



PRESS RELEASE

KARDAN RECOGNIZES GAIN FROM TRANSACTION IN FINANCIAL SERVICES SUBSIDIARY

Amsterdam, 9 May 2007 – Following the press release dated 17 April 2007, Kardan N.V. (Kardan) announces that it will recognize a gain of approximately EUR 18 million from the transaction with Wiener Städtische Versicherung AG Vienna Insurance Group (WS) separating the insurance and pension activities from its banking and assets management activities.

As a result of this transaction, Kardan effectively holds 80% in the banking, retail lending and asset management activities (TBIF) and 35.8% in the insurance and pension activities (TBIH).

Following an evaluation of this complex transaction and its impact on the financial statements, Kardan will recognize a gain of EUR 18 million. The calculation of this gain is based on 31 December 2006 figures. The gain could be adjusted to reflect changes in the balance sheet between 31 December 2006 and the completion of the transaction. In addition, Kardan could realize a further gain as a result of the put option to WS it received within the framework of the transaction.

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, 2006 amounted to USD 2.9 billion, with revenues of USD 700.7 million. The number of employees engaged by the group is approximately 7,980 as of December 31, 2006. Kardan is listed on Euronext Amsterdam and the Tel-Aviv Stock Exchange.

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