



KARDAN N.V.

## KARDAN ISRAEL WRITES OFF EUR 45 MILLION; NO IMPACT ON KARDAN N.V.

**Amsterdam, 27 January 2009.** Today, Kardan Israel Ltd. (Kardan Israel), a 73.6% subsidiary of international investment company Kardan N.V. (Kardan), has announced that as a result of the merger between Kardan N.V. and GTC Real Estate N.V. (GTC RE) that occurred in December 2008, Kardan Israel has to write off an amount of approximately EUR 45 million in 2008 relating to the exchange of its stake in GTC RE into 9.7% of shares in Kardan. Based on accounting rules this loss will not have any impact on the net result of Kardan N.V.

As a result of the above mentioned merger, Kardan expects to recognize a gain, which will be equal to the difference between the fair value of the shares issued by Kardan to the shareholders of GTC RE and the value of the acquired part of the (minority) shares in GTC RE shareholders' equity. The amount of the gain is subject to the final shareholders' equity of GTC RE at the date of the merger, to be determined as part of the preparation of the Financial Statements 2008.

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### **About Kardan**

Kardan is an international investment company based in Amsterdam with a focus on three sectors: Real Estate, Financial Services and Infrastructure. The company is primarily active in emerging markets in Central and Eastern Europe and China, where it conducts most of its activities.

Kardan holds controlling interests in its main businesses and is actively involved in the definition and implementation of their strategy. Kardan has a consistent track record of creating long-term shareholder value through active management of investments in the group companies and by leveraging on its business experience, financial resources and local and international network.

Total assets per 30 September 2008 amounted to EUR 5.2 billion, with revenues including financial income of EUR 710 million in the first nine months of 2008 (first nine months 2007: EUR 545 million). The number of employees engaged by the group is approximately 16,900 as per 30 June 2008. Kardan is listed on NYSE Euronext Amsterdam and the Tel-Aviv Stock Exchange.

### **For further information please contact:**

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