

## **THE MEETING OF THE BOARD OF DIRECTORS AND ITS AGENDA**

**MOSCOW, RUSSIA – May 17, 2012 – HALS-Development (LSE, MICEX: HALS)**, a major Russian real estate company, announces, that on 16 May 2012 the Chairman of the Company's Board of directors convoked the meeting of the Board of directors on 17 May 2012 in absentia.

The Agenda includes the following questions:

- 1) the preliminary approval of the Company's Annual report for 2011;
- 2) the preliminary approval of the Company's financial statements for 2011 (RAS);
- 3) the recommendation for AGSM on distribution of profits (including dividend payment) and losses of the Company by the results of activity in 2011;
- 4) the convocation of the AGSM of the Company (defining the form, date, place and time of AGSM, time of the beginning of registration of shareholders participating in AGSM of the Company, the definition of the date for drawing up a list of shareholders eligible to participate in AGSM);
- 5) the approval of the agenda of AGSM of the Company;
- 6) the determining the address to send the filled bulletins for voting at AGSM, as well as the date of circulation of voting ballots to the shareholders of the Company;
- 7) the approval of the list of information (materials) provided to shareholders during preparation to AGSM of the Company and the determination of the procedure of its provision;
- 8) the procedure of notification of the shareholders about AGSM of the Company;
- 9) the approval of the text of Announcement on AGSM of the Company;
- 10) the approval of the form and text of voting bulletins for AGSM of the Company;
- 11) the approval of the party-related transaction - the Additional agreement about providing of services on the preparation of the General meeting of shareholders and perform the functions of the Counting Commission to Contract #106/2009 dated 03 November 2009, rendering of services on the keeping of the register of owners of registered securities;
- 12) the approval of the Regulation on the remuneration and bonuses to the employees of the Company;
- 13) the approval of the candidature to the post of the Head of the Service of internal control of the Company.

**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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