

Bonds

MOSCOW, RUSSIA – April 16, 2014 – HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company announces, that 100% of bonds with series: 02; state registration number: 4-02-01017-H; date of state registration of issue: September 04, 2008; quantity of bonds issue: 2 000 000, belongs to Hals-Development JSC from April, 2010, and in accordance with the clause 413 of the Civil Code of the Russian Federation (part one) dd 11/30/1994 # 51-Φ3 income under the above-mentioned bonds for all coupon periods from 04/22/2010 till today have not been charged due to confusion of debts.

Hals-Development ("the Company") is the fastest growing developing company, specializing in commercial and residential real estates; it controls all stages of development project: from making conception till the following management of the built object. The main shareholder of Hals-Development is Bank VTB (51.24%); free float is about 21,16%.

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.