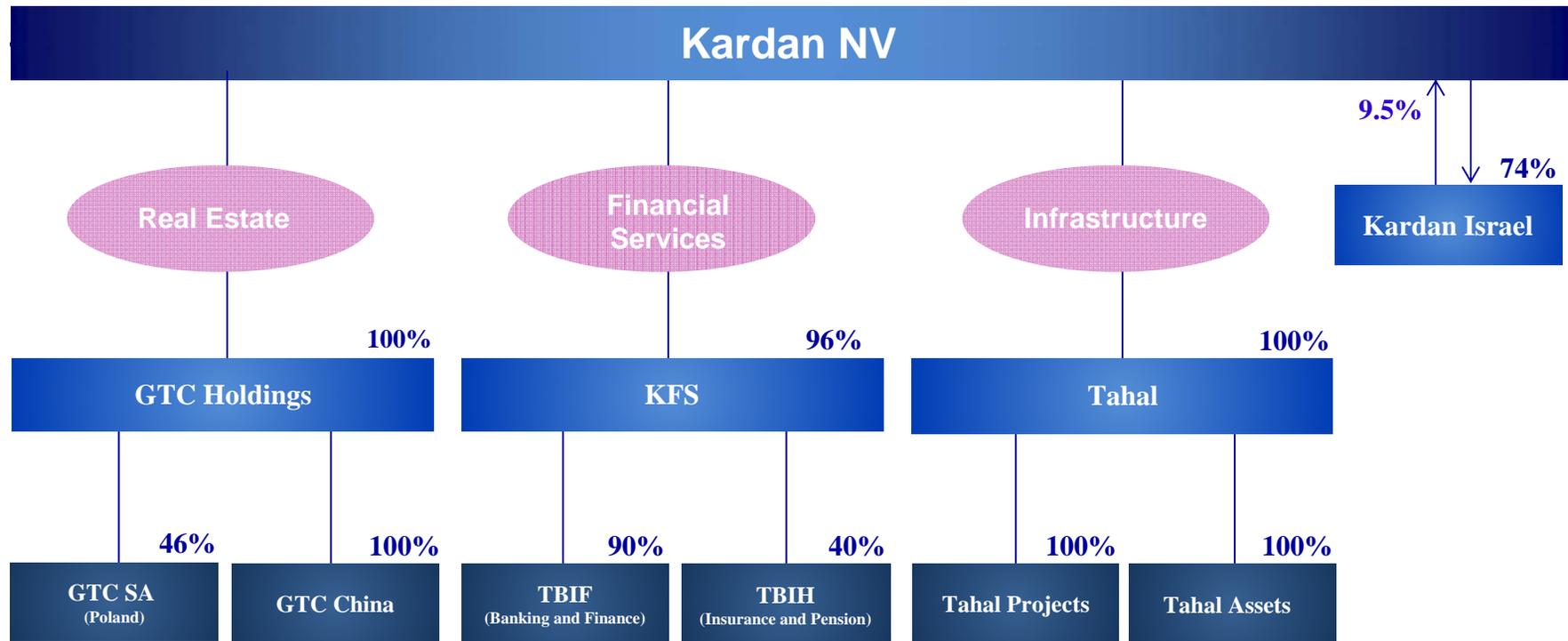


# **ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**AMSTERDAM, 20 MAY 2009**

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# Organisational structure



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# Vision – Mission



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## Vision

- Emerging countries increasing political and economic importance
- Middle class growth
- Demand for water, housing, financial services

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## Mission

- Cater basic needs of middle class
- Create long term value for shareholders

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# Strategy



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## Decentralization

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- Develop local platforms to minimize risk and originate deal flow
- Cooperate with local partners while maintaining control
- Combine Local management relevant expertise with Group strengths
- Incentivize management to align interest

## Organic and acquisitive growth

## Synergies

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- Emerging market expertise
- Local partner joining international group
- Funding at various levels

## Short-term: Watch and hold

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# Operational Developments 2008



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## Holding level

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Merger Kardan N.V., GTC Real Estate N.V.:

- Increase holding GTC RE from 67% to 100%
- Issuance of shares Kardan
- Delisting GTC RE

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# Operational Developments 2008



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## Real Estate

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### Central/Eastern Europe

- Strongly reduced investment activity
- Romania / Hungary: difficult market
- Slow entrance in Ukraine/Russia
- Significant reduction construction pace: 1.4 million m<sup>2</sup> development area on hold
- Occupancy rate 92% and increase in rental income

### China

- 5 new projects in China, in 3 cities, increasing development space to 3.1 million sqm (2007: 1.4 million); GTC stake approx 50%
- Slow down of sales while prices hold
- Adjust construction pace to demand
- First shopping center starts construction in Chengdu

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# Operational Developments 2008



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## Financial Services

### Banking and Lending

- Increase revenue
- Focus on Liquidity
- Difficult markets especially in Ukraine
- Reduction of distribution network Ukraine/Russia (inefficiency cuts)
- Significant reduction in lending activity
- Increase in non-performing loans and in collection-activity and risk management
- Support from Central Banks in Ukraine/Russia

### Insurance and Pension

- Investment in Ukrainian insurance company (62%)
- Sale of insurance activities in Bulgaria, Croatia, Albania, Kosovo Macedonia and Russia, (partially completed at significant profit)
- Sale of pension activity in Romania ( not completed yet)

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# Operational Developments 2008



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## (Water) Infrastructure

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### Projects

- Increased investment activity by governments
- Double projects back-log in 2 years from € 121 million in 2006 to € 235 million in 2008
- Increased activity in Africa; slow down in Latin America
- Difficulties in Russia/Romania and Venezuela which forced organizational changes

### Assets

- Increased assets in China from €24 million to €53 million
- Impairment assets in a.o. Turkey, Bulgaria due to lower profit expectations

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# Operational Developments 2008



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## Kardán Israel

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### Automotive and Consumer goods

- Strong increase sales automotive
- Consumer goods sales down due to credit crisis

### Communications and Technology

- Investment in SME, with strong growth potential (e.g. RR Satellite)

### Real Estate

- Slightly lower sales than expected
- Construction on schedule

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# Outlook 2009



- Continue `watch and hold`
- Market financial services and real estate remain difficult; (water) infrastructure activity improves, however funding difficult
- Cost-cutting

# Contribution to Equity Holders Kardan N.V.



| Results in € millions                                  | 2008      | 2007      |
|--|-----------|-----------|
| Real Estate (GTC)                                      | 89        | 23        |
| Financial Services (KFS)                               | (46)      | 36        |
| Infrastructure (Tahal)                                 | (21)      | (7)       |
| Other Business   | 3         | 1         |
| Corporate activities                                   | 27        | 37        |
| <b>Total net profit attributable to equity holders</b> | <b>52</b> | <b>90</b> |

<sup>[1]</sup> The table shows the contribution of each of the businesses to the results of Kardan. As profits attributable to minority shareholders have already been deducted, these figures do not represent the full net profit realized in each segment.

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# Balance sheet Kardan N.V. (non consolidated)



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| in € millions                                     | 2008         | 2007       |
|---|--------------|------------|
| Real Estate (GTC)                                 | 559          | 240        |
| Financial Services (KFS)                          | 121          | 242        |
| Infrastructure (Tahal)                            | 106          | 77         |
| Kardan Israel                                     | 68           | 75         |
| Total book value subsidiaries                     | 854          | 634        |
| Cash, cash equivalents and short term investments | 140          | 65         |
| Other   | 32           | 5          |
|   | <b>1,026</b> | <b>704</b> |

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# Maturities of Financial Liabilities (Consolidated)

## December 31, 2008

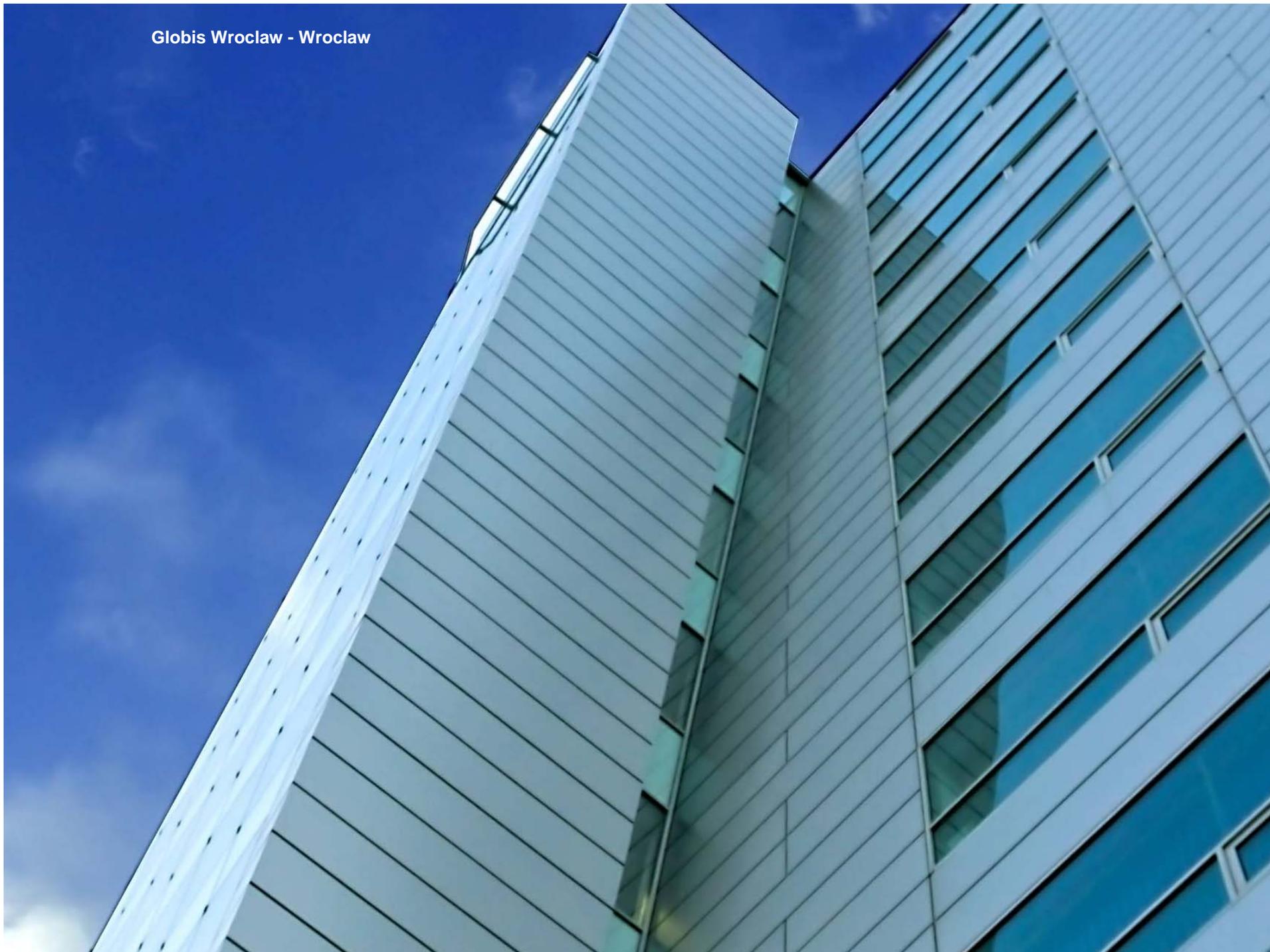


| (in €millions)   | Free Cash & Cash Equivalents | Debt/Loans Maturing        |               |               |               |              |
|------------------|------------------------------|----------------------------|---------------|---------------|---------------|--------------|
|                  |                              | Before YE2009 <sup>1</sup> | Before YE2010 | Before YE2011 | Before YE2012 | After YE2012 |
| Kardan NV        | 140                          | 59                         | 30            | 8             | 3             | 482          |
| GTC Holdings     | 263                          | 53                         | 46            | 78            | 77            | 877          |
| KFS <sup>2</sup> | 166                          | 471                        | 90            | 53            | 46            | 93           |
| Tahal            | 29                           | 29                         | 2             | 1             | 1             | 28           |
| Kardan Israel    | 12                           | 61                         | 33            | 4             | 6             | 18           |

<sup>1</sup> From the liabilities of KFS and Kardan Israel respectively EUR 235mn and EUR 37mn have been refinanced in 2009; EUR 81mn of the liability of KFS redeemable in 2009 is borrowed from the Russian Central Bank.

<sup>2</sup> The data in the table do not include the cash and the liabilities due to deposit holders of the banking activities in Russia and Ukraine which are supported by the Russian and Ukrainian national banks, respectively.

Globis Wrocław - Wrocław



Galleria Chengdu - China





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