

CONVOCAATION OF THE EXTRAORDINARY SHAREHOLDERS MEETING

Moscow, Russia - August 11, 2011 – Hals-Development (LSE, MICEX, RTS: HALS) announces that yesterday the Company's Board of Directors made a decision to convoke the Extraordinary shareholders meeting on September 26, 2011 in absentia.

The Agenda includes the following items:

On the increase of the authorized share capital of Hals-Development JSC by placing the additional ordinary registered uncertified shares by means of an open subscription.

Expiry date of submission of ballots for voting at the extraordinary shareholders meeting (date of holding of the General shareholders meeting): not later than 18 hour 00 minutes on September 26, 2011;

Postal address for sending completed ballots for voting on the extraordinary shareholders meeting: 35, building 4, Bolshaya Tatarskaya street, Moscow, the Russian Federation, 115184.

The date for drawing up a list of shareholders eligible to participate in the Meeting: 10 August 2011.

Shareholders of HALS-Development JSC who are eligible to participate in the Meeting may examine the materials to be presented to shareholders of HALS-Development JSC during the preparation to the Meeting, starting on August 26, 2011, from 09:00 till 18:00 in the office of HALS-Development JSC located at: 35, building 4, Bolshaya Tatarskaya street, Moscow, the Russian Federation, 115184, as well as on the webpage of HALS-Development JSC: www.hals-development.ru.

Hals-Development ("the Company") is one of the leading diversified companies on the Russian and CIS real estate market.

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, the Moscow Stock Exchange and the Russian Trading System Stock Exchange.

Main shareholder of Hals-Development is Bank VTB (51.24%); free float is about 21,16%.

Starting operations in 1994, Hals-Development has successfully completed about 40 projects with a total area over 450,000 square meters, including several residential complexes in Kuntsevo, the headquarters of DaimlerChrysler company, the Hals Tower office building, the headquarters of the Trubnaya Metallurgical Company, the hotel for the MaMaison chain (Orco Property Group).

Hals-Development is currently developing the SkyLight complex in Moscow; reconstructing the building of the Central "Detsky Mir" on Lubyanka; constructing LETO shopping center in Saint Petersburg; developing the Project «Multi-function complex with a transport terminal as part of the Moscow International Business Center «Moscow-City», and fulfils several other projects.

Hals-Development has assembled a balanced and diversified portfolio of assets in fast-growing sectors of the market. The Company's strategy is focused on building Class A and B office space, multifunctional retail and office complexes, business-class residential buildings.

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.