

THE BOARD OF DIRECTORS RESOLUTIONS

MOSCOW, RUSSIA – March 03, 2014 - HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company, announces the Board of Directors resolutions passed at the meeting on 28th of February 2014 (Minutes № 4 dated February 28, 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:

- 1) **To approve report of performance of the budget of HALS-Development JSC for 2013. (Annex 1).**
Voting results:
“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.
- 2) **To approve consolidated financial model of HALS-Development JSC for 2014. (Annex 2).**
Voting results:
“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.
- 3) **To approve consolidated budget of HALS-Development JSC for 2014 (Annex 3).**
Voting results:
“FOR” – 7 votes; “AGAINST” - 0 votes; “ABSTAINED” - 0 votes.

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 and the Moscow 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 400,000 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 Children’s Shop on Lubyanka”; 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:

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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.