

LOAN TO THE SUBSIDIARY

MOSCOW, RUSSIA – November 11, 2015 – HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company announces, that November 10, 2015 the Company has entered into interested party transaction, i.e. has lent money to its subsidiary – Project Nastas`inskiy LLC (Borrower) under the Loan agreement №Д32606/15-ГД-ПНact dd June 26, 2015 (hereinafter – «The Contract»)

In accordance with the terms and conditions of the Contract the total limit of the loan is 2 000 000 000,00 rubles.

The Lender transfers the above mentioned amount to the Borrower in tranches in time and in the amount agreed by the Parties.

Interest rate – 9.6% per annum.

The maturity date – June 26, 2017.

The loan amount (the amount of the loan (tranche of funds under the Contract) granted on November 10, 2015 including interests accrued on the rest of debt of the Borrower during the term of loan using till June 26, 2017) - 1 144 344 091,18 rubles, that is 1,127% of the book value of the assets of the Company on the end date of the reporting period preceding the settlement of transaction.

Book value of assets under RAS on September 30, 2015 - 101 467 913 000 rubles.

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.

For further information please contact:

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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.