

THE BOARD OF DIRECTORS RESOLUTIONS

MOSCOW, RUSSIA – April 28, 2014 - HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company, announces the Board of Directors resolutions passed at the meeting on 28th of April 2014 (Minutes № 7 dated April 28, 2014).

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

Resolutions:

1. To recommend to the annual General meeting of the shareholders not to make decision about distribution of dividends as results of activity of HALS-Development JSC in 2013 due to the absence of net profit at the end of 2013.

Voting results:

“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

2. To convene the annual General meeting of the shareholders of HALS-Development JSC.
Determine:
 - the form of the meeting: meeting (copresence);
 - the date of the annual General meeting of the shareholders: June 24, 2014;
 - the place of the annual General meeting of the shareholders: Russian Federation, 115184, Moscow, Bolshaya Tatarskaya St. 35, bldg. 4, office of HALS-Development JSC;
 - the start time of the annual General meeting of the shareholders: 11:00;
 - the time of beginning of registration of people being eligible to participate in the annual General meeting of the shareholders of HALS-Development JSC: 10:30.
 - the date for drawing up a list of shareholders eligible to participate in the annual General meeting of the shareholders of HALS-Development JSC: May 24, 2014.

Voting results:

“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

3. To approve the following agenda of the annual General meeting of the shareholders of HALS-Development JSC:
 - 1) On approval of the Annual Report of JSC HALS-Development for 2013.
 - 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 2013.
 - 3) On distribution of profit (including payment (declaration) of dividends) and losses of JSC HALS-Development in accordance with the results of 2013.
 - 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 book-keeping (financial) report of JSC HALS-Development for 2014 made according to RAS.
 - 8) On approval of the Auditor of consolidated financial report of JSC HALS-Development for 2014 made 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 2013-2014.

Voting results:

“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

4. 1) To send the bulletins for vote at the annual General meeting of the shareholders of HALS-Development JSC to all shareholders stipulated in the list of shareholders eligible to participate in the annual General meeting of the shareholders by registered mail not later than May 23, 2014.
2) To determine the postal address for sending completed bulletins for vote at the annual General meeting of the shareholders: 115184, Moscow, str. Bolshaya Tatarskaya, 35, building 4.

Voting results:

“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

5. To approve the following list of materials regarding the agenda of the annual General meeting of the shareholders of HALS-Development JSC, presented to shareholders during preparation to the annual General meeting of the shareholders of HALS-Development JSC:
 - annual accounting statements of the Company for 2013 (RAS);
 - annual report of the Company for 2013;
 - 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 2013;
 - 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 2012;
 - 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 the annual General meeting of the shareholders of HALS-Development JSC the opportunity to observe with the materials on the issues of the agenda of the annual General meeting of the shareholders of HALS-Development JSC in working days (from Monday to Friday inclusive), beginning from May 30, 2014 to June 24, 2014 inclusive from 9:00 to 18:00 at the office of the Hals-Development JSC, at the address: Moscow, str. Bolshaya Tatarskaya, 35, building 4, and also in the web-site of Hals-Development JSC (www.hals-development.ru) .

Voting results:

“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

6. To determine that the notification of the annual General meeting of the shareholders shall be sent to each shareholder indicated in the list of shareholders eligible to participate in the annual General meeting of the shareholders by registered mail no later than May 23, 2014.

Voting results:

“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

7. To approve the text of the notification of the annual General meeting of the shareholders of HALS-Development JSC in accordance with Appendix 1.

Voting results:

“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

8. To approve the form and text of voting bulletins for the annual General meeting of the shareholders of HALS-Development JSC in accordance with the Appendix 2.

Voting results:

“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

Hals-Development ("the Company") is the fastest growing developing company, specializing in commercial and residential real estate; it controls all stages of development project: from making conception till the following management of the built object. The main shareholder of Hals-Development is Bank VTB (51.24%); free float is about 21,16%.

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 Exchange.

Starting operations in 1994, Hals-Development has successfully completed about 40 projects with a total area over 400,000 square meters,

Hals-Development is currently developing such projects as reconstructing the building of the "Central Children's Shop on Lubyanka"; development of hotel "Peking", building of Land Plot No. 11, MIBC "Moscow-City", selling of residential premises of "Literator", Wine House", "Nasledie" and other projects in Moscow and regions. In 2011-2014 the Company put into operation more than 320 thousand sq m, this is 4 large projects – trade center "LETO" (100 thousand sq. m.), business-center Sky-Light (110 thousand sq. m.), residential complex "Solnce" and resort "Camelia" in Sochi. The total value of development projects of HALS-Development is 1.6 mio sq.m.

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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.