

## **Clarification regarding the essential legal entities controlled by the Company**

**Moscow, Russia – 24 September 2012 – HALS-Development (LSE, MICEX: HALS)**, a major Russian real estate Company, announces the additional information regarding the status of the organizations of essential importance for the Company:

On 7<sup>th</sup> of September the Company disclosed the information relating to the appearance of the following essential legal entities controlled by the Company in accordance with the Interim condensed consolidated financial statement for the 6 months of 2012, disclosed on 5<sup>th</sup> of the September 2012:

- 1) Limited liability Company «Hals-Invest Development»;
- 2) JSC “KUNTSEVO-INVEST”;
- 3) Joint Stock Company “Hals-Stroy”;
- 4) CiTer Invest B.V.

The following legal entities, disclosed as essential legal entities, controlled by the Company, in accordance with consolidated financial statements for 2011, have lost this status based on the results of Interim condensed consolidated financial statement for the 6 months of 2012, disclosed on 5<sup>th</sup> of the September 2012:

- 1) SAPIDUS HOLDINGS LIMITED;
- 2) JSC “IZOLIT”;
- 3) JSC “IRT”;
- 4) JSC “PROMRESURS”;
- 5) LLC “UARLAK”.

The following legal entities, disclosed as essential legal entities, controlled by the Company, in accordance with consolidated financial statements for 2011, have saved this status based on the results of Interim condensed consolidated financial statement for the 6 months of 2012, disclosed on 5<sup>th</sup> of the September 2012:

- 1) “Gorki-8” Ltd.;
- 2) JSC “Lubyanka-Development”;
- 3) JSC “Hotel “Peking”.

**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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