



KARDAN N.V.

Unique Investment Gateway to Emerging Markets

Investor Presentation

TASE Conference

November, 2011

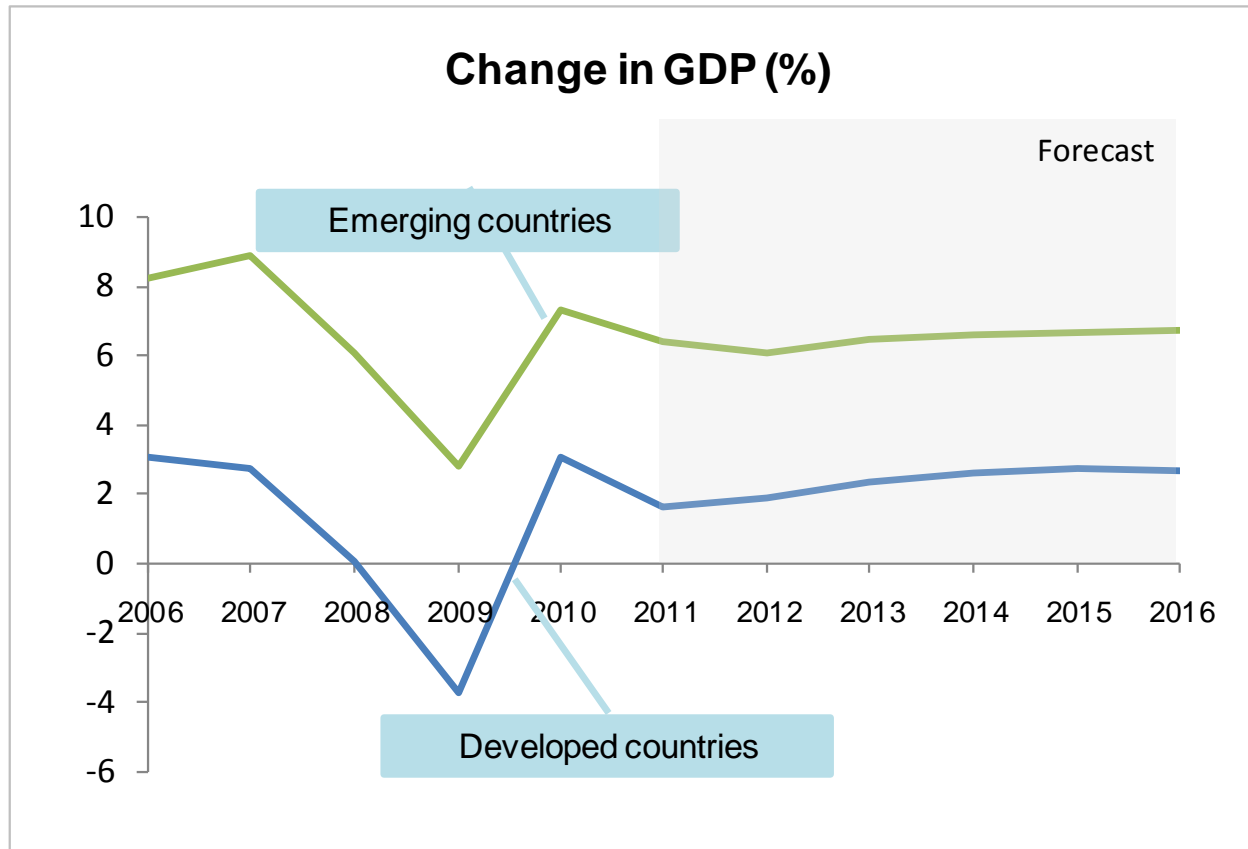
# Kardan N.V.

- ❑ Focusing on Emerging Markets
- ❑ Core Geographies:
  - Central & Eastern Europe
  - China
- ❑ Main Sectors:
  - Real Estate
  - Water Infrastructure



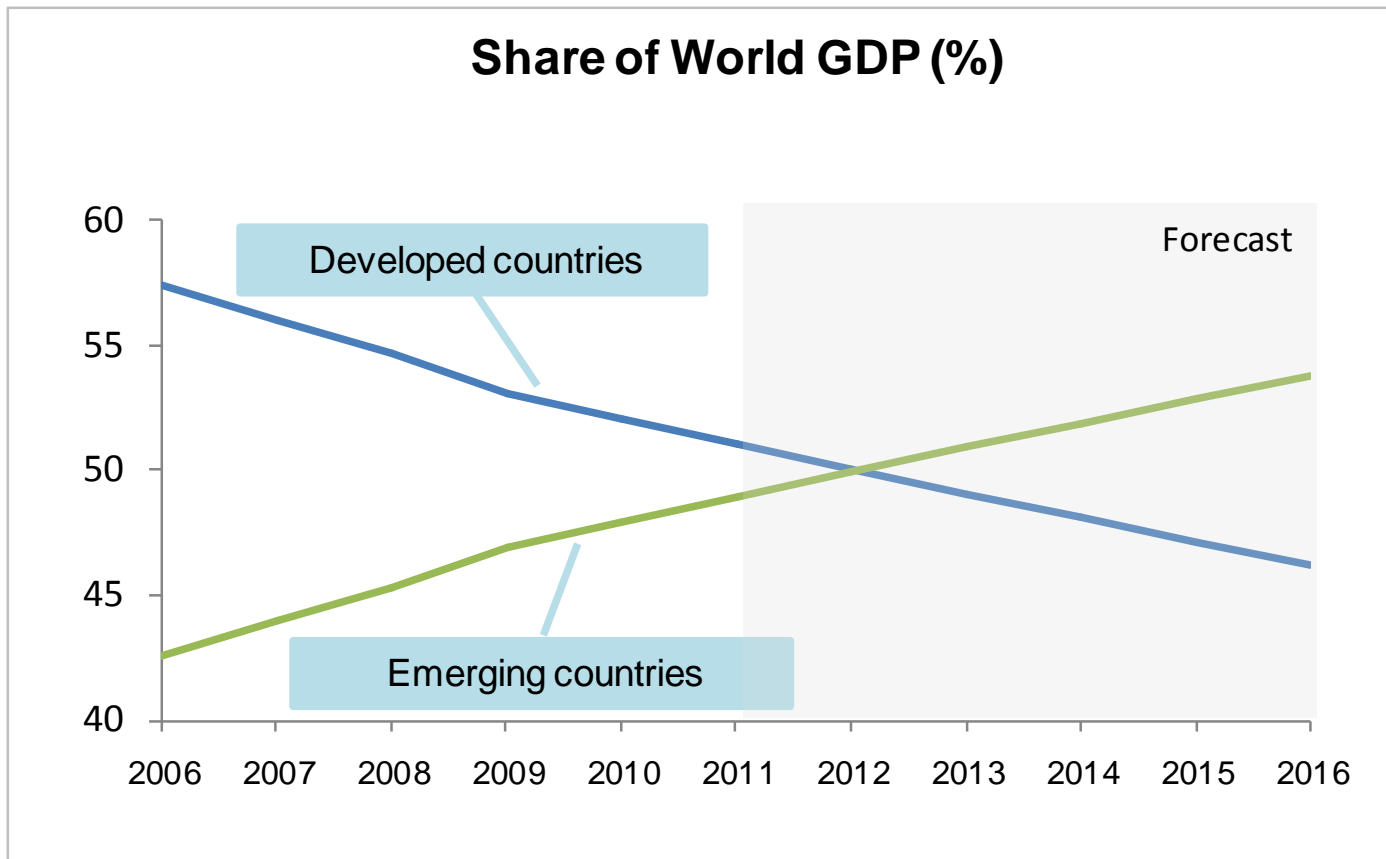
# Why Emerging Markets?

# Promising Growth...



Source: IMF, World Economic Outlook, September 2011

# ...will change global balance



Source: IMF, World Economic Outlook, September 2011

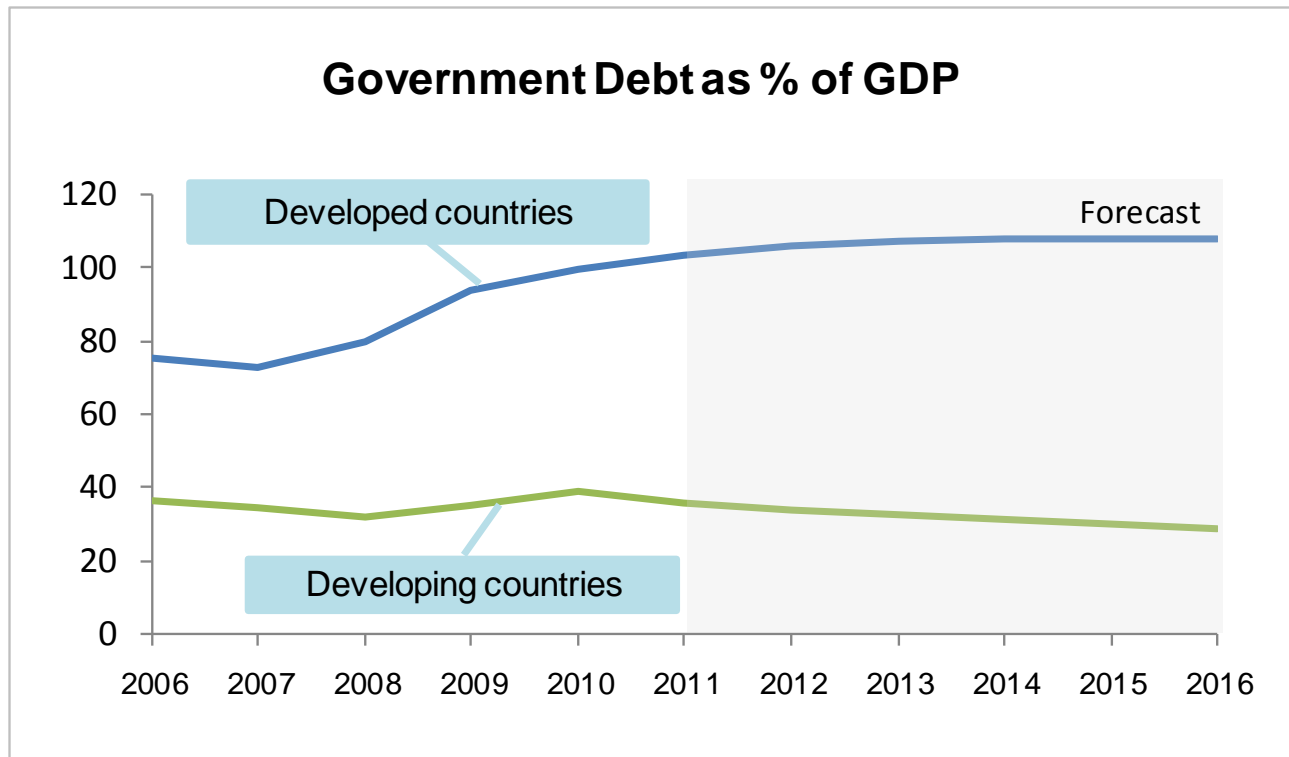
# Middle Class Growth

	2009		2020	
	Number of People (millions)	Global Share	Number of People (millions)	Global Share
North America	338	18%	333	10%
Europe	664	36%	703	22%
Asia Pacific	525	28%	1,740	54%
Central & South America	181	10%	251	8%
Middle East & Africa	137	7%	222	7%
World	1,845	100%	3,249	100%

Source: OECD, 2010

*The main increase is in  
emerging markets*

# Lower leverage...



Source: IMF, World Economic Outlook, September 2011

# What have we done in the past 2 years?

**Divested assets**

**Reduced exposure and leverage**

**Focused development**



# Divesting Assets: approx. EUR 930 Million

	Consideration (EUR million)
❑ Sale of pension and insurance group (TBIH)	126
❑ Sale of the Russian Sovcombank	*160
❑ Sale of 16% in GTC SA retaining a controlling stake	<u>195</u>
* EUR 123 million yet to be received	481
❑ China: Sale of 50% of Galleria Chengdu and Hangzhou project	75
❑ CEE:	
– Sale of 50% of Galleria Mokotow	238
– Sale of the Platinum Business Center (yet to be received)	<u>133</u>
	446



**USES: BUSINESS DEVELOPMENT AND DELEVERAGING**

# KNV\* Leverage Reduced by approximately EUR 260 Million

	EUR million
❑ Repayment of bank debt at the KFS level**	137
❑ Repayment of bank debt at the KNV and GTC Holding level	119

\* Kardan NV and the holding companies of KFS and GTC Holding; repayment through the period of 31.12.09-30.6.11 including further deleveraging as a result of the spin-off (effectuated later than 30.6.10).

\*\* Excluding future deleveraging expected out of the Sovcom additional consideration payment (EUR 123 million)

**CASH AND SHORT TERM INVESTMENTS 30.6.11: EURO 119 million**

## Increased Focus

### □ Spin-Off of Israeli activities

“Kardan's long-awaited spin-off of 74%-held Kardan Israel further improves balance sheet transparency”  
- KBC Securities

“Clean cut emerging markets gig” - Petercam

### □ Decreased exposure to Financial Services

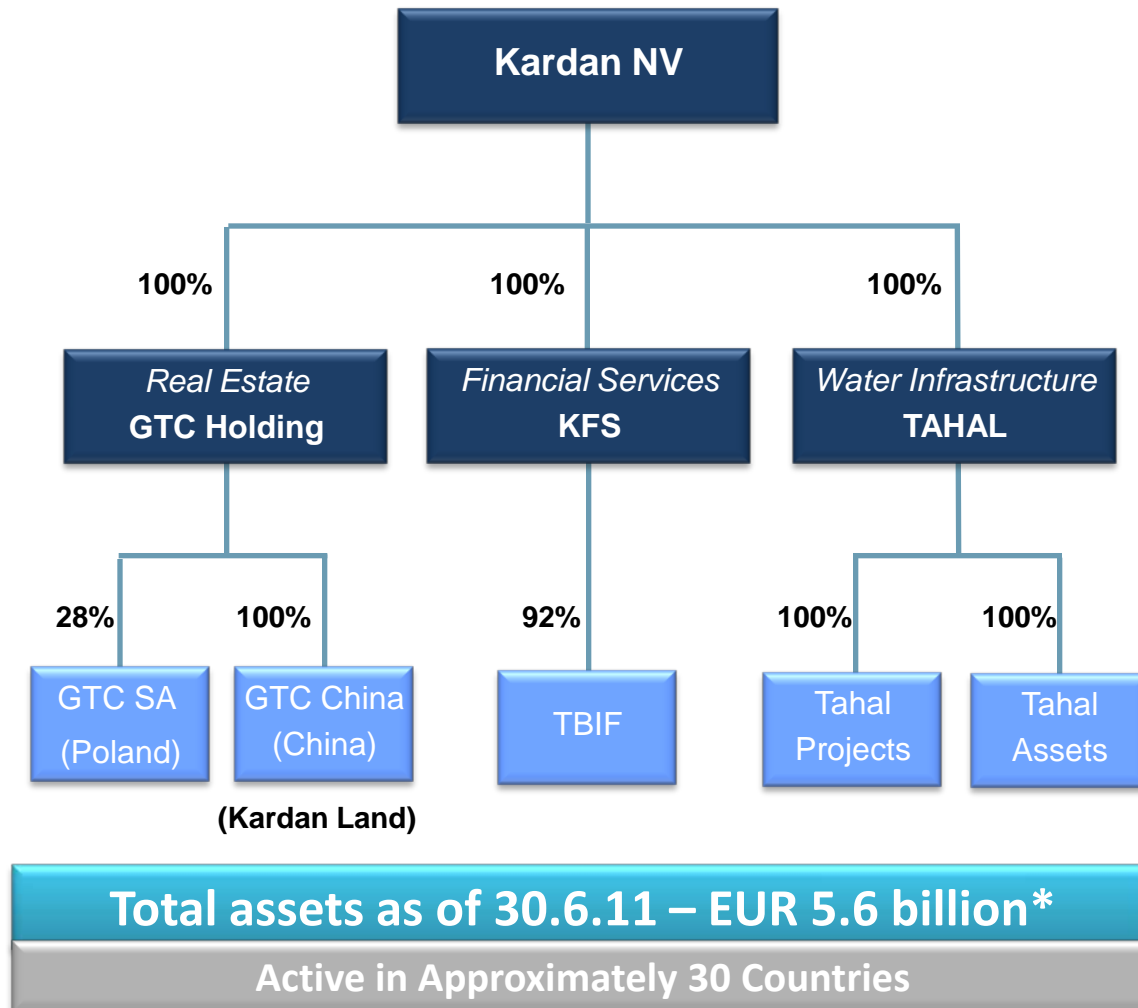


## Reduced Exposure to the Financial Services Sector

- ❑ Sale of the pension and insurance group (TBIH) and the banking activities in Russia\* and Ukraine for a total of EUR 286 Million
- ❑ Assembling the existing leasing and consumer finance activities in Bulgaria and Romania under Bank Sofia
- ❑ Book value of the Bulgarian and the Romanian operations in KNV books as of 30.6.11: EUR 139 million
  - Including Banka Sofia that was purchased later than 30.6.11.

- \* Closing of the sale of Sovcombank expected in 2012

# Organizational Structure after the Spin-Off



# Development of Group Assets

## □ Real Estate:

- Opened 5 shopping centers (165,000 sqm)
- Completed 4 office buildings (56,000 sqm)
- Sold approximately 5,000 apartments

## □ Water Infrastructure:

- More than doubled the capacity of plants in China
- Commenced projects in Africa valued at more than EUR 200 million



Avenue Mall Osijek, Croatia  
Opening: April 2011



Xuanhua-China  
Acquired Feb 2011

# Debt Level as of 30.6.11

KNV level including GTC Holdings

## Outstanding Debt (EUR million)

□ Debentures Series A	226
□ Debentures Series B	255
□ Bank Loans	<u>*131</u>
	612
□ Cash	119

\*Including additional debt reduction of app. EUR 40 million as a result of the spin-off

**Equity to Total Assets (KNV Only) 32%**

**Total Equity (KNV only) 301**

Expected Repayment Schedule	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Debentures Series A (prinicpal)		57	57	56	56					226
Debentures Series B (prinicpal)			36	36	36	36	37	37	37	255
Bank Loans (prinicpal)	6	12	15	15	15	15	15	27	11	131
<b>Total</b>	<b>6</b>	<b>69</b>	<b>108</b>	<b>107</b>	<b>107</b>	<b>51</b>	<b>52</b>	<b>64</b>	<b>48</b>	<b>612</b>

# Kardan NV- Unique Investment Gateway to Emerging Markets

Active in  
Emerging  
Markets

Track Record

Substantial  
Pipeline

High Liquidity



# Thank You

## Disclaimer

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