

20 November 2017

INTENTION TO CANCEL LISTING OF GDRs

The European Union Market Abuse Regulation EU 596/2014 requires HALS-Development PJSC to disclose that this announcement contains inside information, as defined in that Regulation

HALS-Development PJSC (the "**Company**") hereby announces that it has served notice on The Bank of New York Mellon, as depositary bank ("**BNYM**"), to terminate the deposit agreements relating to its global depositary receipts ("**GDRs**") and has applied for the cancellation of the listing of its GDRs on the Official List of the UK Financial Conduct Authority and the cancellation of the trading of its GDRs on the London Stock Exchange, with the termination and cancellations all to take effect on 22 December 2017 (the "**Delisting Date**"). This notice is given in fulfilment of the obligation under LR 5.2.8.

After 22 December 2017 and before 22 June 2018, holders of the Company's GDRs may surrender their GDRs to BNYM for cancellation and receive the underlying Company shares in accordance with the terms of the deposit agreements. After 22 June 2018, BNYM will sell Company shares underlying any remaining outstanding GDRs and hold the net proceeds of such sale for the benefit of the GDR holders that did not surrender their GDRs prior to 22 June 2018.

The Company's shares will continue to be listed and traded on the Moscow Exchange in the Russian Federation after the Delisting Date.

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 shareholder of the Company is VTB Bank.

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 Exchange.

The company is in the top five of the largest developers in Moscow. The total value of development projects of HALS-Development is 1.6-mil sq.m. In 2016 the Company put into operation 4 projects with total area 300 thousand sq.m.: the first phase of construction of the business class residential premises of "Nasledie"; "Wine House"; "Peking Gardens"; "IQ-Quarter" residential block (MMDC "Moscow-City").

The total value of currently developing projects by HALS-Development is about 800 thousands sq.m. Hals-Development is currently developing such projects as development of the second phase construction of the business class residential premises of "Nasledie"; multifunctional complex "Iskra-Park", non-residential towers of "IQ-Quarter" (MMDC "Moscow-City"), the residential complex "Dostoyanie", the luxury residential premises "Taetralniy Dom".

The Company's portfolio includes such existing facilities as the business centers SkyLight, "Danilovsky Fort", hotel "Beijing", the shopping and entertainment complex "CDM at Lubyanka", resort complex "Camellia" in Sochi and other objects in Moscow and regions.

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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.