

## THE BOARD OF DIRECTORS RESOLUTIONS

**MOSCOW, RUSSIA – July 10, 2012 – HALS-Development (LSE, MICEX, RTS: HALS)**, a major Russian real estate company, announces the Board of Directors resolutions passed at the meeting on 09 July 2012 (minutes #1 dated 09/07/2012):

- 1) To appoint Puchkov Andrey as the Chairman of the Board of Directors of the Company.  
Voting results:  
“FOR” – 7 votes.  
“AGAINST” - 0 votes.  
“ABSTAINED” - 0 votes.
  
- 2) To determine the amount of payment for services of the auditor of the Company according to RAS - Closed Joint-Stock Company Energy Consulting / Audit, basic state registration number – 1047717034640, in the sum 950 000 (Nine hundred fifty thousand) rubles taking into account a value added tax.  
Voting results:  
“FOR” – 7 votes.  
“AGAINST” - 0 votes.  
“ABSTAINED” - 0 votes.
  
- 3) To determine the amount of payment for services of the auditor of the Company according to IFRS - ERNST & YOUNG LLC, basic state registration number – 1027739707203, in the sum 20 000 000 (twenty billion) rubles, including:
  - the review of a package of the financial statements for Bank VTB JSC in the 1<sup>st</sup> quarter 2012 – 3 300 000 rubles;
  - the review of a package of the financial statements for Bank VTB JSC in the 2<sup>nd</sup> quarter 2012 – 2 850 000 rubles;
  - the review of a package of the financial statements for Bank VTB JSC in the 3<sup>rd</sup> quarter 2012 – 2 850 000 rubles;
  - the half-year 2012 review– IFRS – 1 800 000 rubles;
  - audit 2012 – IFRS – 9 000 000 rubles;
  - audit of a package of the financial statements for Bank VTB JSC for 2012 – 200 000 rubles.Voting results:  
“FOR” – 7 votes.  
“AGAINST” - 0 votes.  
“ABSTAINED” - 0 votes.
  
- 4) To approve an interested party transaction between HALS-Development JSC and Kalinin Sergey according to Annex to the current Minutes.  
Voting results:  
“FOR” – 7 votes.  
“AGAINST” - 0 votes.  
“ABSTAINED” - 0 votes.
  
- 5) To give consent to the executive bodies of the Company to double-job as the members of the Company’s executive bodies and the members of the corporate bodies of the Company’s subsidiaries according to Annex 1 to the current Minutes.  
Voting results:  
“FOR” – 7 votes.  
“AGAINST” - 0 votes.  
“ABSTAINED” - 0 votes.

7 members of 7 elected members of the Board of Directors have participated at the meeting. There was a quorum on the agenda.

**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 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.*