

## **GUARANTEE WITH VTB BANK**

**MOSCOW, RUSSIA – November 12, 2014 – HALS-Development (LSE, MICEX: HALS)**, a major Russian real estate Company announces about execution the Guarantee agreement №2316-П4 between the company that HALS-Development controls – CJSC “PROMRESURS” (guarantor) and VTB Bank on November 11, 2014 (further the “Agreement”) (to ensure performance of obligations of the issuer (borrower) under the loan agreement № 2316 dd 06/30/2014 made between the borrower and VTB Bank (lender, Bank) (further the “Loan agreement)).

Under the Agreement the guarantor undertakes to be liable for performance by the borrower of its obligations under the Loan agreement in full value.

The guarantee shall be solidary. The guarantor shall present to the Bank its consent (accept) to charge-off (without its order) funds from its accounts which have been already opened or will be opened by the guarantor in the Bank due to satisfy the Bank`s demands under the Agreement, with further notification of the guarantor of the fact of charge-off.

The term of guarantee:

The guarantee shall be valid during the term of validity of the Loan agreement (December 31, 2021) plus 3 years.

Size of guarantee (the credit line limit with interest for using the loan under the loan agreement, calculated for the whole term of the credit line) – RUR 38 532 292 604. 47 rubles (4014,97% of the book value of assets of the company that the issuer controls on the end date of the reporting period (quarter, year) preceding the settlement of transaction in the amount of 959 715 thousands rubles (RAS).

**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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*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.*

