

The appearance of the essential legal entities controlled by the Company

Moscow, Russia – 02 May 2012 – HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company, announces that since the next day after the date of publication of the Company's audited consolidated financial statements for 2011 according to IFRS (28/04/2012) the following legal entities, controlled by the Company, have got the status of the organizations of essential importance for the Company:

- 1) JSC "Hotel "Peking" (registration number: 1027739023751, Tin: 7710327099, address: bld.5, Bolshaya Sadovaya street, Moscow, 123001), the Company controls it through LLC Gals-Invest, JSC Beidging-Invest.
- 2) JSC "PROMRESURS" (registration number: 1067759408716, Tin: 7728600260, address: bld.15, Novatorov street, Moscow, 117630), the Company controls it through JSC ReStroyTrest-701, LLC Gals-Prof.
- 3) LLC "UARLAK" (registration number: 1027700111141, Tin: 7710169928, address: bld.5, Bolshaya Sadovaya street, Moscow, 123001), the Company holds 100% of shares in the charter capital of it.
- 4) SAPIDUS HOLDINGS LIMITED (registration number: HE194934, Tic: 12194934O, address: Gr. Xenopoulou, 17, P.C. 3106, Limassol, Cyprus), the Company holds 100% of shares in the charter capital of it.
- 5) "Gorki-8" Ltd. (registration number: 1095032005276, Tin: 5032208554, address: bld. 275, KIZ Gorki-8, village Soloslovo, Odintovsky district, Moscow region, 143081), the Company holds 74,9% of shares in the charter capital of it.
- 6) JSC "IZOLIT" (registration number: 1027739640906, Tin: 7718110806, address: bld.90, Krasnobogatyrskay street, Moscow, 107076), the Company controls it through LLC Gals-Invest, JSC IRT, LLC Ordynka.
- 7) JSC "IRT" (registration number: 1057747677822, Tin: 7705678285, address: str.4, bld.35, B. Tatarskaya street, Moscow, 115184), the Company controls it through LLC Gals-Invest.
- 8) JSC "Lubyanka-Development" (registration number: 1027739445513, Tin: 7702048253, address: bld.5, Teatral'ny secondary street, Moscow, 109012), the Company controls it through LLC GalsOblStroy.

The Company has the rights to dispose more than 50% of votes in the Supreme management body and appoint CEO of the all above mentioned organizations.

Hals-Development ("the Company") is one of the leading diversified companies on the Russian real estate market.

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, the Moscow Stock Exchange and the Russian Trading System Stock Exchange.

Main shareholder of Hals-Development is Bank VTB (51.24%); free float is about 21,16%.

Starting operations in 1994, Hals-Development has successfully completed about 40 projects with a total area over 450,000 square meters, including several residential complexes in Kuntsevo, the headquarters of DaimlerChrysler company, the Hals Tower office building, the headquarters of the Trubnaya Metallurgical Company, the hotel for the MaMaison chain (Orco Property Group).

Hals-Development is currently developing the SkyLight complex in Moscow; reconstructing the building of the Central "Detsky Mir" on Lubyanka; constructing LETO shopping center in Saint Petersburg; developing the Project «Multi-function complex with a transport terminal as part of the Moscow International Business Center «Moscow-City», and fulfils several other projects.

Hals-Development has assembled a balanced and diversified portfolio of assets in fast-growing sectors of the market. The Company's strategy is focused on building Class A and B office space, multifunctional retail and office complexes, business-class residential buildings.

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The information in the press release may contain forward-looking statements regarding future events or the future financial performance of Sistema-Hals. 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.