

Clarification regarding the essential legal entities controlled by the Company

Moscow, Russia – 19 April 2017 – 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 2016 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 "Iskra-Park" (B. Tatarskaya 35/4, 115184, Moscow, TIN: 7710686130, Registration number: 1077759155430, the Company controls it through LLC "Hals-Invest", LLC "Project Nastas'inskyi").

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:

- Joint-stock company "Lubyanka-Development";
- Closed joint-stock company "Business park Novaya Riga";
- Closed joint-stock company "Hals-Technopark";
- 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:

- Limited Liability Company "Upravlyayuschaya kompaniya Kamelia"
- Closed joint-stock company "Pansionat "Kamelia"
- Closed joint-stock company "PROMRESURS"

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") and the residential complex "Dostoyanie".

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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