

PRESS RELEASE

KARDAN ACQUIRES 4 NEW REAL ESTATE PROJECTS COMPRISING A TOTAL OF 130,000 SQ.M OF DEVELOPMENT AREA

Amsterdam, 30 June 2006 – Kardan N.V. (Kardan) announces that its real estate subsidiary, Globe Trade Centre S.A. (GTC SA), will enter a ninth country of operations - Moldova. Furthermore, GTC SA is to develop a luxurious residential project on the Croatian coastline, and has recently signed agreements for the acquisition of additional land plots in Hungary and Bulgaria.

In Croatia, GTC SA agreed to terms entering into a partnership, that will develop a luxurious residential complex, together with a 18-hole golf course and a five-star hotel by the seaside of Croatia. GTC Croatia will hold 75% in the development and existing shareholders will hold the remaining 25%.

The 130-hectare site is located in the south of Croatia. The unique waterfront location, next to a professional golf course facility and a luxurious hotel will offer one the most prestigious residential properties in the booming real estate market on the coast of Croatia. The total residential space to be developed amounts to 23,000 sq.m to be developed over the next three years. Total development cost of the project is estimated at EUR 80 million.

After the recent entrance into Bulgaria, Moldova is the ninth market where GTC SA will start its real estate activities. GTC SA has agreed to terms to purchase an A-class office building, currently under construction, located in the centre of Chisinau, the capital city of Moldova. The building will comprise approximately 11,800 sq.m of office and retail space. Total development costs are estimated to be EUR 12.5 million. GTC SA will hold 51% in the venture developing the building, which is planned to open in the second quarter of 2007.

In Hungary, GTC SA is accelerating its activities in the Budapest office sector. GTC SA has signed a Memorandum of Understanding for the purchase of two land plots totalling 22,700 sq.m. in Budapest, for a total price of approximately EUR 7.3 million. GTC plans to develop the site into an office and retail project of up to 90,000 sq.m.

In Bulgaria, GTC SA is to start its second office project. GTC has agreed to terms for the acquisition of a 4,500 sq.m plot of land in Sofia for EUR 1.55 million and intends to develop at least 7,000 sq.m of gross office space on the site. The land is located on the highway from the city centre to the international airport, close to Oracle's head office and the French School. The land is to be purchased jointly with a partner, with GTC Bulgaria holding 51% in the venture. Construction of the building will start in the second quarter of 2007 and completion is expected by mid-2008.



GTC SA is a real estate developer in Central and Eastern Europe. It invests in three main sectors of the real estate market: office buildings, retail and entertainment centres and residential property. GTC SA is active in Poland, Hungary, the Czech Republic, Romania, Serbia, Croatia, Slovakia and Bulgaria. GTC SA is constantly seeking further investment opportunities in other countries in the CEE region.

GTC SA, with a market cap of approximately USD 1.7 billion, is listed on the Warsaw Stock Exchange and is included in the WIG20, MSCI, GPR 250 and CAIB REX indices.

GTC Real Estate N.V. (GTC RE), the real estate division of the Kardan Group, holds a 46.6% stake in GTC SA. GTC RE's shares are listed on the Tel Aviv Stock Exchange and are included in several of its major indices. GTC RE is active in Europe through GTC SA and GTC Investments B.V., and in China through GTC Real Estate China Ltd. Kardan currently holds (directly and indirectly) a 62.6% stake in GTC RE.

About Kardan

Kardan is an international investment company with a focus on three sectors: Real Estate, Financial Services and Infrastructure. Kardan is primarily active in Central and Eastern Europe, 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. Total assets per December 31, 2005 amounted to USD 1,769 million, with revenues of USD 547 million. The number of employees engaged by the group is approximately 6,100 as of December 31, 2005. Kardan is listed on Euronext Amsterdam and the Tel-Aviv Stock Exchange.

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