

Clarification regarding the essential legal entities controlled by the Company

Moscow, Russia – 31 August 2015 – HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company, announces that due to making the Company's audited consolidated interim financial statements for the 6 months of 2015 according to IFRS, in accordance with the Russian legislation:

- 1) the following legal entities, controlled by the Company, have got the status of the organizations of essential importance for the Company:
 - ***Closed joint-stock company "Bizinespark Novaya Riga" (Bolshaya Tatarskaya street, 35, build 4, 115184, Moscow, Russia, TIN: 5024074681, Registration number: 1055004243557);***
 - ***Limited liability company "Iskra-Park" (Bolshaya Tatarskaya street, 35, build 4, 115184, Moscow, Russia, TIN: 7710686130, Registration number: 1077759155430);***
 - ***Closed joint-stock company "Boarding House "Kamelia" (Kurortniy prospect, 89, Sochi, Kransnodarskiy kray, 354002, Russia, TIN 2319008696, Registration number: 1022302829383);***
 - ***Closed joint-stock company "PROMRESURS" (Bolshaya Tatarskaya street, 35, build 4, 115184, Moscow, Russia, TIN: 7728600260, Registration number: 1067759408716).***
 - ***Joint-stock company "Hotel "Peking" (Bolshaya Sadovaya street, 5, 123001, Moscow, Russia TIN: 7710327099, Registration number: 1027739023751, the Company controls it though limited liability company "Hals-Invest" and Joint-stock company "Beijing-Invest");***
- 2) The following legal entities have saved the status of organizations of essential importance for the Company:
 - ***Limited liability company "Hals-Invest Development";***
 - ***CiTer Invest B.V.***
 - ***Open joint-stock company "Lubyanka-Development";***
 - ***Closed joint-stock company "Eksperimentalniy zavod v Khamovnikah"***
 - ***Closed joint stock company "Hals-Tekhnopark";***
 - ***Open joint-stock company "Beijing-Invest";***
 - ***Open joint stock company "nvesticii v razvitie technology".***

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 main shareholders of the Company are VTB Bank and Bank of Moscow.

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 600,000 square meters. Hals-Development is currently developing such projects as development of hotel "Peking", building of Land Plot No. 11, MIBC "Moscow-City", selling of residential premises of "Nasledie", "Wine House", "Peking Gardens", "Teatralny Dom" and other projects in Moscow and regions. In 2011-2014 the Company put into operation more than 460 thousand sq.m., this is 6 large projects – shopping and entertainment mall "LETO" in Saint-Petersburg" (116 thousand sq. m.), business-center Sky-Light (110 thousand sq. m.), residential complex "Solnce" (60 thousand sq.m.), elite residential quarter "Literator" (67 thousand sq.m.), the shopping center "Children Dreamhouse Mall on Lubyanka" (73 thousand sq.m.) and resort "Kamelia" in Sochi (53 thousand sq.m.). 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.