

THE BOARD OF DIRECTORS RESOLUTIONS

MOSCOW, RUSSIA – July 27, 2015 - HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company, announces the Board of Directors resolutions passed at the meeting on 24th of July 2015 (Minutes № 3 dated July 24, 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 approve interested party transaction – making the Share purchase agreement (sale of part of shares in charter capital of LLC “Project Nastasyinsky”) between HALS-Development PJSC (further – the “Seller”) and LLC “Hals-Invest” (further – the “Buyer”) on the following main terms and conditions:

Subject of transaction: the Seller sells part of share in the amount of 1% (one percent) owned by the Seller (further – “Part of share”) to the Buyer, and the Buyer accepts Part of share in the charter capital of LLC “Project Nastasyinsky” and pay for it price stipulated by the Agreement.

Price of transaction: Part of share is estimated by the Parties in the amount of 100 (one hundred) rubles. All settlement between Parties shall be made within 1 (one) month of the date of Agreement execution. The mentioned price shall be paid by the Seller to the Buyer in full value by money funds.

Voting results:

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

2. To approve interested party transaction – making the Share purchase agreement (sale of securities of CJSC “Invest-Prof”) between HALS-Development PJSC (further - the “Seller”) and LLC “Systema-Hals CENTR” (further – the “Buyer”) on the following main terms and conditions:

Subject of transaction: the Seller undertakes to transfer title to the Buyer and the Buyer undertakes to accept and pay for 99% shares of CJSC “Invest-Prof” (further – “Shares”).

Price of transaction: Price of Shares is estimated by the Parties on the basis of Report №83801/S510/OP-125245 on estimation of the market price of 100% shares of CJSC “Invest-Prof”, issued by LLC “Cushman & Wakefield” on June 15, 2015, and equal to 99 kopecks.

Voting results:

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

3. To approve the following composition of the Audit Committee of the Board of Directors of Hals-Development PJSC:

Plaksenkov E.A.

Luginin A.V.

Adamov V.E.

Voting results:

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

4. To elect Plaksenkov E.A. as the Chairman of the Audit Committee of the Board of Directors of Hals-Development PJSC.

Voting results:

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

5. To approve the following composition of the Staff and Remuneration Committee of the Board of Directors of Hals-Development PJSC.

Plaksenkov E.A.

Luginin A.V.

Voting results:

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

6. To elect Plaksenkov E.A. as the Chairman of the Staff and Remuneration Committee of the Board of Directors of Hals-Development PJSC.

Voting results:

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

7. To approve the following composition of the Strategy Committee of the Board of Directors of Hals-Development PJSC in quantity of 3 people:

Adamov V.E.

Luginin A.V.

Plaksenkov E.A.

Voting results:

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

8. To elect Adamov V.E. as the Chairman of the Strategy Committee of the Board of Directors of Hals-Development PJSC.

Voting results:

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

9. To approve the following composition of the Corporate Management Committee of the Board of Directors of Hals-Development PJSC in quantity of 3 people:

Luginin A.V.

Adamov V.E.

Plaksenkov E.A.

Voting results:

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

10. To elect Luginin A.V. as the Chairman of the Corporate Management Committee of the Board of Directors of Hals-Development PJSC.

Voting results:

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

11. To approve organization chart of Hals-development PJSC in new version (Annex 1).

Voting results:

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

12. To elect Mrs. Avdeeva Alina Valentinovna as the member of the Management Board of Hals-Development PJSC on the term from July 24, 2015 till March 31, 2017.

Voting results:

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

13. To determinate the main terms and conditions of the agreement made with the member of the Management Board of Hals-Development PJSC Mrs. Avdeeva A.V. in accordance with the Annex 2.

Voting results:

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

14. To authorize the President of Hals-Development PJSC to execute agreement with the member of Management Board of Hals-Development PJSC Mrs. Avdeeva A.V.

Voting results:

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

15. To determinate the composition of members of the Management Board of Hals-Development PJSC in quantity of 6 people.

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 shareholders of the Company are VTB Bank and Bank of Moscow.

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 600,000 square meters. Hals-Development is currently developing such projects as development of hotel "Peking", building of Land Plot No. 11, MIBC "Moscow-City", selling of residential premises of "Nasledie", "Wine House", "Peking Gardens", "Teatralny Dom" and other projects in Moscow and regions. In 2011-2014 the Company put into operation more than 460 thousand sq.m., this is 6 large projects – shopping and entertainment mall "LETO" in Saint-Petersburg" (116 thousand sq. m.), business-center Sky-Light (110 thousand sq. m.), residential complex "Solnce" (60 thousand sq.m.), elite residential quarter "Literator" (67 thousand sq.m.), the shopping center "Children Dreamhouse Mall on Lubyanka" (73 thousand sq.m.) and resort "Kamelia" in Sochi (53 thousand sq.m.). The total value of development projects of HALS-Development is 1.6 mio sq.m.

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