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AMSTERDAM, THE NETHERLANDS

Condensed Interim Consolidated Financial Statements
As of June 30, 2010

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Condensed Interim Consolidated Financial Statements page

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

A s s e t s

	June 30, 2010	June 30, 2009	December 31, 2009
	€ in millions		
Non-current assets			
Tangible fixed assets	125	102	109
Rental vehicles	239	210	201
Investment properties (Note 5)	2,249	2,220	2,156
Investments in associates	249	143	146
Other financial assets	44	22	14
Loans to bank customers	385	238	189
Long-term loans and receivables	239	292	258
Deferred acquisition costs (insurance companies)	-	6	7
Derivatives	107	4	48
Intangible assets and goodwill	212	253	257
Long term inventory	198	18	160
Deferred income tax assets	39	16	24
	4,086	3,524	3,569
Current assets			
Inventories, contract work and buildings inventory in progress	367	433	308
Derivatives	-	35	1
Current maturities of long-term loans and receivables	158	297	195
Loans to bank customers	571	210	358
Trade receivables	114	80	96
Income tax receivables	9	10	6
Insurance premium receivables	-	29	27
Other receivables and prepayments	199	130	168
Reinsurance assets	-	28	26
Short-term investments	339	288	388
Cash and cash equivalents	515	376	474
	2,272	1,916	2,047
Assets held for sale	93	7	17
Total current assets	2,365	1,923	2,064
Total assets	6,451	5,447	5,633

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Equity and liabilities

	June 30, 2010	June 30, 2009	December 31, 2009
	€ in millions		
Equity attributable to equity holders of the parent			
Issued and paid-in capital	23	23	23
Share premium	235	230	235
Foreign currency translation reserve	22	(53)	(52)
Property revaluation reserve	112	134	93
Revaluation reserve, other	(10)	(17)	(14)
Non-controlling interest holders transaction reserve	1	-	-
Treasury shares	(26)	(21)	(21)
Retained earnings	11	47	29
	368	343	293
Non-controlling interests	731	720	695
Total equity	1,099	1,063	988
Non-current liabilities			
Interest-bearing loans and borrowings	1,722	1,476	1,698
Banking customers accounts	168	146	144
Derivatives	89	96	64
Other long-term liabilities	22	16	19
Options	28	51	28
Convertible debentures	15	-	-
Other debentures	1,064	875	866
Insurance provisions	-	73	71
Deferred income tax liabilities	174	190	153
Accrued severance pay, net	2	2	2
	3,284	2,925	3,045
Current liabilities			
Advances from customers in respect of contracts	17	18	23
Banking customers accounts	833	386	483
Trade payables	128	119	125
Interest-bearing loans and borrowings	709	629	640
Income tax payables	6	10	9
Advances from apartment buyers	131	93	88
Derivatives	24	16	18
Other payables and accrued expenses	202	185	191
	2,050	1,456	1,577
Liabilities held for sale	18	3	23
Total current liabilities	2,068	1,459	1,600
Total liabilities	5,352	4,384	4,645
Total equity and liabilities	6,451	5,447	5,633

The accompanying notes are an integral part of these interim condensed consolidated financial statements

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Sales of goods	59	80	34	39	145
Contract revenues	98	74	52	37	173
Insurance activities	33	30	18	15	59
Banking and retail lending activities	65	35	30	23	96
Property rental and service recharge revenues	51	48	26	24	105
Revenues from renting vehicles	56	55	30	29	108
Revenues from sale of rental vehicles	35	27	16	14	58
Services and management fees	3	4	2	3	9
Total revenues	400	353	208	184	753
Cost of goods sold	40	63	20	32	114
Contract costs	78	59	47	30	138
Operating expenses of insurance activities	32	31	17	17	68
Costs of banking and retail lending activities	70	65	40	33	124
Costs of property rental and service recharge operations	14	10	7	5	24
Cost of rental of vehicles	41	41	21	21	78
Cost of sale of rental vehicles	32	26	15	13	54
Other expenses, net	5	13	-	7	30
Total expenses	312	308	167	158	630
Gross margin	88	45	41	26	123
Selling and marketing expenses	14	11	7	5	24
General and administration expenses	34	30	19	15	62
Profit (loss) from operations before fair value adjustments, disposal of assets and financial expenses	40	4	15	6	37
Adjustment to fair value of investment properties	28	(18)	17	(34)	(179)
Impairment losses on goodwill	(3)	-	(3)	-	(1)
Gain on issuance of shares in associated companies and subsidiaries to third parties	-	1	-	1	1
Gain (loss) on disposal of assets and other income (Note 6)	26	6	34	3	30
Profit (loss) from fair value adjustments and on disposal of assets and investments	51	(11)	48	(30)	(149)
Profit (loss) from operations before finance expenses and income taxes	91	(7)	63	(24)	(112)
Other financial income	21	45	8	8	63
Other financing expenses	(102)	(105)	(58)	(41)	(186)
Adjustment to fair value of other financial instruments	1	-	3	(1)	3
Total financial expenses, net	(80)	(60)	(47)	(34)	(120)
Profit (loss) from operations	11	(67)	16	(58)	(232)
Share of profit of associates accounted for using the equity method	7	2	4	(1)	7
Profit (loss) before income taxes	18	(65)	20	(59)	(225)
Income tax expenses (benefit)	16	6	9	(9)	(27)
Profit (loss) for the period from continuing operations	2	(71)	11	(50)	(198)
Net profit for the period from discontinued operations (Note 6)	-	16	-	16	22
Net profit (loss) for the period	2	(55)	11	(34)	(176)
Attributable to:					
Equity holders	1	(33)	14	(15)	(92)
Non-controlling interest holders	1	(22)	(3)	(19)	(84)
	2	(55)	11	(34)	(176)
Earnings (loss) per share attributable to shareholders					
Basic from continuing operations	0.01	(0.71)	0.14	(0.50)	(1.13)
Basic from discontinued operations	-	0.16	-	0.16	0.22
	0.01	(0.55)	0.14	(0.34)	(0.91)
Diluted from continuing operations	-*)	(0.71)	0.13	(0.50)	(1.14)
Diluted from discontinued operations	-	0.16	-	0.16	0.22
	-*)	(0.55)	0.13	(0.34)	(0.92)

*) Represents an amount lower than €0.01

The accompanying notes are an integral part of these interim condensed consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Result for the period	2	(55)	11	(34)	(176)
Foreign currency translation differences (1)	90	(14)	33	(23)	(12)
Change in hedge reserve, net of tax (2)	(6)	15	1	(1)	21
Unrealized revaluations, net of tax (3)	(*-	(1)	(*-	1	(1)
Other comprehensive income for the period	84	(*-	34	(23)	8
Total comprehensive income (expense)	86	(55)	45	(57)	(168)
Attributable to:					
Equity holders	79	(25)	42	(30)	(80)
Non-controlling interest holders	7	(30)	3	(27)	(88)
	86	(55)	45	(57)	(168)

(1) The foreign currency translation differences for the six months period ended June 30, 2010 include the release of €22 million to profit and loss due to the first time consolidation of a previously held joint venture, refer to Note 6A.
(2) Net of tax amounting to €1.2 million for the year ended December 31, 2009; €6.7 million and €2.7 million for the six and three months period ended June 30, 2010, respectively; and €1.5 million and €1.3 million for the six and three months period ended June 30, 2009, respectively.
(3) Net of tax amounting to less than €1 million in all presented periods.

OCI Include expenses resulted from associated companies amounting to €(2) million for the year ended December 31, 2009; €1 million and €2 million for the six and three months period ended June 30, 2010, respectively; and €1 million for the six and three months period ended June 30, 2009.

*) Represents an amount lower than €1 million.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent										
	Issued and paid-in capital	Share premium	Property revaluation reserve(*)	Revaluation reserve, other (*)	Foreign currency translation reserve (*)	Non controlling interest holders transactions reserve	Treasury Shares (**)	Retained Earnings (**)	Total	Non-controlling interest	Total equity
	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions
Balance as of January 1, 2010	23	235	93	(14)	(52)	-	(21)	29	293	695	988
Other comprehensive income	-	-	-	4	74	-	-	-	78	6	84
Net profit (loss) for the period	-	-	-	-	-	-	-	1	1	1	2
Total comprehensive income /expense for the period	-	-	-	4	74	-	-	1	79	7	86
Share-based payment	-	-	-	-	-	-	-	-	-	2	2
Issuance shares to non-controlling shareholders	-	-	-	-	-	1	-	-	1	22	23
Shares purchased in newly consolidated subsidiaries	-	-	-	-	-	-	-	-	-	9	9
Shares purchased in consolidated subsidiaries	-	-	-	-	-	-	-	-	-	(3)	(3)
Deconsolidation of proportionally consolidated subsidiaries	-	-	-	-	-	-	-	-	-	(2)	(2)
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	-	2	2
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(1)	(1)
Purchase of treasury shares	-	-	-	-	-	-	(5)	-	(5)	-	(5)
Reclassification according to the Netherlands civil code requirements (*)	-	-	19	-	-	-	-	(19)	-	-	-
Balance as of June 30, 2010	23	235	112	(10)	22	1	(26)	11	368	731	1,099

(*) In accordance with the Netherlands civil code, part of the retained earnings is restricted for distribution, following the regulations to maintain a revaluation reserve in respect of real estate unrealized fair value and other adjustments.

(**) Treasury shares were reclassified from Retained Earnings to be presented separately.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent									
	Issued and paid-in capital	Share premium	Property revaluation reserve	Revaluation reserve, other	Foreign currency translation reserve	Treasury shares(**)	Retained earnings (**)	Total	Non-controlling interest	Total equity
	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions
Balance as of January 1, 2009	23	230	140	(35)	(43)	(21)	74	368	744	1,112
Other comprehensive income	-	-	-	18	(10)	-	-	8	(8)	-
Net profit (loss) for the period	-	-	-	-	-	-	(33)	(33)	(22)	(55)
Total comprehensive income/expense for the period	-	-	-	18	(10)	-	(33)	(25)	(30)	(55)
Share-based payment	-	-	-	-	-	-	-	-	3	3
Issuance shares to non controlling shareholders	-	-	-	-	-	-	-	-	(14)	(14)
Shares purchased in consolidated and newly consolidated subsidiaries	-	-	-	-	-	-	-	-	18	18
Dividend paid to non controlling shareholders	-	-	-	-	-	-	-	-	(1)	(1)
Reclassification according to statutory requirements *)	-	-	(6)	-	-	-	6	-	-	-
Balance as of June 30, 2009	23	230	134	(17)	(53)	(21)	47	343	720	1,063

(*) In accordance with the Dutch law, part of the retained earnings is restricted for distribution, following the regulations to maintain a revaluation reserve in respect of real estate unrealized fair value and other adjustments.
(**) Treasury shares were reclassified from Retained Earnings to be presented separately.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent										
	Issued and paid-in capital	Share premium	Property revaluation reserve(*)	Revaluation reserve, other (*)	Foreign currency translation reserve (*)	Non controlling interest holders transactions reserve	Treasury shares(**)	Retained earnings (**)	Total	Non-controlling interest	Total equity
	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions
Balance as of April 1, 2010	23	235	101	(12)	(4)	1	(21)	8	331	728	1,059
Other comprehensive income	-	-	-	2	26	-	-	-	28	6	34
Net profit (loss) for the period	-	-	-	-	-	-	-	14	14	(3)	11
Total comprehensive income / expense for the period	-	-	-	2	26	-	-	14	42	3	45
Share-based payment	-	-	-	-	-	-	-	-	-	1	1
Shares purchased in consolidated subsidiaries	-	-	-	-	-	-	-	-	-	(1)	(1)
Deconsolidation of proportionally consolidated subsidiaries	-	-	-	-	-	-	-	-	-	(2)	(2)
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	-	2	2
Purchase of treasury shares	-	-	-	-	-	-	(5)	-	(5)	-	(5)
Reclassification according to the Netherlands civil code requirements (*)	-	-	11	-	-	-	-	(11)	-	-	-
Balance as of June 30, 2010	23	235	112	(10)	22	1	(26)	11	368	731	1,099

(*) In accordance with the Netherlands civil code, part of the retained earnings is restricted for distribution, following the regulations to maintain a revaluation reserve in respect of real estate unrealized fair value and other adjustments.
(**) Treasury shares were reclassified from Retained Earnings to be presented separately.

The accompanying notes are an integral part of these interim condensed consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Issued and paid-in capital	Share premium	Property revaluation reserve(*)	Revaluation reserve, other (*)	Foreign currency translation reserve (*)	Treasury shares(**)	Retained earnings (**)	Total	Non-controlling interest	Total equity
	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions
Balance as of April 1, 2009	23	230	145	(20)	(35)	(21)	51	373	760	1,133
Other comprehensive income (expense)	-	-	-	3	(18)	-	-	(15)	(8)	(23)
Net result for the period	-	-	-	-	-	-	(15)	(15)	(19)	(34)
Total comprehensive income/expense for the period	-	-	-	3	(18)	-	(15)	(30)	(27)	(57)
Share-based payment	-	-	-	-	-	-	-	-	1	1
Issuance and sale of shares in subsidiaries	-	-	-	-	-	-	-	-	(14)	(14)
Reclassification according to statutory requirements (*)	-	-	(11)	-	-	-	11	-	-	-
Balance as of June 30, 2009	23	230	134	(17)	(53)	(21)	47	343	720	1,063

(*) In accordance with the Dutch law, part of the retained earnings is restricted for distribution, following the regulations to maintain a revaluation reserve in respect of real estate unrealized fair value and other adjustments.
(**) Treasury shares were reclassified from Retained Earnings to be presented separately.

The accompanying notes are an integral part of these interim condensed consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to equity holders of the parent									
	Issued and paid-in capital	Share premium	Property revaluation reserve (*)	Revaluation reserve, other (*)	Foreign currency translation reserve (*)	Treasury shares(**)	Retained earnings (**)	Total	Non-controlling Interest	Total equity
	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions	€ in millions
Balance as of January 1, 2009	23	230	140	(35)	(43)	(21)	74	368	744	1,112
Total comprehensive income (expense) for the year	-	-	-	21	(9)	-	-	12	(4)	8
Net profit for the period	-	-	-	-	-	-	(92)	(92)	(84)	(176)
Comprehensive income /expense for the year	-	-	-	21	(9)	-	(92)	(80)	(88)	(168)
Share-based payment	-	1	-	-	-	-	-	1	5	6
Issuance of shares to consolidated company	-	1	-	-	-	-	-	1	-	1
Exercise of warrants and options	-	3	-	-	-	-	-	3	-	3
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	15	15
First time consolidation	-	-	-	-	-	-	-	-	20	20
Dividend distributed to non-controlling shareholders	-	-	-	-	-	-	-	-	(1)	(1)
Reclassification according to the Netherlands civil code requirements (*)	-	-	(47)	-	-	-	47	-	-	-
Balance as of December 31, 2009	23	235	93	(14)	(52)	(21)	29	293	695	988

(*) In accordance with the Netherlands civil code, part of the retained earnings is restricted for distribution, following the regulations to maintain a revaluation reserve in respect of real estate unrealized fair value and other adjustments.
(**) Treasury shares were reclassified from Retained Earnings to be presented separately.

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CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

	Six months period ended June 30,		Three months period ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Cash flow from operating activities					
Net profit (loss) from continuing operations before taxes on income	18	(65)	20	(59)	(225)
Adjustments required to present cash flow from operating activities (see A below)	(48)	58	(10)	70	276
Net cash provided by (used in) operating activities	(30)	(7)	10	11	51
Cash flow from investing activities					
Acquisition of tangible fixed assets and investment properties	(118)	(181)	(48)	(115)	(313)
Collecting (granting) of loans to associated companies, net	4	4	1	5	(9)
Investment in companies and partnerships (*)	-	-	-	-	(27)
Proceeds from sale of assets and investments (*)	11	6	5	4	16
Granting of long-term loans	(1)	(91)	-	(33)	(141)
Change in loans to bank customers	(93)	(24)	(86)	(10)	(175)
Change in long-term loans and receivables	1	143	(12)	69	318
Change in short-term investments	52	(108)	13	(49)	(256)
Acquisition of newly consolidated subsidiaries, net of cash acquired (see B below)	(2)	3	-	(2)	3
Disposal of formerly consolidated subsidiaries, net of cash disposed (see C below)	-	-	-	-	24
Change from proportional consolidation to full consolidation (see D below)	28	-	-	-	-
Change in deferred brokerage fees	(1)	-	-	-	(2)
Change from proportional consolidation to equity method (see Note 6L)	(30)	-	(30)	-	-
Change in other assets	(8)	-	(5)	-	(6)
Decrease of cash of assets held for sale	-	-	-	-	2
Net cash provided by (used in) investing activities	(157)	(248)	(162)	(131)	(566)

(*) Reclassified according to IAS 7

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONT.)

	Six months period ended June 30,		Three months period ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Cash flows from financing activities					
Dividend paid to non-controlling interests	(1)	(1)	-	-	(1)
Proceeds from issuance of shares in subsidiaries third parties, net	23	6	2	1	5
Issuance of debentures	70	21	-	20	22
Repayment of debentures	(54)	(40)	(50)	(14)	(92)
Change in loans from bank customers	106	(47)	106	(65)	95
Change in deposits from tenants	(1)	-	(1)	-	1
Proceeds from long-term loans	168	577	38	251	886
Repayment of long-term loans	(87)	(483)	(19)	(268)	(585)
Change in short-term loans and borrowings, net	(59)	93	(1)	141	178
Costs related to issuance of debt and shares	-	(1)	-	-	(5)
Sale of hedge instruments	29	-	29	-	-
Purchase of treasury shares	(5)	-	(5)	-	-
Investments in companies and partnerships (*)	(1)	(70)	(1)	(10)	(76)
Proceeds from sale of investments in subsidiaries (*)	-	43	-	-	44
Net cash provided by financing activities	188	98	98	56	472
Foreign exchange differences relating to cash ar cash equivalents	40	(7)	12	(2)	(23)
Increase (decrease) in cash and cash equivalents	41	(164)	(42)	(66)	(66)
Cash and cash equivalents at the beginning of t period	474	540	557	442	540
Cash and cash equivalents at the end of the perioc	515	376	515	376	474

(*) Reclassified according to IAS 7

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Six months period ended June 30,		Three months period ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
A. Adjustments to reconcile net profit (loss) to net cash					
Charges / (credits) to profit / loss not affecting operating cash flows:					
Share of profit (loss) of associates accounted for using the equity method	(7)	(2)	(4)	1	(7)
Dividend from associated companies	5	3	4	1	6
Gain on issuance of shares in associated companies and subsidiaries to third parties, net	-	(1)	-	(1)	(5)
Gain from release of negative goodwill	-	-	-	-	(5)
Impairment of goodwill	3	-	3	-	1
Loss (gain) on disposal of assets and investments, ne	(58)	(3)	(53)	(3)	2
Share-based payment	2	3	1	1	6
Depreciation and amortization	31	38	15	20	74
Fair value adjustments of investment properties	(28)	18	(17)	34	179
Financial (income)/expense and exchange rate differences, net	58	13	30	45	99
Change in fair value of options and share appreciatic rights	17	(1)	23	(11)	(14)
Decrease (increase) in fair value of securities held fo trading, and hedge instruments, net	5	15	23	(36)	(20)
Increase in provision for bad debts in the financial services segment	37	64	18	33	116
Purchase of rental vehicles	(55)	(29)	(32)	(18)	(79)
Proceeds from sale of rental vehicles	32	27	15	14	54
Impairment of assets	-		-	-	19
Change in severance pay, net	-	(2)	-	(2)	-
Changes in operating assets and liabilities					
Change in insurance provisions and deferred acquisition costs, net	5	(3)	4	(1)	-
Change in outstanding insurance premiums, reinsurance receivables and insurance companies	-	-	-	-	(1)
Change in trade and other receivables	(183)	5	(96)	72	(42)
Change in inventories and in contract work in progress, net of advances from customers	(43)	(21)	(30)	(4)	(2)
Change in trade and other payables	150	(29)	91	(68)	(76)
Interest paid	(143)	(141)	(71)	(50)	(246)
Interest received	138	108	76	44	230
Income taxes paid	(14)	(4)	(10)	(1)	(13)
	(48)	58	(10)	70	276

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Six months period ended June 30,		Three months period ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
B. Acquisition of newly consolidated subsidiaries, net of cash acquired					
Working capital	-	17	-	(1)	74
Non-current assets	(2)	(287)	-	(13)	(279)
Goodwill on acquisition	(1)	(1)	-	(1)	(1)
Non-controlling interests	-	18	-	-	20
Long-term liabilities	-	255	-	12	192
Capital reserve	-	-	-	-	(2)
Total purchase price	(3)	2	-	(3)	4
Less – cash in subsidiaries acquired	-	1	-	1	(1)
Payable on account of investment	1	-	-	-	-
Cash used in acquisition, net of cash acquired	(2)	3	-	(2)	3
C. Disposal of formerly consolidated subsidiaries, net of cash disposed					
Working capital	-	-	-	-	59
Non-current assets	-	-	-	-	10
Investment properties	-	-	-	-	9
Goodwill	-	-	-	-	16
Non-controlling interests	-	-	-	-	(7)
Long-term liabilities	-	-	-	-	(49)
Gain on disposal of investment	-	-	-	-	19
Total consideration	-	-	-	-	57
Cash of subsidiary which ceased to be consolidated	-	-	-	-	(29)
Release of capital reserves	-	-	-	-	(1)
Other receivables from disposal of investments	-	-	-	-	(3)
Cash flows from disposal, net of cash disposed	-	-	-	-	24

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Six months period ended June 30,		Three months period ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
D. Change from proportional consolidation to full consolidation					
Cash	(35)	-	-	-	-
Working capital (excluding cash)	34	-	-	-	-
Investment property	(33)	-	-	-	-
Other non-current assets	(242)	-	-	-	-
Goodwill on acquisition	(11)	-	-	-	-
Gain on disposal of investment	6	-	-	-	-
Non-controlling interests	9	-	-	-	-
Long-term liabilities	265	-	-	-	-
Total purchase price	(7)	-	-	-	-
Less – cash in subsidiaries acquired	35	-	-	-	-
Cash used in acquisition, net of cash acquired	28	-	-	-	-
E. Significant non-cash transactions					
Conversion of debentures Company's shares	-	-	-	-	3
Purchase shares of subsidiary from non-controlling shareholders against assignment of loans	-	-	-	-	7
Purchase of subsidiary shares against contribution – in kind of assets	-	-	-	-	17
Sale of associate against long term debt	3	-	3	-	-
Sale of associate against traded shares	3	-	3	-	-

The accompanying notes are an integral part of these interim condensed consolidated financial statements

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2010

1. Corporate information

Kardan N.V. ('Kardan' or 'the Company') having its legal seat in Amsterdam, The Netherlands, was incorporated on May 2, 2003, and acts as an investment company which is engaged in the development of real estate, insurance and pension, banking and lending, infrastructure projects, infrastructure assets, rental of vehicles and sale of vehicles and others through its subsidiaries, joint ventures and associated companies.

The Company, its subsidiaries, joint ventures and associates are referred to as 'the Group'.

These condensed interim financial statements were approved by the management board on August 31, 2010.

2. Basis of presentation and preparation

A. Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 as defined by the International Accounting Standards Board to be used for the preparation of the interim consolidated financial statements.

The condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto for the year 2009.

For the condensed interim consolidated financial statements for the period ended on June 30, 2010 the Company applied the same accounting principles and methods of computation as compared with the consolidated financial statements for the year 2009, except for the changes described below.

B. Changes in accounting policies

With the effect from January 1, 2010 International Financial Reporting Standards have been revised. Below we summarize the following new or revised IFRS standards and IFRIC interpretations, which are effective from 1 January 2010 and which were adopted by the Group:

IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions
The standard has been amended to clarify the accounting for group cash-settled share-based payment transactions. This amendment also supersedes IFRIC 8 and IFRIC 11.The adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
The Group applies the revised standards from January 1, 2010. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to gains or losses. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests. The change in accounting policy was applied prospectively and is expected to have a material effect.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.
The Company believes that the new interpretation will not have a material impact on its financial statements, as the Group has not entered into any such hedges.

IFRIC 17 Distribution of Non-cash Assets to Owners
This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation had no effect on the financial position nor performance of the Group.

Improvements to IFRSs (issued May 2008)
In May 2008, the Board issued its first omnibus of amendments to its standards. All amendments issued are effective for the Group as of December 31, 2009, apart from the following:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively and had no impact on the financial position or the financial performance of the Group. The amendment is effective for the Group as of January 1, 2010.

Improvements to IFRSs (issued April 2009)
In April 2009, the IASB issued a second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

- IFRS 2 Share-based Payment
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 17 Leases
- IAS 18 Revenue
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement

Amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or the performance of the Group:

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

New and amended standards and Interpretations, that are effective for financial years starting after 1 January 2010 or later

IFRS 9 Financial Instruments

The IASB has published phase 1 of IFRS 9 Financial Instruments, the accounting standard that will eventually replace IAS 39 Financial Instruments: Recognition and Measurement. Phase 1 establishes a new classification and measurement framework for financial assets. At initial recognition, all financial assets are measured at fair value. For subsequent measurement, financial assets that are debt instruments are classified at amortized cost or fair value through profit and loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. All other debt instruments are subsequently measured at fair value through profit and loss. All financial assets that are equity investments are measured at fair value either through profit or loss or other comprehensive income. The Group has taken notice of the new standard and is currently assessing its impact.

IFRS 3 (Revised) - Business Combinations

Measurement of non-controlling interests:

The amendment limits the circumstances in which it is possible to choose the measurement of non-controlling interests based on their fair value on the date of acquisition or at the present ownership instruments' share in the recognized amounts of the acquiree's identifiable net assets. According to the amendment, this possibility is only available for types of non-controlling interests that entitle their holders to present ownership interests and a proportionate share to the entity's net assets in the event of liquidation (usually shares). In contrast, other types of non-controlling interests (such as options that represent equity instruments in the acquiree) do not allow such choice and must be measured at fair value on the acquisition date, unless another measurement basis is required by IFRSs such as in IFRS 2. The amendment will be effective from the financial statements for periods commencing on January 1, 2011. The amendment will be adopted retrospectively from the date of adoption of IFRS 3 (Revised).

Share-based payment awards in a business combination:

The amendment elaborates the accounting treatment of a business combination that refers to the exchange of the acquiree's share-based payment transactions (whether it is obligated or chooses to exchange them) with the acquirer's share-based payment transactions. Accordingly, the acquirer must allocate a value on the acquisition date and an expense in the period following the acquisition date. However, if the award expires as a result of the business combination and is exchanged for a new award, the value of the new award in accordance with IFRS 2 will be recognized as an expense in the period following the acquisition date and will not be included in the purchase price. Furthermore, if share-based payment awards are not exchanged, then, if the instruments have vested, they will form part of the non-controlling interests and are measured pursuant to the provisions of IFRS 2. If the instruments have not vested, they will be measured at the value that would have been used had they been re-granted on the acquisition date whereby this amount is allocated between the non-controlling interests and the post-acquisition expense. The amendment will be in effect starting from the financial statements for periods commencing on January 1, 2011. The amendment will be adopted retrospectively from the date of the first time adoption of IFRS 3 (Revised).

The Company is evaluating the effect of the amendments on its financial statements but is presently unable to assess such effect.

IFRS 7 - Financial Instruments: Disclosure

The amendment to IFRS 7 clarifies the disclosure requirements prescribed by the Standard. The Standard highlights the connection between the quantitative and qualitative disclosures and the nature and scope of the risks arising from financial instruments. The disclosure requirements regarding securities held by the company have been minimized and the disclosure requirements regarding credit risk have been revised. The amendment will be adopted retrospectively in the financial statements for periods starting from January 1, 2011. .

The Company estimates that the amendment will not have a material effect on financial instruments presented in the financial statements.

IAS 1 - Presentation of Financial Statements

According to the amendment to IAS 1, the changes between the opening and the closing balances of each other comprehensive income component may be presented in the statement of changes in equity or in the notes accompanying the annual financial statements. The amendment will be adopted retrospectively in the financial statements for periods starting from January 1, 2011.

The amendment is not expected to have a material effect on the Company' financial statements.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues

The amendment alters the definition of a financial liability in IAS 32 to classify rights issued and certain options or warrants (together, here termed rights) as equity instruments. The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.

The Company is evaluating the effect of the amendments on its financial statements but is presently unable to assess such effect.

IAS 34 - Interim Financial Reporting

Pursuant to the amendment to IAS 34, new disclosure requirements were introduced to interim financial reporting regarding the circumstances that are likely to affect the fair value of financial instruments and their classification, the transfers of financial instruments between different fair value levels, changes in the classification of financial assets and changes in contingent liabilities and contingent assets. The amendment will be adopted retrospectively in the financial statements for periods starting from January 1, 2011.

The required disclosure will be included in the Company's financial statements.

C. Reclassifications

Certain amounts in the statement of financial position and income statements were reclassified, within the same group of accounts, in order to conform with current period presentation.

Within the equity, treasury shares were presented as a rreduction from retained earnings, in accordance with the requirement to present the cumulative impact of treasury shares, the Company has reclassified the treasury shares to a separate capital reserve,

D. Foreign currency translation

Following are the representative exchange rates of the USD and NIS in relation to the EUR and the Israeli Consumer Price Index (CPI) in points:

	USD	NIS	CPI
June 30, 2010	0.81	0.21	123.4
June 30, 2009	0.71	0.18	120.5
December 31, 2009	0.69	0.18	122.6
Change in 2010 (6 months)	17.4%	14.4%	0.7%
Change in 2010 (3 months)	8.0%	4.7%	1.5%
Change in 2009 (6 months)	(1.4%)	(4.3%)	2.1%
Change in 2009 (3 months)	(5.7%)	0.7%	2.3%
Change in 2009 (12 months)	(3.3%)	(2.7%)	3.9%

3. Segment information

A. Segments revenue:

	Six months period ended June 30,		Three months period ended June 30,		For the year Ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Real estate	98	129	54	65	231
Financial services – banking and retail lending	65	35	30	24	96
Financial services – insurance and pension	35	32	19	15	64
Infrastructure - projects	51	40	28	20	
Infrastructure – assets	31	24	16	12	52
Rental and leasing of vehicles	91	82	46	43	167
Sale of vehicles	1	-	-	-	-
Others	28	11	15	5	43
Total revenues	400	353	208	184	753

Fair value adjustments of investment properties, goodwill impairment, equity earnings, gains from disposal of assets and investments and other adjustments:

	Six months period ended June 30,		Three months period ended June 30,		For the year Ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Real estate	28	(26)	18	(37)	(175)
Financial services – banking and retail lending	(15)	3	1	2	14
Financial services – insurance and pension	31	-	23	1	-
Infrastructure – projects	1	-	-	-	1
Infrastructure – assets	-	3	-	-	9
Rental and leasing of vehicles	-	-	-	-	2
Sale of vehicles	6	3	4	-	7
Others	10	7	8	2	-
	61	(10)	54	(32)	(142)

Total Segment income, after adjustments:

	Six months period ended June 30,		Three months period ended June 30,		For the year Ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Real estate	126	103	72	28	56
Financial services – banking and retail lending	50	38	31	26	110
Financial services – insurance and pension	66	32	42	16	64
Infrastructure – projects	52	40	28	20	101
Infrastructure – assets	31	27	16	12	61
Rental and leasing of vehicles	91	82	46	43	169
Sale of vehicles	7	3	4	-	7
Others	38	18	23	7	43
	461	343	262	152	611

B. Segments results and reconciliation to net result

	Six months period ended June 30,		Three months period ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Real estate	58	20	34	(13)	(117)
Financial services – banking and retail lending	(22)	(28)	(11)	(6)	(16)
Financial services – insurance and pension	32	(2)	24	(1)	(8)
Infrastructure - projects	4	2	2	2	7
Infrastructure – assets	1	(4)	-	(8)	8
Rental and leasing of vehicles	12	10	6	7	26
Sale of vehicles	7	3	4	-	7
Others	11	(1)	10	(3)	4
	103	-	69	(22)	(89)
Unallocated expenses	(5)	(5)	(2)	(3)	(16)
Profit (loss) from operations and share in profit of associates companies before finance expenses, net	98	(5)	67	(25)	(105)
Finance expenses, net	80	60	47	34	120
Profit (loss) before income tax	18	(65)	20	(59)	(225)
Income tax expenses (benefit)	16	6	9	(9)	(27)
Profit (loss) from continuing operations	2	(71)	11	(50)	(198)
Profit (loss) from discontinued operations	-	16	-	16	22
Profit (loss) for the period	2	(55)	11	(34)	(176)

4. Share capital

A. Composition

	June 30, 2010		December 31, 2009	
	Authorized	Issued and Paid-in	Authorized	Issued and Paid-in
	Number of shares		Number of shares	
Ordinary shares with nominal value o €0.20 each	225,000,000	111,824,638	225,000,000	111,824,638

During the six month period ended on June 30, 2010 there were no changes to the share capital of the Company.

During May and June 2010 Kardan Israel acquired 1,432,899 shares of the Company on the Tel Aviv Stock Exchange in consideration of €5 million. The purchase amount is deducted from the Company's equity and will be accounted as treasury shares. In July 2010, after the balance sheet date, Kardan Israel acquired additional 361,318 shares in consideration of €1 million. Post acquisition Kardan Israel holds approximately 11% of the Company‘s share capital.

5. Investment properties

Further to Note 8 to the 2009 consolidated financial statements, below we present updated information regarding investment properties:

A. Investment properties can be split up as follows:

	June 30,		December 31,
	2010	2009	2009
	€ in millions		
Completed investment properties	1,654	1,308	1,580
Investment properties under construction carried at fair value	300	492	158
Investment properties under construction carried at cost	295	420	418
	2,249	2,220	2,156

B. Fair value adjustments comprise:

	Six months period ended June 30, **2010**	Six months period ended June 30, 2009	Three months period ended June 30, **2010**	Three months period ended June 30, 2009	For the year ended December 31, 2009
	€ in millions				
Adjustment to fair value of newly completed properties, net of goodwill released	(6)	12	(6)	12	17
Adjustment to fair value of properties completed in prior years	16	(55)	17	(42)	(142)
Adjustment to fair value of investment property under construction, net of goodwill released	23	25	11	(4)	(14)
Impairment adjustments to investment properties under construction measured at cost	(5)	-	(5)	-	(40)
	28	(18)	17	(34)	(179)

C. Significant assumptions

Significant assumptions used in the valuations as of June 30, 2010 and December 31, 2009 are presented below on the basis of weighted averages:

	China		Western Europe		CEE	
	June 30, 2010	December 31, 2009	**June 30, 2010**	December 31, 2009	**June 30, 2010**	December 31, 2009
<u>Completed investment properties</u>						
Average rental rate per sqm per month (in €)	n/a	n/a	10.1	10.8	20.58	20.2
Reversionary yield	n/a	n/a	6.3%	6%	7.8%	7.8%
ERV per sqm per month (in €)	n/a	n/a	10.2	9.8	19.86	20.3
Vacancy	n/a	n/a	7.5%	7.3%	16.5%	10.9%
<u>Assets under construction (only assets at fair value)</u>						
Average risk-adjusted yield used in capitalizing the net future income stream	9%	n/a	n/a	n/a	9.3%	9.3%
Average % complete	76.1%	n/a	n/a	n/a	53.2%	75%
Estimated average development profit ((Fair value upon completion / Total budgeted costs)- 1)	27.6%	n/a	n/a	n/a	5.9%	6%
Effective average development profit on executed part, accumulatively ((Current fair value /Total costs spent) -1)	22.2%	n/a	n/a	n/a	2.4%	2%

Due to the ongoing turmoil in the financial and real estate markets and the lack of comparable transactions in certain property markets, valuation uncertainty continues to exist. Management therefore refers to the sensitivity analysis included in Note 8 to the 2009 financial statements, which is still materially applicable.

6. Significant transactions, business combinations and commitments

A. In October 2009, TBIF (the holding company of the Group's banking and retail lending segment) has signed an agreement with its joint venture partner in VAB Bank whereby TBIF would purchase additional shares in VAB Bank representing 14.1% of the share capital of VAB Bank in consideration of approximately €14 million.

TBIF has received the necessary regulatory approvals and the transaction was completed in March 31. Following the completion of the transaction, TBIF holds 63% of the shares of VAB Bank and accordingly became the majority shareholder in VAB Bank and gained control over the bank. As a result, TBIF fully consolidated the balance sheet of VAB Bank as of March 31, 2010 and started fully consolidating the income statement of VAB Bank as of the second quarter of 2010. Prior to the transaction, VAB Bank was proportionally consolidated,

The excess of purchase price over the carrying value of the acquired stake amounting to €8 million was allocated to goodwill on a provisional basis, subject to a final purchase price allocation to be prepared by TBIF in accordance with the requirements of IFRS 3R.

The amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed (representing 100% of each asset or liability)are assumed to have fair values approximating their carrying amounts as follows:

	Provisional amounts **March 24, 2010** € in millions
Property, plant and equipment	20
Deferred tax assets	17
Bank loans granted – gross contractual amounts	589
Bank loans granted – accumulated impairment	(97)
Available for sale financial assets	7
Financial assets at fair value through profit/loss	2
Trade and other receivables	18
Balances with central banks	14
Cash and cash equivalents	69
	639
Loans and deposits from banks	(124)
Deposits from companies and individuals	(303)
Debentures	(97)
Other interest-bearing borrowings	(73)
Other liabilities	(4)
	(601)
Fair value of net assets	38
Fair value of net assets previously held (48.91%) share	(18)
Goodwill on acquisition	8
Non-controlling interest (share in fair value of net assets)	(14)
Net cost of acquisition	14

The gain on revaluation of the previously held share in VAB bank was calculated as follows:

	€ in millions
Fair value of previously held share	18
Carrying value of previously held share	(12)
Gain on revaluation	6

As a result of the transaction, the Company recognized a net loss amounting to €16 million, including the release of the accumulated foreign currency translation reserve in the amount of €22 million relating to the investment in VAB Bank. The loss is included in 'Gain (loss) on disposal of assets and other income'.

Had the transaction been closed on the first day of the reporting period, the consolidated revenue of Company would have been €397 million and the consolidated profit would have been €11 million.

Pro-forma information regarding the first time consolidation of VAB bank:

In accordance with the Israeli Securities Authority regulations, we hereby present pro forma information with respect to the business combination of VAB Bank as described in Note 6A above. These combined interim pro forma income statements and statements of comprehensive income are presented as if the acquisition of the additional stake in VAB Bank has occurred on January 1, 2009, after giving effect to purchase accounting adjustments.

The additional pro forma income and comprehensive income statements are presented in accordance to the following guidelines and assumptions:

a) The pro forma income statement and comprehensive income statements are based on the consolidated income statements of the Group, as presented in previous periods, before the date of full consolidation. The results of VAB Bank proportional consolidation which existed before the full consolidation were eliminated.
b) The non-controlling interest share in the results of VAB bank were determined according to the holding percentage in VAB bank after the date of acquisition (37%).
c) The consideration of the acquisition was allocated to the identifiable assets and liabilities of VAB Bank as described in Note 6A of these interim financial statements. The net loss resulting from the business combination (€16 million) is not included in the results of the pro forma income statements.
d) The financial income was reduced by the average interest that TBIF earned on deposits and cash which were used for the acquisition.

Condensed Interim consolidated Pro forma income statement regarding the first time consolidation of VAB bank:

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Sales of goods	59	80	34	39	145
Contract revenues	98	74	52	37	173
Insurance activities	33	30	18	15	59
Banking and retail lending activities	62	37	30	22	92
Property rental and service recharge revenues	51	48	26	24	105
Revenues from renting vehicles	56	55	30	29	108
Revenues from sale of rental vehicles	35	27	16	14	58
Services and management fees	3	4	2	3	9
Total revenues	397	355	208	183	749
Cost of goods sold	40	63	20	32	114
Contract costs	78	59	47	30	138
Operating expenses of insurance activities	32	31	17	17	68
Costs of banking and retail lending activities	76	78	40	41	146
Costs of property rental and service recharge operations	14	10	7	5	24
Cost of rental of vehicles	41	41	21	21	78
Cost of sale of rental vehicles	32	26	15	13	54
Other expenses, net	7	13	-	7	30
Total expenses	320	321	167	166	652
Gross margin	77	34	41	17	97
Selling and marketing expenses	14	11	7	5	24
General and administration expenses	34	30	19	15	62
Profit (loss) from operations before fair value adjustments, disposal of assets and financial expenses	29	(7)	15	(3)	11
Adjustment to fair value of investment properties	28	(18)	17	(34)	(179)
Impairment losses on goodwill	(1)	-	(3)	-	(1)
Gain on issuance of shares in associated companies and subsidiaries to third parties	-	1	-	1	1
Gain (loss) on disposal of assets and other income (Note 6)	42	8	34	5	33
Profit (loss) from fair value adjustments and on disposal of assets and investments	69	(9)	48	(28)	(146)
Profit (loss) from operations before finance expenses and income taxes	98	(16)	63	(31)	(135)
Other financial income	21	43	8	7	62
Other financing expenses	(102)	(105)	(58)	(41)	(186)
Adjustment to fair value of other financial instruments	1	-	3	(1)	3
Total financial expenses, net	(80)	(62)	(47)	(35)	(121)
Profit (loss) from operations	18	(78)	16	(66)	(256)
Share of profit of associates accounted for using th equity method	7	2	4	(1)	7
Profit\(loss) before income taxes	25	(76)	20	(67)	(249)
Income tax expenses (benefit)	14	5	9	(11)	(33)
Loss for the period from continuing operations	11	(81)	11	(56)	(216)
Net profit for the period from discontinued operation (Note 6)	-	16	-	16	22
Net profit (loss) for the period	11	(65)	11	(40)	(194)
Attributable to:					
Equity holders	18	(37)	14	(17)	(97)
Non-controlling interest holders	(7)	(28)	(3)	(23)	(97)
	11	(65)	11	(40)	(194)
Earnings (loss) per share attributable to shareholders					
Basic from continuing operations	0.18	(0.53)	0.14	(0.33)	(1.19)
Basic from discontinued operations	-	0.16	-	0.16	0.22
	0.18	(0.37)	0.14	(0.17)	(0.97)
Diluted from continuing operations	0.17	(0.53)	0.13	(0.33)	(1.20)
Diluted from discontinued operations	-	0.16	-	0.16	0.22
	0.17	(0.37)	0.13	(0.17)	(0.98)

Condensed Interim consolidated Pro forma statement of comprehensive income regarding the first time consolidation of VAB bank

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Result for the period	11	(65)	11	(40)	(194)
Foreign currency translation differences	113	(13)	33	(25)	(13)
Change in hedge reserve, net of tax	(6)	15	1	(1)	21
Unrealized revaluations, net of tax	-*)	(1)	-*)	1	(1)
Other comprehensive income (expense) for the period	107	1	34	(25)	7
Total comprehensive income (expense)	118	(64)	45	(65)	(187)
Attributable to:					
Equity holders	112	(31)	42	(34)	(91)
Non-controlling interest holders	6	(33)	3	(31)	(96)
	118	(64)	45	(65)	(187)

*) Less than €1 million.

B. In March 2010, Kardan Real Estate (which is included in the Group's real estate segment) has completed a public offering of shares and convertible debentures on the Tel Aviv Stock Exchange. The total proceeds amounted to approximately €25 million (€24 million, net of transaction costs), as follows:

1. 23,778,700 ordinary shares in consideration of €10 million.
2. NIS 80,867,000 par value convertible debentures in consideration of €15 million. The debentures are linked to the CPI and bear annual interest of 5.7%. The debentures mature on March 30, 2014. The debentures can be converted into Kardan Real Estate shares until March 14, 2014 at a rate of 3.884 NIS par value debentures per share.

The balance of the convertible debentures was split into two components: the conversion component was calculated at issue date as financial derivative measured at fair value of NIS 12.7 million (€2.5 million); the difference between the proceeds and the conversion component, amounting to NIS 71 million (€14 million) was allocated to the liability component. The effective interest rate of the convertible debentures was calculated as 10.29% p.a.

C. In January 2010, the Company has reissued NIS 150,555,233 par value Debentures series A it has repurchased through its subsidiary (TGI) in November 2008. The consideration received for the debentures amounted to NIS 161 million (€30 million), representing an effective interest rate of 6.8% p.a.

D. In March 2010, GTC Romania (which is included in the Group's real estate segment) has signed an agreement with its Joint Venture partner in relation with its holdings in NCC and NCC's project companies, which develop and operate shopping centers in Romania. The agreement regulates conversion of GTC Romania's over-financing into additional shares in NCC and the project companies. As a result of the agreement, GTC Romania increased its holding in NCC from 50% to 52% and gained control over those project companies (subsidiaries).

As a result of the transaction NCC and the project companies were fully consolidated effective March 2010. The impact on the financial statements is as follows:
a) Increase total assets by €27 million
b) Increase interest bearing loans and borrowings by €32 million

The transaction resulted in a goodwill of €2.7 million which is supported by a mix of operational synergies, future projects' potential and control premium.

E. In relation to discontinued pension operations as described in Note 5 to the 2009 consolidated financial statements, please see below the relevant financial data. As the transaction was completed in 2009, no comparative data exists as of and for the six and three month period ended on June 30, 2010.

1) Composition of the income and expenses related to discontinued operations:

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Total income	-	24	-	11	24
Total expenses	-	(24)	-	(11)	(24)
Profit (loss) before tax	-	-	-	-	-
Income tax expenses	-	-	-	-	(1)
Net profit (loss) from discontinuing operations before capital gains	-	-	-	-	(1)
Capital gain (loss) from sale	-	22	-	22	28
Release of goodwill	-	(6)	-	(6)	(5)
Net profit (loss) from discontinued operations	-	16	-	16	22

The assets and liabilities presented as held for sale as of December 31, 2009, do not relate to the discontinued operations.

2) Composition of the net cash flows related to discontinued operations:

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Net cash flow from operating activities	-	-	-	5	(1)
Net cash flow from investing activities	-	43	-	-	47
Net cash flow from financing activities	-	-	-	-	1
Net cash flows from discontinued operations	-	43	-	5	47

For all relevant periods the other comprehensive income items related to discontinued operations amounted to nil. And no capital reserves relate to discontinued operations.

F. Under a loan agreement between KFS (the holding company of the Group’s financial services segments) and Discount Bank, KFS is required to comply with certain covenants. The covenants relate to minimal equity and equity ratios in KFS, TBIF and TBIH as well as cross defaults relating to certain loans of subsidiaries. As of June 30, 2010, KFS and KNV are compliant with the covenants.

As of June 30, 2010 a subsidiary of TBIF was in breach of covenants of two loans amounting of €32 million, €7 million of which with contractual maturity within the next twelve months after the balance sheet date. The breaches relate to profitability, expense ratios, as well as portfolio quality. Waivers relating to the two breaches were obtained after the balance sheet date.

As a result the breach, long-term loans amounting to €25 million were reclassified and are presented as short term loans. The abovementioned breach has not triggered cross defaults of other loans in KFS and KNV Group.

G. Kardan Real Estate (which is included in the Group's real estate segment) holds 30% of the shares of Holyland Park Ltd (hereinafter: "Holyland"), which it purchased at the end of 1999 together with Leumi bank who purchased then a 10% stake in Holyland. The Holyland complex in Jerusalem, is intended for residential and hotel construction (hereinafter: "the Holyland Project"). The Project is currently under construction, including buildings whose construction has not yet begun.

In their review report, Holyland's auditors drew the readers' attention to Holyland's management's inability to reliably assess the additional possible effects of the following on Holyland's financial position and the results of its operations. The auditors also drew attention to a framework agreement with a bank which will terminate on December 31, 2010. The management of Holyland is negotiating with the bank extension of the loan, and estimates it is able to extend the loan as may be required.

In April 2010, Israel Police searched the offices of Kardan Real Estate, Holyland and Polar (the controlling shareholder in Holyland), against the background of what later became known in the Israeli media as the Holyland Affair and which deals with bribes. In addition, former officers at Holyland were summoned by the authorities for questioning in connection with suspicions of bribery. As at the date of approval of the financial statements, and to the best of Holyland's management's knowledge, Holyland's involvement in the suspicions as stated is limited to the searches that were conducted, as stated.

In May 2010 Holyland received a letter from the Jerusalem Municipality stating that the Committee has decided to suspend the building permits for excavation work with regard to three planned buildings in the Project, whose construction has not yet begun and which are presented in Holyland's financial statements as non-current real estate, for 100 days, which ended on August 12, 2010. On August 11, 2010 Holyland received a copy from the Jerusalem municipality attorney general's appeal to the local planning and building committee to extend the suspension of the excavation permits indefinitely or pending another decision by the committee. In the opinion of Holyland's management, based on the opinions of its legal advisors on this matter, there are no grounds for suspending and/or cancelling the building permits obtained.

In the wake of the aforesaid, Holyland, with the assistance of external advisors, has examined the net exercise value of the inventory of buildings for sale and real estate in its possession. In light of the aforementioned examination, Holyland included a provision for impairment of value of the inventory and real estate in its possession. The Company's share in Holyland's losses during the six month period ended June 30, 2010 amounts to approximately NIS 17.6 million (€3.5 million of which the Company's share is €1.8million). Additionally, in light of the foregoing and in accordance with the provisions of IAS 28, Kardan Real Estate re-examined the value of its investment in Holyland shares in its entirety and, in light of this examination, an additional provision for impairment of value of its investment in Holyland was included, in the sum of approximately NIS 1.9 million (€0.4 million of which the Company's share is €0.2 million).

As at the date of approval of these interim financial statements, in light of the preliminary stages of the aforementioned proceedings, there is uncertainty with regard to all of the implications of the aforesaid, including what is known in the media as the Holyland Affair, on the Project in its entirety (especially building permits in Holyland's possession and those that it intends to obtain, the projected sales prices of apartments and the timing of the sale thereof), due to which the management of Kardan Real Estate and Holyland are unable to reliably assess the additional possible effects of all the aforesaid on Holyland's financial position and the results of its operations in the future, beyond those that have already found expression in these interim financial statements. Nevertheless, it should be clarified that the activities of Holyland is continuing normally and the sale of apartments in the Project is continuing.

To guarantee the repayment of the credit extended to Holyland by a lending bank, Holyland's shareholders are guarantors vis-a-vis the bank, for an unlimited sum and on a pro rata basis. As at June 30, 2010, the said credit balance, including guarantees and sales law guarantees, amounts to approximately NIS 463 million (€95 million of which the Company's share is approximately €14 million).

H. In April 2010, TBIF (the holding company of the Group's banking and retail lending segment) received a notice from the 36% co- shareholder in the Russian bank SovCom, expressing its intention to exercise a call option to buy 16% of the shares in SovCom Bank from TBIF. As a result of expressing this intention, according to the call option conditions, the co-shareholders, have the right to pay and exercise the option up until September 3, 2010. The transaction is also subject to several conditions, among others the approval of the regulatory authorities and the funding of the acquisition by the option holder. By expressing this intention the co-shareholder has effectively extended the option period.

On July 29, 2010 the parties have signed an agreement according to which set the consideration for the shares at approximately €36 million (Rub 1,284 million), increased by interest until the closing of the transaction.

In case that the option would have been exercised as of the balance sheet date and TBIF would have proportionally consolidated 50% of SovCom Bank the total assets which would have been deconsolidated from the Company's consolidated statement of financial position would have been €444 million. The total liabilities that would have been deconsolidated would have been €396 million

I. In May 26, 2010, the Annual General Meeting of the Company adopted a Share Plan which is meant as an incentive plan for certain (limited) qualified key (management) employees of the Company. According to the Share Plan a maximum of 2% of the issued share capital of the Company (as outstanding on January 1, 2009) will be granted to the qualified employees for the period ending on December 31, 2011. Such selected participants will receive a Notice of Grant which will specify the Date of Grant. The participants being members of the Management Board should achieve certain predefined targets over a Performance Measurement Period of 3 years from the Date of Grant. After attainment of the targets, new non-listed shares of the Company ('the Unreleased Shares') will be issued against payment of the nominal value of the shares. The Unreleased Shares will be held in custody by the Company for two years, and will be released for trade at the later of (i) the expiration of the Performance Measurement Period, or (ii) at the moment the Participant has accumulated (at least) five consecutive years of service with the Company since January 1, 2009. The participants being members of the Management Board can elect to receive up to 50% of this incentive by way of a cash payment, subject to the approval of the Supervisory Board of the Company. For members of the Management Board, the definition of targets to be achieved as well as the parameters of the maximum incentive to be received, takes place in accordance with the general principles of the Remuneration Policy as well as the principles as applied by the remuneration, appointment and selection committee and the Supervisory Board. For other key employees, not being member of the Management Board, the targets will set by the Management Board and may take the form of general performance targets. The Company will account for such shares in accordance with the provisions of IFRS 2.

As of the balance sheet date notices of grant haven't been sent.

J. In May 2010, GTC SA (which is included in the Group's real estate segment) signed a letter of intent with an international investor for sale of Topaz and Nefryt office buildings in Warsaw. The transaction is subject to due diligence and approval of statutory organs. . As of June 30, 2010 the two buildings are presented as "Assets held for sale" and comprise the majority of "Assets held for sale" in these condensed consolidated financial statements. The related loans and hedges are presented within current liabilities. An expense of €4 million representing the hedge related to the assets held for sale was recycled from equity and recognized as expense in the period (including the release of capital reserves that were included in OCI).

K. In June 2010 Kardan Communications (which is included in the Group's "others" segment) has completed a transaction to sell its 45% interest in Teledata Networks Ltd. ('Teledata') to Enablence Technologies Ltd. ('Enablence'), a Canadian listed company. Kardan Communications and the other major shareholders in Teledata sold their shares in Teledata to Enablence in total consideration of USD 50 million (approximately €40 million) paid in cash, non-tradable bonds and listed shares of Enablence. The total consideration to Kardan Communications amounts to USD 13 million (approximately €11 million). Following the completion of the transaction the Company recorded a gain amounting to €6 million.

L. Cease of joint control of the investment and subsequent agreement to sell TBIH (the holding company of the Group's insurance and pension segment)

Pursuant to the Shareholders Agreement of December 2008 between VIG and KFS (the holding company of the Group's financial services segment) with respect to their joint control in TBIH , which would have originally scheduled to expire on December 31, 2010, on December 29, 2009 the parties signed a new agreement, pursuant to which joint control will expire immediately, subject to receipt of the required regulatory approvals and respective amendment of the TBIH Articles of Association. These conditions were fulfilled in June 2010. As of the balance sheet date, VIG therefore obtained sole control over TBIH, while KFS is entitled to certain non controlling interest rights under the Shareholders Agreement and have significant influence over the activities of TBIH.

Accordingly, as of June 30, 2010 the Company ceased to proportionately consolidate the financial statements of TBIH, and as of that date the investment in TBIH is accounted for using the equity method.

In accordance with the requirements of IAS 31R the Company revaluated the new equity investment in TBIH to its fair value. The excess of the fair value of the investment over the fair value of the individual assets and liabilities amounting to €34 million was allocated to goodwill on a provisional basis, subject to a final purchase price allocation.

The amounts deconsolidated from the Company's consolidated statement of financial position as of the loss of June 30, 2010 are as follows:

	June 30, 2010
	€ in millions
Assets:	
Property, plant and equipment	(10)
Goodwill and other intangible assets	(68)
Deferred acquisition costs (insurance companies)	(8)
Reinsurance receivables and insurance companies	(28)
Insurance premium receivables	(30)
Other long term assets	(5)
Short term investments	(20)
Other receivables and prepayments	(3)
Cash and cash equivalents	(30)
	(202)
Liabilities and Equity:	
Non controlling interests	2
Interest bearing loans and borrowings	47
Options	7
Insurance provisions	79
Other payables and accrued expenses	17
	152
Net assets deconsolidated	(50)

KFS holds a put option to sell its 40% stake in TBIH to VIG, exercisable from April until December 2011 under certain conditions. Subsequent to the balance sheet date, on July 22, 2010 KFS signed an agreement to exercise the put option earlier. The transaction is subject to certain regulatory approvals.

In addition to the sale transaction and upon its closing, KFS will acquire a transferable five year call option for € 10 million to purchase 92.6% of the shares of Doverie Pension Fund AD, a Bulgarian pension fund currently owned by TBIH. The exercise price of this call option is € 150 million for the first three years and € 160 million for the last two years. The call option will be exercisable subject to receipt of required regulatory approvals. For the purchase of the call option, KFS will receive a €10 million loan from VIG.

As of June 30, 2010 the investment in TBIH amounts to €126.3 million (including the value of the put option). As a result of the abovementioned agreements the Company recognized a net gain of approximately €24 million (including the revaluation of the put option, recognition of deferred gain and release of related goodwill and capital reserves), The gain is included in “Gain (loss) on disposal of assets and other income”.

M. Due to administration changes in Angola - including comprehensive changes in the top ranks of the Angola government, the new government has been detaining all payments to foreign companies. As of June 30, 2010, Angola's debt to Tahal Group (the holding company of the Group’s infrastructure projects segment) is approximately USD 20 million. The management of Tahal Group estimates that at this stage, based on the information it currently holds, this is a temporary delay and the above mentioned amount will be paid in full. Accordingly, no provision for debt impairment was included.

7. Subsequent events

A. In July, 2010 TGI (the holding company of the Group's infrastructure segments) signed an agreement ("the Agreement") with FIMI, an Israeli private equity fund (“FIMI”), pursuant to which FIMI undertakes to provide TGI a loan of up to USD 50 million (approximately EUR 40 million).
In August, 2010 the Closing took place and FIMI has provided a loan of USD 25 million (approximately EUR 20 million) upon closing of the transaction. The loan is to be repaid in four years and bears an interest of 6 month Libor plus 3% per annum (the "Loan").

On the basis of the Agreement, TGI issued warrants to FIMI, which will entitle FIMI to purchase shares in TGI in the amount of the loan outstanding based on a company valuation equal to the lower of (a) USD 250 million increased by 5% annually (subject to certain adjustments, as detailed in the Agreement) or (b) in case of an exit event such as an IPO, at a 25% discount from the valuation of TGI at such exit event. The warrants expire at the earlier of the lapse of four years from closing or upon an exit event.

The Company has the option to buy back up to 60% of the warrants at an IRR for FIMI of 17.5% (provided that a pro-rata portion of the loan shall be repaid at that time) ("Call Option"). The Call Option can be exercised in the six months period commencing two and a half years from closing, or earlier in certain events. The Company and FIMI have also signed a shareholders' agreement providing for certain customary rights and obligations.

B. In August, 2010, the shareholders of VAB Bank (which is included in the Group's banking and retail lending segment) approved a capital increase in which TBIF was the only shareholder participating. As a result, its holdings in the bank, upon completion of the official registration procedures will increase from 63.01% to 71.26%. Management estimates that the increase in stake will result in a decrease in equity amounting to approximately €2 million.

C. After the balance sheet date, in August 2010, the Board of Kardan Israel approved, pending the required allocation approval of the Audit Committee, a share option plan for Kardan Israel's executives and employees. According to the plan 1.5 million options exercisable for up to 1.5 million ordinary shares of NIS 1 par value each during the five years from the date of issuance, The exercised shared will constitute 1.82% of Kardan Israel's issued and paid share capital (about -1.76% fully diluted). From the assigned amount of options, 215,000 options will be granted to stake holders of Kardan Israel and 360 000 options will be granted senior officers.

The exercise price of each option is set to a total of NIS 6 (subject to adjustments for dividends, bonus shares, etc.). Entitlement to exercise the options will rise gradually over a period of three years. 2 / 3 of the options will be exercised after two years from the date of grant and 1 / 3 will be added at the end of three years from the date of grant.

The fair value of the grant is estimated at about one million euro (out of which a total of about €0.2 million is assigned to stakeholders and €0.1 million is attributable to senior officers). The benefit in question was estimated based on the binomial model taking into account the standard deviation of 44%, risk free rate of 3.8%, the expected term of 5 years, and a share price of 7 NIS.

D. After the balance sheet date, in August 2010, Kardan Israel purchased 1,248,700 par value shares Dan Vehicle & Transportation D.R.T Ltd. (AVIS) shares in the amount of €8 million and increased its direct stake from 5.8% to stake of 13.8% directly. The total direct and indirect stake of Kardan Israel in AVIS , close to the date of publication of financial statements is 40.9%.

To the management and shareholders of Kardan N.V.

Review report

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kardan N.V., Amsterdam (the "Company") as at June 30, 2010 and the related interim condensed consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the three month and six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law which include audit standards equivalent to International Standard on Review Engagements 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amsterdam, August 31, 2010

Ernst & Young Accountants LLP

Signed by: A.J. Buisman

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ADDITIONAL INFORMATION

Required under to rule 38(D) of the Israeli Securities and exchange regulations (Periodic and immediate reports), 1970.

KARDAN N.V.

Presentation of separate financial data annexed to the

Consolidated financial statements related to the company

As of June 30, 2010

ADDITIONAL FINANCIAL INFORMATION FROM THE COMPANY'S STATEMENT OF FINANCIAL POSITION

June 30, 2010

	June 30,		December
	2010	2009	31, 2009
	€ in millions		
Assets			
Non-current assets			
Long-term receivable (Mainly fair value of derivatives)	107	33	50
Financial fixed assets			
Investments in consolidated subsidiaries	579	564	519
Loans to consolidated subsidiaries	271	267	215
	850	831	734
Current assets			
Cash and cash equivalents	57	94	61
Short-term investments	11	17	6
Other receivables	12	12	58
	80	123	125
Total assets	1,037	987	909
Equity and liabilities			
Equity attributable to equity shareholders			
Share capital	23	23	23
Share premium	235	230	235
Property revaluation reserve	112	134	93
Revaluation reserve, other	(10)	(17)	(14)
Currency translation reserve	22	(53)	(52)
Non controlling interest holders transaction reserve	1	-	-
Treasury shares	(26)	(21)	(21)
Retained earnings	11	47	29
	368	343	293
Long-term liabilities			
Debentures	587	489	510
Loans from banks and others	45	55	53
Options and other long term liabilities	8	15	8
	640	559	571
Current liabilities			
Current maturities of long term loans	11	67	11
Other payables (mainly accrued interest)	18	18	34
	29	85	45
Total equity and liabilities	1,037	987	909

ADDITIONAL INFORMATION FROM THE COMPANY'S INCOME STATEMENT

Period ended June 30, 2010

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Net result from investments for the period	13	(27)	18	(10)	(73)
Other income	-	-	-	-	1
Total revenues	13	(27)	18	(10)	(72)
General and administrative expenses	3	3	2	2	5
Other expenses	1	-	-	-	2
Total expenses	4	3	2	2	7
Income/(Loss) from operations before financing expenses	9	(30)	16	(12)	(79)
Financing expenses, net	(10)	(5)	(4)	(5)	(13)
Income/(Loss) from operations before tax expense (benefit)	(1)	(35)	12	(17)	(92)
Income tax expense (benefit)	(2)	-	(2)	-	-
Net income/(Loss) for the period	1	(35)	14	(17)	(92)

ADDITIONAL INFORMATION FROM THE COMPANY'S STATEMENT OF COMPREHENSIVE INCOME OF THE COMPANY

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Net result for the period	1	(35)	14	(17)	(92)
Foreign currency translation differences	74	(10)	26	(18)	(9)
Change in hedge reserve, net	4	19	2	2	22
Unrealized revaluations, net of tax	-	(1)	-	1	(1)
Other comprehensive income for the period	78	8	28	(15)	12
Total comprehensive income (expense)	79	(27)	42	(32)	(80)

ADDITIONAL INFORMATION FROM THE COMPANY'S CASH FLOW STATEMENT

	For the six months ended June 30,		For the three months ended June 30,		For the year ended December 31,
	2010	2009	**2010**	2009	2009
	€ in millions				
Cash flow from operating activities of the Company					
Net income/(Loss) for the period	1	(35)	14	(17)	(92)
Adjustments to reconcile net profit to net cash of the Company					
Charges to net loss not affecting operating cash flows:					
Share based payment	-	-	-	-	1
Change in fair value of hedge instruments	13	12	6	(5)	(12)
Financial expense (income)	(6)	(15)	(4)	(7)	26
Dividend received	12	-	-	-	-
Equity loss (earnings)	(13)	27	(18)	10	73
Changes in working capital of the Company					
Change in receivables	3	6	3	32	8
Change in payables	-	-	-	(7)	(4)
Cash amounts paid and received during the year					
Interest paid	(28)	(26)	(1)	(2)	(27)
Interest received	3	-	-	-	8
Net cash used in operating activities of the company	**(15)**	**(31)**	**-**	**4**	**(19)**
Cash flow from investing activities of the company					
Short term investments, net	(5)	15	(5)	28	26
Granting of loans to subsidiaries, net	(3)	22	3	3	32
Investments in subsidiaries	(1)	(42)	(1)	(1)	(48)
Net cash provided by (used in) investing activities of the company	**(9)**	**(5)**	**(3)**	**30**	**10**
Cash flow from financing activities					
Proceeds from long-term debt	-	59	-	19	59
Proceeds from sale of hedge instruments	29	-	29	-	-
Repayment of long-term debt	(9)	(38)	(5)	(21)	(98)
Net cash provided by (used in) financing activities of the company	**20**	**21**	**24**	**(2)**	**(39)**
Increase (decrease) in cash and cash equivalents of the company	**(4)**	**(15)**	**21**	**32**	**(48)**
Cash and cash equivalents at beginning of the period of the company	61	109	36	62	109
Cash and cash equivalents at end of the period of the company	**57**	**94**	**57**	**94**	**61**

1. General

This interim condensed separate financial information is presented in accordance to rule 38(D) of the Israeli Securities and exchange regulations (Periodic and immediate reports), 1970.

The condensed interim consolidated financial statements should be read in conjunction with the additional financial information for the year ended December 31, 2009 and the accompanying notes, and in conjunction to the consolidated interim financial statements for the six months ended June 30, 2010.

For the additional financial information for the period ended on June 30, 2010 the Company applied the same accounting principles and methods of computation as compared with the additional financial information for the year 2009.

2. Additional Information

During the first six months of 2010, a subsidiary of the Company declared a dividend of €13 million and distributed to the company a dividend of €12 million Euro.

During 2010 the Company granted and collected loans from its subsidiaries in the normal course of business.