

THE BOARD OF DIRECTORS RESOLUTIONS

MOSCOW, RUSSIA – May 12, 2015 - HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company, announces the Board of Directors resolutions passed at the meeting on 12 of May 2015 (Minutes № 8 dated May 12, 2015).

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 2014 due to the absence of net profit at the end of 2014.

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;
 - the date of the annual General meeting of the shareholders: June 30, 2015;
 - 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 22, 2015.

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 HALS-Development JSC for 2015.
 - 2) On approval of the annual accounting statement of JSC HALS-Development, including the profit-and-loss statement (profit and loss accounts of HALS-Development JSC) for 2014.
 - 3) On distribution of profit (including payment (declaration) of dividends) and losses of JSC HALS-Development in accordance with the results of 2014.
 - 4) On determining of quantitative composition of the Board of Directors of HALS-Development JSC.
 - 5) On election of the Board of Directors of HALS-Development JSC.
 - 6) On election of the Audit Commission of HALS-Development JSC.
 - 7) On approval of the auditor of book-keeping (financial) report of HALS-Development JSC for 2015 made according to RAS.
 - 8) On approval of the auditor of consolidated financial report of HALS-Development JSC for 2015 made according to IFRS.
 - 9) On approval of transactions that are potentially interesting and that may be effected by HALS-Development JSC 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 HALS-Development JSC according to his function in 2014-2015.
 - 11) On approval of the Charter of HALS-Development JSC in new version.
 - 12) On approval of the Regulation on the General meeting of HALS-Development JSC in new version.

- 13) On approval of the Regulation on the Board of directors of HALS-Development JSC in new version.
- 14) On approval of the Regulation on the Management board of HALS-Development JSC in new version.
- 15) On approval of the Regulation on the President of HALS-Development JSC in new version.
- 16) On approval of the Regulation on the Audit commission of HALS-Development JSC in new version.

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 29, 2015.
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 HALS-Development JSC for 2014 (RAS), including report of auditor;
 - annual report of HALS-Development JSC for 2014;
 - report of the Audit commission of HALS-Development JSC on the results of the audit of annual accounting statements and on the accuracy of data contained in the annual report of HALS-Development JSC for 2014;
 - recommendations of the Board of Directors of HALS-Development JSC on distribution of profits (including dividend payment) and losses of HALS-Development JSC by the results of activity in 2014;
 - information on candidates to the Board of Directors of the Company, to the Audit commission of HALS-Development JSC, information about existence or absence of written consent of candidates for election in corresponding body of the Company, and about candidates auditors of the Company, Minutes of the Board's audit Committee;
 - draft of the Charter of HALS-Development JSC in new version;
 - draft of the Regulation on the General meeting of HALS-Development JSC in new version, draft of the Regulation on the Board of directors of HALS-Development JSC in new version, draft of the Regulation on the Management board of HALS-Development JSC in new version, draft of the Regulation on the President of HALS-Development JSC in new version, draft of the Regulation on the Audit commission of HALS-Development JSC in new version.
 - draft of resolutions on the issues on the agenda of AGSM of HALS-Development JSC.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 June 10, 2015 to June 30, 2015 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 29, 2015.

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 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 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 Wine House”, “Nasledie”, “Teatral`nyi Dom” and other projects in Moscow and regions. In 2011-2014 the Company put into operation more than 450 thousand sq.m., this is 6 large projects – trade center “LETO” (116 thousand sq. m.), business-center Sky-Light (110 thousand sq. m.), residential complex “Solnce” (60 thousand sq.m.) and resort “Camelia” in Sochi (53 thousand sq.m.), residential complex “Literator” (67 thousand sq.m.), “Central Children’s Shop on Lubyanka” (73 thousand sq.m.). The total value of development projects of HALS-Development is 1.6 mio sq.m.

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