

## **THE BOARD OF DIRECTORS RESOLUTIONS**

**MOSCOW, RUSSIA – September 24, 2014 – HALS-Development (LSE, MICEX, RTS: HALS)**, a major Russian real estate company, announces the Board of Directors resolutions passed at the meeting on 23 September 2014 (minutes #4 dated 23/09/2014):

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

### **Resolutions:**

#### **On the first issue of agenda:**

To accept the following recommendations of the Board of Directors, taking into consideration that Hals-Development JSC received on September 15, 2014 mandatory offer for purchase shares of Hals-Development JSC send by Bank of Moscow (Open Joint Stock Company) (further “Mandatory offer”) with attached Bank guarantee №IGR14/MSHD/2779 dd August 29,2014 issued by JSC Bank VTB and Certificate of OJSC "Moscow Exchange MICEX-RTS" dd August 26, 2014 about weighted average price of ordinary registered uncertified shares of Hals-Development JSC as a result of trades on Closed Joint Stock Company "MICEX Stock Exchange", main trades for the period from February 25, 2014 till August 25, 2014:

1. The Board of Directors of Hals-Development JSC estimates the price for purchase of securities offered in the Mandatory offer in the amount of 1 543,00 (One thousand five hundred forty three and 00/100) rubles per one ordinary registered share as satisfied, because this price is not lower than weighted average price of shares of Hals-Development JSC determined on the basis of results of organized trades for 6 months prior the date of sending Mandatory offer to the Bank of Russia, and also according to the information specified by Bank of Moscow in the Mandatory offer this price is not lower than maximum price per share of Hals-Development JSC, on which Bank of Moscow and its affiliated persons have acquired or undertook to acquire shares of Hals-Development JSC during 6 months prior the date of sending Mandatory offer to Hals-Development JSC.
2. The Board of Directors of Hals-Development does not exclude possible change of market value of acquired securities of Hals-Development JSC, including due to decrease of quantity of securities of Hals-Development JSC listed on organized trades as a result of actions within the framework of the Mandatory offer.
3. The Board of Directors of Hals-Development JSC does not estimate plans of person sending the mandatory offer in respect of Hals-Development JSC including in respect of its employees, so as there is no information about such plans in the mandatory Offer.
4. To take into account that in accordance with the requirements of the clause 2 of article 84.3 of the Federal law "On joint-stock companies" the date of making list of owners of securities, whom the mandatory offer is addressed to, shall be deemed the date of receipt of the Mandatory offer by Hals-Development JSC, i.e. September 15, 2014.

Taking into consideration all above-mentioned the Board of Directors of Hals-Development JSC recommends the owners of ordinary registered uncertified shares of Hals-Development JSC, with state registration number of issue 1-01-01017-H to accept the mandatory offer of Bank of Moscow to purchase shares of Hals-Development, received by Hals-development JSC on September 15, 2014.

To approve “Recommendations of the Board of directors of Hals-Development JSC” with regard to the mandatory offer for purchase of shares of Hals-Development JSC send by Bank of Moscow (Open Joint Stock Company) and received by Hals-Development JSC on September 15, 2014 in accordance with the Annex 1 to the present minutes.

Voting results:

“FOR” – 7 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

**On the second issue of agenda:**

With the purpose to send to the owners of shares of Hals-Development JSC the mandatory offer of Bank of Moscow to purchase shares of Hals-Development JSC and recommendations of the Board of Directors of Hals-Development JSC in respect of it, to approve the following terms and conditions of the Addendum on services on creation and distribution of materials to the Service Agreement for maintenance of registrar of holders of registered securities №106/2009 dd November 03, 2009 between Hals-Development and CJSC VTB Registrator (further “Addendum”).

Parties of the Addendum

Hals-Development JSC - Issuer

CJSC VTB Registrator – Registrar

Subject of the Addendum

The issuer entrusts and the Registrar undertakes for remuneration to create and distribute materials and information to the shareholders in accordance with the list made on September 15, 2014, in conformity with the sample and terms stated by the Issuer, in quantity necessary for such distribution.

Price of Addendum

Price of services of Registrar is 10 158,94 (ten thousand one hundred fifty eight and 94/100) rubles, VAT is not levied.

Voting results:

“FOR” – 7 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

**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 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 and the Moscow Exchange.

Starting operations in 1994, Hals-Development has successfully completed about 40 projects with a total area over 400,000 square meters,

Hals-Development is currently developing such projects as reconstructing the building of the “Central Children’s Shop on Lubyanka”; development of hotel “Peking”, building of Land Plot No. 11, MIBC “Moscow-City”, selling of residential premises of “Literator”, Wine House”, “Nasledie” and other projects in Moscow and regions. In 2011-2014 the Company put into operation more than 320 thousand sq m, this is 4 large projects – trade center “LETO” (100 thousand sq. m.), business-center Sky-Light (110 thousand sq. m.), residential complex “Solnce” and resort “Camelia” in Sochi. The total value of development projects of HALS-Development is 1.6 mio sq.m.

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*"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.*