votes.
- 4) To appoint the member of the Company's Board of directors – Kosov Pavel as the chairman of the AGSM of the Company in the case of absence of the Chairman of the Company's Board of directors at the AGSM.
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.

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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.