

Clarification regarding the essential legal entities controlled by the Company

Moscow, Russia – 18 April 2016 – HALS-Development (LSE, MICEX: HALS), a major Russian real estate Company, announces that due to making the Company's audited consolidated financial statements for the 12 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:

- **Limited Liability Company "Upravlyayuschaya kompaniya Kamelia" (Kurortniy prospectus, 89, 354002, Sochi, Russia, TIN: 2319053628, Registration number: 1122367006409, the Company controls it through LLC "Hals-Invest", LLC "Sistema-Hals Management", LLC "Hals-Garant", CJST "Pansionat "Kamelia").**

The Company has the rights to dispose more than 50% of votes in the Supreme management bodies of the above mentioned organization.

2) The following legal entities, disclosed as essential legal entities, controlled by the Company, have saved the status of organizations of essential importance for the Company:

- **Limited liability company "Hals-Invest Development";**
- **Closed joint-stock company "Pansionat "Kamelia";**
- **Joint-stock company "Lubyanka-Development";**
- **Closed joint-stock company "PROMRESURS";**
- **Closed joint-stock company "Experimentalny zavod napitkov v Khamovnikakh";**
- **Closed joint-stock company "Business park Novaya Riga";**
- **Closed joint-stock company "Hals-Technopark";**
- **Open joint-stock company "Investicii v razvitie tehnologiy"**
- **CiTer Invest B.V.;**

3) The following legal entities, disclosed as essential legal entities, controlled by the Company, have lost the status of organizations of essential importance for the Company:

- **Joint-stock company "Hotel "Peking";**
- **Limited Liability Company "Iskra-Park".**

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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