



STANDARD & POOR AFFIRMS 'D' RATING OF KARDAN

Amsterdam, July 11, 2018 - Kardan N.V. ("Kardan" / "the Company"), active in Real Estate and Water Infrastructure in emerging markets announces that Maalot, the Israeli subsidiary of Standard & Poor's ("S&P"), has reported today that it affirms the 'D' rating for Kardan and for its Debentures Series A and Series B.

The release of S&P is attached as an annex to this press release.

About Kardan

Kardan identifies and develops assets in promising emerging markets, mainly in Asia (predominantly China), Africa and selected CEE and CIS countries. Its activities are mainly focused on two sectors that benefit from the rising middle class: Real Estate and Water Infrastructure. Company headquarters are in the Netherlands. Kardan aims at holding controlling interests in its investments and is actively involved in the definition and implementation of their strategy through its local business platforms. Total assets as of December 31, 2017 amounted to € 669 million; revenues in 2017 totalled € 15 million.

Kardan is listed on Euronext Amsterdam and the Tel Aviv Stock Exchange.

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DISCLAIMER

This press release contains forward-looking statements and information, for example concerning the financial condition, results of operations, businesses and potential exposure to market risks of Kardan N.V. and its group companies (jointly "Kardan Group"). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements (including "forward looking statements" as defined in the Israeli Securities Law). Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" and similar terms and phrases. A variety of factors, many of which are beyond Kardan Group's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Kardan Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For Kardan Group, particular uncertainties arise, amongst others but not limited to and not in any order of importance, (i) from dependence on external financing with the risk that insufficient access to capital threatens its capacity to grow, execute its business model, and generate future financial returns (ii) from concentration of its business in Central Eastern Europe and China as a result of which Kardan Group is strongly exposed to these particular markets (iii) from risks related to the financial markets as a result of Kardan N.V.'s listings on Euronext Amsterdam and the Tel Aviv Stock Exchange and (iv) from it being a decentralized organization with a large number of separate entities spread over different geographic areas in emerging markets, so that Kardan Group is exposed to the risk of fraudulent activities or illegal acts perpetrated by managers, employees, customers, suppliers or third parties which expose the organization to fines, sanctions and loss of customers, profits and reputation etc. and may adversely impact Kardan Group's ability to achieve its objectives and (v) from any of the risk factors specified in Kardan N.V.'s Annual Report and in the related "Periodic Report" (published by Kardan N.V. in Israel) published in April, and which is also available at the Kardan website. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Kardan N.V. does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

"This press release contains regulated information (gereguleerde informatie) as defined in the Dutch Act on Financial Supervision (Wet op het financieel toezicht)"

Kardan N.V.

July 11, 2018

Research Update 'D' Rating Affirmed

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Research Update

'D' Rating Affirmed

Summary

- On January 31, 2018, the Company announced that it would not pay its February 2018 principal and interest payments, totaling about €114 million, when due. Accordingly, future principal and interest payments will not be paid according to the current amortization table.
- The Company is still negotiating a new debt settlement with the trustees, and has yet to reach any understandings.
- We are therefore affirming our 'D' rating on Netherlands-based operating holding company Kardan N.V. and on its Series A and B bonds.

Rating Action

On July 11, 2018, S&P Maalot affirmed its 'D' rating on Netherlands-based operating holding company Kardan N.V. and on its Series A and B bonds.

Rationale

The affirmation on Kardan N.V.'s 'D' rating is due to the fact that the Company has yet to sign a debt reorganization agreement which includes a new amortization table, and is not repaying its due debt..

In accordance with our criteria, we consider an obligation which was not paid in full and on time to be in a state of default. Therefore and under the current circumstances, we are affirming the Company's issuer rating and the rating on its Series A and B bonds at 'D'.

Related Criteria And Research

- [Use Of CreditWatch And Outlooks](#), September 14, 2009
- [Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings](#), October 1, 2012
- [Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers](#), November 13, 2012
- [Methodology: Timeliness Of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings](#), October 24, 2013
- [Group Rating Methodology](#), November 19, 2013
- [Corporate Methodology: Ratios And Adjustments](#), November 19, 2013
- [Corporate Methodology](#), November 19, 2013
- [Country Risk Assessment Methodology And Assumptions](#), November 19, 2013
- [Methodology: Industry Risk](#), November 19, 2013
- [Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), December 16, 2014

- [Methodology: Investment Holding Companies](#), December 1, 2015
- [Methodology For National And Regional Scale Credit Ratings](#), June 25, 2018
- [S&P Global Ratings Definitions](#), April 19, 2018

Rating Details (As of 11-July-2018)

Kardan N.V.

Issuer rating(s)

Local Currency LT	D
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Issue rating(s)

Senior Unsecured Debt

Series A, B	D
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Issuer Rating history

Local Currency LT	
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08-Feb-2018	D
18-Jan-2018	iICC/Negative
03-Oct-2017	iCCC
03-July-2017	iB/Watch Neg
09-July-2015	iB/Negative
07-Jan-2015	iCCC/Negative
06-Jan-2015	D
03-Sept-2014	iCC/Negative
06-Aug-2013	iB/Negative
19-March-2013	iBB/Watch Neg
12-Aug-2012	iBBB-/Negative
12-Aug-2012	SD
16-July-2012	iCC/Negative
18-June-2012	iBBB/Negative
13-June-2011	iBBB+/Positive
24-Jan-2011	iBBB+/Stable
06-May-2010	iBBB+/Negative
13-April-2010	iA-/Watch Neg
12-Nov-2008	iA-/Negative
19-Feb-2007	iAA-/Stable

Other Details

Time of the event	11/07/2018 15:14
Time when the analyst first learned of the event	11/07/2018 15:14
Rating requested by	Issuer

Credit Rating Surveillance

S&P Maalot is the commercial name of S&P Global Ratings Maalot Ltd. S&P Maalot conducts surveillance activities on developments which may affect the creditworthiness of issuers and specific bond series which it rates, on an ongoing basis. The purpose of such surveillance is to identify parameters which may lead to a change in the rating.

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