

GUARANTEE WITH VTB BANK

MOSCOW, RUSSIA – December 02, 2015 – HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company announces about execution on December 01, 2015 the following agreements with VTB Bank:

1) **the Guarantee agreement №2719/II-2** (to ensure performance of obligations of the company that HALS-Development controls - CiTer Invest B.V. (borrower) under the Loan agreement № 2719 dd April 29, 2011 made between the borrower and VTB Bank).

Subject: Hals-Development PJSC (“Guarantor”) undertakes to be liable to VTB Bank (“Bank”, “Lender”) for performance of CiTer Invest B.V., the Netherlands (“Borrower”) of its obligations under the Loan agreement № 2719 dd 04/29/2011 (Loan agreement”) in full, including return of Loan/Loans in accordance with the Loan agreement in full amount equal to 3,881,780,000.00 rubles, payment of interests for use of Loan/Loans in accordance with the Loan Agreement at the rate of 10% per annum, and also payment of commissions, fines stipulated by the Loan agreement, reimbursement of expenses and losses, that it may bear in accordance with the provisions of the Loan agreement, and also return of money received by the Borrower and payment of interests for use of another`s money in full due to invalidity of the Loan agreement, etc.

The term of guarantee – till March 31, 2022 (inclusively).

Size of guarantee (the credit line limit with interests for use of loan under the loan agreement, calculated for the whole term of the credit line) – RUR 4,800,967,540.00 rubles (4.73% of the book value of Company's assets on the end date of the reporting period (quarter, year) preceding the settlement of transaction in the amount of 101,567,913 thousands rubles (RAS).

2) **the Guarantee agreement №3176/II-2** (to ensure performance of obligations of the company that HALS-Development controls - CiTer Invest B.V. (borrower) under the Loan agreement № 3176 dd May 20, 2013 made between the borrower and VTB Bank).

Subject: Hals-Development PJSC (“Guarantor”) undertakes to be liable to VTB Bank (“Bank”, “Lender”) for performance of CiTer Invest B.V., the Netherlands (“Borrower”) of its obligations under the Loan agreement № 3176 dd 20/05/2013 (Loan agreement”) in full, including return of Loan/Loans in accordance with the Loan agreement in full amount equal to 9,008,383,260.00 rubles, payment of interests for use of Loan/Loans in accordance with the Loan Agreement at the rate of 10% per annum, and also payment of commissions, fines stipulated by the Loan agreement, reimbursement of expenses and losses, that it may bear in accordance with the provisions of the Loan agreement, and also return of money received by the Borrower and payment of interests for use of another`s money in full due to invalidity of the Loan agreement, etc.

The term of guarantee – till March 31, 2026 (inclusively).

Size of guarantee (the credit line limit with interests for use of loan under the loan agreement, calculated for the whole term of the credit line) – RUR 16,694,220,215.00 rubles (16.45% of the book value of Company's assets on the end date of the reporting period (quarter, year) preceding the settlement of transaction in the amount of 101,567,913 thousands rubles (RAS).

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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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.