

## **INDIRECT CONTROL OVER HALS-DEVELOPMENT JSC**

**Moscow, Russia – 22 January 2015 – HALS-Development (LSE, MICEX: HALS)**, a major Russian real estate Company, announces as follows:

VTB Bank (address: Saint-Petersburg, Bolshaya Morskaya str, 29, TIN: 7702070139, Registered number: 1027739609391) has acquired the right of indirect disposition of certain quantity of votes accounted for voting shares of the issuer through the company:

- Bank of Moscow (Open Joint Stock Company) (address: the Russian Federation, 107996, Moscow, Rozhdiestvenka str, 8/15, build. 3, TIN 7702000406, registered number: 1027700159497).

The date of occurrence of grounds as a result of which bank VTB has acquired the right of disposition of certain quantity of votes coming due to voting shares composing charter capital of the *issuer*: December 09, 2014 (further the “Date of grounds occurrence») is the date of expiry of term for transfer of securities to the personal account (custody account) of Bank of Moscow (Open Joint Stock Company) that made the mandatory offer to acquire securities of HALS-Development JSC.

Quantity and percentage of votes which VTB Bank could dispose before the Date of grounds occurrence: **10 488 823 shares, 93,51066%, including 5 747 283 shares, 51,24% as direct disposition and 4 741 540 shares, 42,27066% as indirect disposition.**

Quantity and percentage of votes which VTB Bank can dispose after the Date of grounds occurrence: **10 816 999 shares, 96.44%, including 5 747 283 shares, 51,24% as direct disposition and 5 069 716 shares, 45.2% as indirect disposition.**

***HALS-Development JSC became aware of occurrence of grounds as a result of which the quantity of votes coming due to voting shares composing charter capital of HALS-Development JSC became more than 95% on January 21, 2015, i.e. on the date of receipt of Report of Bank of Moscow (Open Joint Stock Company) on results of adoption of the mandatory offer to acquire securities of HALS-Development JSC.***

**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.

**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.*