

## **SECURITY AGREEMENTS WITH VTB BANK**

**Moscow, Russia – 08 August 2012 – HALS-Development (LSE, MICEX: HALS)**, a major Russian real estate company, announces that the Company has signed the following security agreements with VTB Bank:

### ***1) Contract of pledge of shares #2890-ДЗ-2:***

Under the terms of the deal the Company hands over to the pledge VTB Bank 10,000 ordinary shares of StroyPromObject CJSC in order to ensure the performance of obligations under the Credit agreement #2890 dated 08/02/2012 and under the Letter of credit agreement #AP422186/2 dated 08/02/2012 between the Company and VTB Bank.

The Company is obliged within 5 working days upon signing of the Contract to send to the Depository a request for registration of the shares.

The Contract shall be valid till obligations under the Credit agreement #2890 dated 08/02/2012 and under the Letter of credit agreement #AP422186/2 dated 08/02/2012 between the Company and VTB Bank are fulfilled in full.

Balance sheet value of the shares – 984 819 672,13 RUR, that is 1,14221% of the book value of the Company's assets on the end date of the reporting period (quarter, year) preceding the approval of the transaction by the authorized management body of the Company (Minutes of the Company's general shareholders meeting #23 dated 29/06/2012) in the amount of 86 219 833 thousands rubles (RAS).

Collateral value of the shares – 10 000 RUR that is 0,00001% of the book value of the Company's assets on the end date of the reporting period (quarter, year) preceding the approval of the transaction by the authorized management body of the Company (Minutes of the Company's general shareholders meeting #23 dated 29/06/2012) in the amount of 86 219 833 thousands rubles (RAS).

### ***2) Addendum to the Contract of pledge of shares #2623-ДЗ dated 14/03/2011:***

Subject of transaction relates to the changes of the secured obligation (Credit agreement #2623 dated 14/03/2011 between Company's subsidiary Hals-Technopark CJSC and VTB Bank), namely - relates to the increasing of the credit amount till 1 297 000 000,00 RUR.

The Contract shall be valid till obligations under the Credit agreement #2623 dated 14/03/2011 are fulfilled in full.

Balance sheet value of the pledged shares of Hals-Technopark CJSC – 756 370 000 RUR, that is 0,877% of the book value of the Company's assets on the end date of the reporting period (quarter, year) preceding the approval of the transaction by the authorized management body of the Company (Minutes of the Company's general shareholders meeting #23 dated 29/06/2012) in the amount of 86 219 833 thousands rubles (RAS).

Collateral value of the pledged shares of Hals-Technopark CJSC – 189 100 000 RUR that is 0,219% of the book value of the Company's assets on the end date of the reporting period (quarter, year) preceding the approval of the transaction by the authorized management body of the Company (Minutes of the Company's general shareholders meeting #23 dated 29/06/2012) in the amount of 86 219 833 thousands rubles (RAS).

### ***3) Addendum to the Guarantee agreement #2623-II dated 14/03/2011:***

Subject of transaction relates to the changes of the secured obligation (Credit agreement #2623 dated 14/03/2011 between Company's subsidiary Hals-Technopark CJSC) and VTB Bank, namely - relates to the increasing of the credit amount till 1 297 000 000,00 RUR.

The Agreement shall be valid till 12 March 2019.

Size of guarantee (the credit line limit with interest for using the loan under the credit agreement, calculated for the whole term of the credit line) – 1 706 137 302,41 RUR that is 1,97% of the book value of the Company's assets on the end date of the reporting period (quarter, year)

preceding the approval of the transaction by the authorized management body of the Company (Minutes of the Company's general shareholders meeting #23 dated 29/06/2012) in the amount of 86 219 833 thousands rubles (RAS).

**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 and the Moscow 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.43350)  
[balashovaep@hals-development.ru](mailto: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.*