

RESULTS OF AGM

Moscow, Russia – 02 July 2012 – HALS-Development (LSE, MICEX: HALS), a major Russian real estate company, announces the results of the Company's annual general shareholders meeting held on 29/06/2012 (there was a quorum on all agenda items):

The first issue of the agenda: On approval of the Annual Report of JSC HALS-Development for 2011.

"FOR" – 8 895 679 votes.

"AGAINST" - 90 votes.

"ABSTAINED" - 30 000 votes.

Resolution:

"To approve the Annual Report of JSC HALS-Development for the financial year 2011".

The second issue of the agenda: On approval of the annual accounting statement of JSC HALS-Development, including the profit-and-loss statement (profit and loss accounts of JSC HALS-Development) for 2011.

"FOR" – 8 895 679 votes.

"AGAINST" - 90 votes.

"ABSTAINED" - 30 000 votes.

Resolution:

"To approve the annual accounting statement, including the profit-and-loss statement of JSC HALS-Development for the financial year 2011".

The third issue of the agenda: On distribution of profit (including payment (declaration) of dividends) and losses of JSC HALS-Development in accordance with the results of financial year 2011.

"FOR" – 8 895 679 votes.

"AGAINST" - 90 votes.

"ABSTAINED" - 30 000 votes.

Resolution:

"Not to pay dividends on outstanding stock of JSC HALS-Development with reference to the absence of net profit at year-end of 2011".

The fourth issue of the agenda: On determining of quantitative composition of the Board of Directors of JSC HALS-Development.

"FOR" – 8 895 679 votes.

"AGAINST" - 90 votes.

"ABSTAINED" - 30 000 votes.

Resolution:

"To determine the quantitative composition of the Board of Directors of JSC HALS-Development as 7 (seven) members".

The fifth issue of the agenda: On election of the Board of Directors of JSC HALS-Development.

The number of votes cast for each voting alternative of the agenda fifth issue:

Gritcenko Andrey Vital'evich	251 270
Deryabina Alena Viktorovna	8 850 481
Kosov Pavel Nikolayevich	8 850 131
Lapin Konstantin Vital'evich	8 850 131

Luginin Andrey Viktorovich	8 850 131
Moos Gerbert	8 850 761
Plaksenkov Eugeniya Anatolievich	9 125 217
Pouchkov Andrei Sergeyevich".	8 848 761

AGAINST ALL CANDIDATES: 0 votes

ABSTAINED IN RESPECT OF ALL CANDIDATES: 3 500 votes

Resolution:

"To elect members of the Board of Directors of JSC HALS-Development from the following candidates:

Deryabina Alena Viktorovna
Kosov Pavel Nikolayevich
Lapin Konstantin Vital'evich
Luginin Andrey Viktorovich
Moos Gerbert
Plaksenkov Eugeniya Anatolievich
Pouchkov Andrei Sergeyevich".

The sixth issue of the agenda: On election of the Audit Commission of JSC HALS-Development.

1. Voronkova Anna Leonidovna

"FOR" – 8 895 679 votes.

"AGAINST" - 90 votes.

"ABSTAINED" – 30 000 votes.

2. Levina Lubov' Mihailovna

"FOR" – 8 895 769 votes.

"AGAINST" - 0 votes.

"ABSTAINED" – 30 000 votes.

3. Lukina Yulia Germanovna

"FOR" – 8 895 679 votes.

"AGAINST" - 90 votes.

"ABSTAINED" – 30 000 votes.

Resolution:

"To elect members of the Revision Commission of JSC Sistema-Hals from the following candidates:

Voronkova Anna Leonidovna

Levina Lubov' Mihailovna

Lukina Yulia Germanovna».

The seventh issue of the agenda: On approval of the auditor of JSC HALS-Development for 2012 according to RAS.

"FOR" – 8 895 179 votes.

"AGAINST" - 590 votes.

"ABSTAINED" – 30 000 votes.

Resolution:

"To approve the Closed Joint-Stock Company Energy Consulting / Audit (basic state registration number – 1047717034640, location: 115093, Moscow, Pavlovskaya Street, bldg 7, a member of self-regulating organization of auditors: noncommercial Partnership «Institute of the professional auditors», number in the register of auditors and auditing organizations - 10202014620) as the auditor of JSC HALS-Development for 2012 according to RAS".

The eighth issue of the agenda: On approval of the auditor of JSC HALS-Development for 2012 according to IFRS.

“FOR” – 8 895 769 votes.

“AGAINST” - 0 votes.

“ABSTAINED” – 30 000 votes.

Resolution:

"To approve the ERNST & YOUNG LLC (basic state registration number – 1027739707203, location: 115035, Moscow, Sadovnicheskaya nab., 77, bld.1, a member of self-regulating organization of auditors: noncommercial Partnership «Russian Audit Chamber», number in the register of auditors and auditing organizations - 10201017420) as the auditor of JSC HALS-Development for 2012 according to IFRS".

The ninth issue of the agenda: On approval of transactions that are potentially interesting and that may be effected by JSC HALS-Development in future within the framework of its regular economic activity.

“FOR” – 3 142 836 votes (third party shareholders).

“AGAINST” - 90 votes (third party shareholders).

“ABSTAINED” – 30 000 votes.

Resolution:

"To approve transactions that are potentially interesting and that may be effected by JSC HALS-Development in future within the framework of its regular economic activity in accordance with the list (Annex No. 1)".

The tenth issue of the agenda: On payment of remuneration to the independent member of the Board of Directors of JSC HALS-Development according to his function in 2011-2012 yrs.

“FOR” – 8 895 179 votes.

“AGAINST” - 590 votes.

“ABSTAINED” – 30 000 votes.

Resolution:

"To pay remuneration to the independent member of the Board of Directors of the Company - Plaksenkov Eugeny Anatolievich according to his function from 29 June 2011 to 29 June 2012 in an amount of 18 634,86 USD by 16 July 2012 inclusively".

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.

For further information please contact:

Elena Balashova
Corporate Secretary
Tel. +7 (495) 589-2222 (ext. 3350)
balashovaep@hals-development.ru

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.