



KARDAN ACQUIRES BULGARIAN BANK TO BENEFIT FROM SYNERGIES

Amsterdam, April 5, 2011 - Kardan N.V. ("Kardan"), active in Real Estate, Water Infrastructure and Financial Services in emerging markets announces that TBIF Financial Services BV ("TBIF"), the retail lending subsidiary of Kardan, has signed an agreement yesterday to acquire the Bulgarian bank NLB Banka Sofia AD ("Banka Sofia") from the Slovenian banks Nova Ljubljanska Banka and Factor Banka (the "Sellers").

This acquisition is in line with Kardan's strategy, as recently announced in its press release on the 2010 Kardan results, to further strengthen its existing investments in Bulgaria and Romania and to seek new synergetic investments in these two countries.

TBIF, a 90% subsidiary of Kardan's fully owned holding company Kardan Financial Services B.V., is active in Russia through its 50% stake in Sovcom Bank, and in consumer credit services and leasing in Bulgaria and Romania. The operations in Bulgaria and Romania are currently licensed as non-banking financial institutions. Consequently, they are limited in comparison to banks in their product array and in access to diversified funding possibilities. With the purchase of Banka Sofia, TBIF plans to upgrade its operation in Bulgaria into a full banking operation. TBIF plans to leverage on its vast experience and expertise with regard to branding, loan origination and underwriting as well as with deposit taking, to create an efficient banking operation focused on retail and SME banking.

As of December 31st 2010, Banka Sofia had total assets of EUR 101 million, of which a loan portfolio of EUR 91 million and equity of EUR 12 million.

The consideration for the acquisition is EUR 15 million. One of the Sellers will maintain funding lines of up to EUR 15million with Banka Sofia, for periods ranging from 3 months to 5 years.

The acquisition of Banka Sofia is subject to certain conditions precedent, such as approval of the Bulgarian National Bank and the Bulgarian Competition Authority.

Closing of the transaction is expected before September 30, 2011.

As at December 31, 2010, the Bulgarian operations of TBIF had an equity/asset ratio of 15%, total assets of EUR 119 million and a gross loan portfolio of EUR 131million. The accounting implications are under consideration.

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 ("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



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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's listings 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's ability to achieve its objectives and (v) from any of the risk factors specified in the "Periodic Report for 2010" published by Kardan N.V. in Israel on March 31, 2011 together with this Press Release and which is also available at the Kardan website. More detailed information about certain of these factors is contained in Kardan N.V.'s most recent annual report and will be included in the Annual Report 2010 to be published on April 15, 2011. 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.

About Kardan

Kardan identifies and develops assets in promising emerging markets, mainly in the CEE, CIS and China. Its activities are mainly focused on three sectors that benefit from the rising middle class: Real Estate, Water Infrastructure and Retail Lending. In addition, the company has some investment activities in Israel. Company headquarters are in the Netherlands. Kardan aims at holding controlling interests in its investments and, through the development of local business platforms, is actively involved in the definition and implementation of their strategy. Total assets as of December 31, 2010 amounted to EUR 6.0 billion; revenues totalled EUR 667 million in 2010. Kardan is listed on NYSE Euronext Amsterdam and the Tel-Aviv Stock Exchange

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