

## **MAJOR TRANSACTION OF THE SUBSIDIARY**

**MOSCOW, RUSSIA – November 03, 2016 – HALS-Development (LSE, MICEX: HALS)**, a major Russian real estate Company announces, that the Company's subsidiary – JSC “Beijing-Invest” (Project owner) has entered into the major transaction on the 02<sup>nd</sup> November 2016 with the JSC “FODD Konstrakshn” (General constructor) (Additional agreement #7 to the General contractor contract #10/33/15 dd February 04, 2015).

Making the Additional agreement #7 is aimed to increase the price of the General contractor contract #10/33/15 dd February 04, 2015 to 3 485 548 908, 43 rubles and to change the time of completion of work under the General contractor contract #10/33/15 dd February 04, 2015.

The contract sum is 30.8% of the book value of the assets of the JSC “Beijing-Invest” on the end date of the reporting period (quarter, year) preceding the settlement of transaction in the amount of 11 317 384 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 shareholder of the Company is VTB Bank.

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.

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 2011-2015 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.

### **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.*