

TRANSACTION CONCLUDED BY THE CONTROLLED COMPANY

Moscow, Russia – December 30, 2015 – HALS-Development (LSE, MICEX: HALS), a major Russian real estate company announces about execution of the Additional agreement #1 to the Loan agreement №2793 dated 04/10/2011 (further - the “Additional agreement”) between CJSC “Boarding House “Kamelia” (the Borrower) - a Company that HALS-Development controls and VTB Bank (public joint stock company) (the Lender).

Date of the transaction: December 30, 2015

The Additional agreement sets a new deadline (extends) credit payment period till December 01, 2023. On the mentioned date all loans received by the Borrower shall be repaid in full as a single payment.

Value of the transaction (Additional agreement) in monetary form:

5 239 090 634 Rubles (the Principal loan amount under the Loan Agreement No.2793 and the interest accrued as of the effective date of the Loan Agreement until the final loan repayment date), that is: 60,2% of the book value of the assets of CJSC “Boarding House “Kamelia” on the end of the 4th quarter of year 2014 (book value of the assets on December 31, 2014 - 8 700 228 000 RUB) (RAS); 73,3% of the book value of the assets of CJSC “Boarding House “Kamelia” on the end of the 3rd quarter of year 2015 (book value of the assets on September 30, 2015 - 7 142 920 000 RUB) (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 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.

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.