KARDAN N.V.
AMSTERDAM, THE NETHERLANDS

Condensed Interim Consolidated Financial Statements
As of March 31, 2011

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

A s s e t s

	March 31, 2011	March 31, 2010	December 31, 2010
		€ in millions	
Non-current assets			
Tangible fixed assets	101	126	105
Rental vehicles	407	217	245
Investment properties (Note 5)	2,359	2,271	2,344
Investments in associates	144	154	157
Other financial assets	13	19	26
Loans to bank customers	101	415	96
Long-term loans and receivables	193	243	171
Derivatives	106	98	120
Intangible assets and goodwill	193	275	184
Long term inventory	231	163	231
Deferred income tax assets	23	37	22
	3,871	4,018	3,701
Current assets			
Inventories, contract work and buildings inventory in progress	383	340	384
Derivatives	1	-	2
Current maturities of long-term loans and receivables	131	166	159
Loans to bank customers	172	454	159
Trade receivables	100	106	111
Income tax receivables	3	5	6
Insurance premium receivables	-	31	-
Other receivables and prepayments	267	199	140
Reinsurance assets	-	29	-
Short-term investments	288	390	254
Cash and cash equivalents	388	557	498
	1,733	2,277	1,713
Assets held for sale	33	13	585
Total current assets	1,766	2,290	2,298
Total assets	5,637	6,308	5,999

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

Equity and liabilities

	March 31, 2011	March 31, 2010	December 31, 2010
		€ in millions	
Equity attributable to equity holders of the parent			
Issued and paid-in capital	23	23	23
Share premium	235	235	235
Foreign currency translation reserve	(8)	(4)	9
Property revaluation reserve	60	101	114
Revaluation reserve, other	11	(12)	-
Non-controlling interest holders transaction reserve	20	1	(1)
Treasury shares	(27)	(21)	(27)
Retained earnings (accumulated deficit)	37	8	(19)
	351	331	334
Non-controlling interests	909	728	733
Total equity	1,260	1,059	1,067
Non-current liabilities			
Interest-bearing loans and borrowings	1,545	1,788	1,582
Banking customers accounts	53	156	76
Derivatives	44	62	55
Other long-term liabilities	34	21	26
Options	23	33	29
Convertible debentures	15	14	15
Other debentures	1,063	1,047	1,016
Insurance provisions	-	76	-
Deferred income tax liabilities	187	161	182
Accrued severance pay, net	2	2	2
	2,966	3,360	2,983
Current liabilities			
Advances from customers in respect of contracts	13	22	17
Banking customers accounts	312	722	302
Trade payables	164	110	120
Interest-bearing loans and borrowings	501	687	509
Income tax payables	4	10	8
Advances from apartment buyers	174	104	158
Derivatives	12	24	16
Other payables and accrued expenses	217	192	232
	1,397	1,871	1,362
Liabilities held for sale	14	18	587
Total current liabilities	1,411	1,889	1,949
Total liabilities	4,377	5,249	4,932
Total equity and liabilities	5,637	6,308	5,999

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

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	For the three months ended March 31, 2011	For the three months ended March 31, 2010	For the year ended December 31, 2010
	€ in millions		
Sales of goods	20	18	109
Contract revenues	48	46	203
Retail lending activities	21	11	35
Property rental and service recharge revenues	34	32	134
Revenues from renting vehicles	34	26	113
Revenues from sale of rental vehicles	23	19	71
Services and management fees	1	-	2
Total revenues	181	152	667
Cost of goods sold	18	20	96
Contract costs	37	31	162
Costs of retail lending activities	19	8	47
Costs of property rental and service recharge operations	10	7	32
Cost of rental of vehicles	27	20	83
Cost of sale of rental vehicles	22	17	65
Other expenses, net	1	4	9
Total expenses	134	107	494
Gross margin	47	45	173
Selling and marketing expenses	7	7	32
General and administration expenses	19	15	78
Profit from operations before fair value adjustments, disposal of asset and financial expenses	21	23	63
Adjustment to fair value of investment properties, net	21	11	73
Impairment losses on goodwill	-	-	(28)
Gain (loss) on disposal of assets and other income	(5)	7	16
Profit (loss) from fair value adjustments and on disposal of assets and investments	16	18	61
Profit (loss) from operations before finance expenses and income taxe	37	41	124
Other financial income	13	13	26
Other financing expenses	(45)	(44)	(178)
Adjustment to fair value of other financial instruments	1	(10)	3
Total financial expenses, net	(31)	(41)	(149)
Profit (loss) from operations	6	-	(25)
Share of profit of associates accounted for using the equity method, net	1	3	13
Profit (Loss) before income taxes	7	3	(12)
Income tax expenses (benefit)	8	6	25
Loss for the period from continuing operations	(1)	(3)	(37)
Net profit (loss) for the period from discontinued operations (Note 6)	5	(6)	8
Net profit (loss) for the period	4	(9)	(29)
Attributable to:			
Equity holders	-	(13)	(27)
Non-controlling interest holders	4	4	(2)
	4	(9)	(29)
Earnings (loss) per share attributable to shareholders			
Basic from continuing operations	(0.05)	(0.06)	(0.34)
Basic from discontinued operations	0.05	(0.07)	0.07
	-	(0.13)	(0.27)
Diluted from continuing operations	(0.05)	(0.06)	(0.34)
Diluted from discontinued operations	0.05	(0.07)	0.07
	-	(0.13)	(0.27)

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the three months ended March 31,		For the year ended December 31,
	2011	2010	2010
	€ in millions		
Result for the period	4	(9)	(29)
Foreign currency translation differences	(20)	57	73
Change in hedge reserve, net of tax (1)	17	(7)	11
Unrealized revaluations, net of tax (2)	(1)	-	1
Other comprehensive income for the period (3)	(4)	50	85
Total comprehensive income (expense)	-	41	56
Attributable to:			
Equity holders	(11)	37	48
Non-controlling interest holders	11	4	8
	-	41	56

(1) Net of tax amounting to €(1) million for the period ended March 31, 2011, €3 million for the period ended December 31, 2010, and €4 million for the period ended March 31, 2010.
(2) Net of tax amounting to less than €1 million in all presented periods.
(3) Including impact resulted from associates of less than €1 million for the three months periods ended March 31, 2011 and March 31, 2010, and an impact of € (1) million for the year December 31, 2010.

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

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										
Balance as of January 1, 2011	23	235	114	-	9	(1)	(27)	(19)	334	733	1,067
Other comprehensive income (loss)	-	-	-	5	(16)	-	-	-	(11)	7	(4)
Net result for the period	-	-	-	-	-	-	-	-	-	4	4
Total comprehensive income /loss	-	-	-	5	(16)	-	-	-	(11)	11	-
Share-based payment	- -	-	-	-	-	-	-	-	-	2	2
Issuance of shares to non-controlling interest holders (refer to note 6D)	-	-	-	6	(1)	22	-	-	27	161	188
Shares purchased in consolidated and newly consolidated subsidiaries(refer to note 6B)	-	-	-	-	-	1	-	-	1	11	12
Deconsolidation of a subsidiary	-	-	-	-	-	(2)	-	2	-	(6)	(6)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(3)	(3)
Reclassification according to the Netherlands civil code requirements (*)	-	-	(54)	-	-	-	-	54	-	-	-
Balance as of March 31, 2011	23	235	60	11	(8)	20	(27)	37	351	909	1,260

(*) 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.

The accompanying notes are an integral part of these interim condensed 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 (*)	Non controlling interest holders transactions reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
	€ in millions										
Balance as of January 1, 2010	23	235	93	(14)	(52)	-	(21)	29	293	695	988
Other comprehensive income	-	-	-	2	48	-	-	-	50	-	50
Net profit (loss) for the period	-	-	-	-	-	-	-	(13)	(13)	4	(9)
Total comprehensive income /expense for the period	-	-	-	2	48	-	-	(13)	37	4	41
Share-based payment	-	-	-	-	-	-	-	-	-	1	1
Issuance shares to non-controlling shareholders	-	-	-	-	-	1	-	-	1	22	23
Shares purchased in newly consolidate subsidiaries	-	-	-	-	-	-	-	-	-	9	9
Shares sold in consolidated subsidiaries	-	-	-	-	-	-	-	-	-	(2)	(2)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(1)	(1)
Reclassification according to the Netherlands civil code requirements (*)	-	-	8	-	-	-	-	(8)	-	-	-
Balance as of March 31, 2010	23	235	101	(12)	(4)	1	(21)	8	331	728	1,059

(*) 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.

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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(*)	Non controlling interest holders transactions reserve	Treasury shares	Retained Earnings	Total	Non-controlling interest	Total equity
	€ in millions										
Balance as of January 1, 2010	23	235	93	(14)	(52)	-	(21)	29	293	695	988
Other comprehensive income (loss)	-	-	-	14	61	-	-	-	75	10	85
Net result for the period	-	-	-	-	-	-	-	(27)	(27)	(2)	(29)
Total comprehensive income /loss	-	-	-	14	61	-	-	(27)	48	8	56
Share-based payment	-	-	-	-	-	-	-	-	-	10	10
Issuance of shares to non-controlling interest holders	-	-	-	-	-	1	-	-	1	22	23
Shares purchased in consolidated and newly consolidated subsidiaries	-	-	-	-	-	-	-	-	-	29	29
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	-	-	(31)	(31)
Deconsolidation of proportionally consolidated group companies	-	-	-	-	-	-	-	-	-	(2)	(2)
Other transactions with non-controlling shareholders	-	-	-	-	-	(2)	-	-	(2)	4	2
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(2)	(2)
Purchase of treasury shares	-	-	-	-	-	-	(6)	-	(6)	-	(6)
Reclassification according to the Netherlands civil code requirements (*)	-	-	21	-	-	-	-	(21)	-	-	-
Balance as of December 31, 2010	23	235	114	-	9	(1)	(27)	(19)	334	733	1,067

(*) 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.

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CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

	Three months period ended March 31,		For the year ended December 31,
	2011	2010	2010
		€ in millions	
Cash flow from operating activities			
Net profit (loss) from continuing operations before taxes on income	7	3	(12)
Profit (loss) from discontinuing operations before taxes on income	5	(7)	2
Adjustments required to present cash flow from operating activities (see A below)	(73)	(36)	8
Net cash used in operating activities	(61)	(40)	(2)
Cash flow from investing activities			
Acquisition of tangible fixed assets and investment properties	(69)	(70)	(196)
Collecting (granting) of loans to associated companies, net	(1)	3	5
Investment in companies and partnerships	-	-	(14)
Proceeds from sale of assets and investments	2	6	237
Granting of long-term loans	(1)	(1)	(1)
Change in loans to bank customers	(27)	(7)	(124)
Collecting of long-term loans and receivables	25	13	36
Change in short-term investments, net	(48)	39	12
Acquisition of newly consolidated subsidiaries, net of cash acquired (see B below)	(3)	(2)	(3)
Disposal of formerly consolidated subsidiaries, net of cash disposed (see C below)	-	-	69
Change from proportional consolidation to full consolidation (see D below, refer to note 6B)	10	28	28
Change from proportional consolidation to equity method	-	-	(30)
Tax paid on disposal of investment properties	(17)	-	(5)
Change in deferred brokerage fees	-	(1)	(1)
Change in other assets	(15)	(3)	(29)
Net cash provided by (used in) investing activities	(144)	5	(16)

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Three months period ended March 31,		For the year ended December 31,
	2011	2010	2010
		€ in millions	
Cash flows from financing activities			
Dividend paid to non-controlling interests	(3)	(1)	(2)
Proceeds from issuance of shares in subsidiaries to third parties, net (see note 6D)	188	21	23
Issuance of debentures	18	70	70
Repayment of debentures	(7)	(4)	(83)
Change in loans from bank customers	(19)	-	275
Sale of hedge instruments	-	-	29
Purchase of treasury shares	-	-	(6)
Proceeds from long-term loans	75	99	464
Repayment of long-term loans	(205)	(37)	(448)
Change in short-term loans and borrowings, net	61	(58)	(184)
Costs related to issuance of debt and shares	-	-	(5)
Acquisition of non controlling interests	-	-	(13)
Net cash provided by financing activities	108	90	120
Foreign exchange differences relating to cash and cash equivalents	(10)	28	18
Increase (decrease) in cash and cash equivalents	(107)	83	120
Decrease of cash of assets held for sale	(3)	-	(96)
Cash and cash equivalents at the beginning of the period	498	474	474
Cash and cash equivalents at the end of the period	388	557	498

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Three months period ended March 31,		For the year ended December 31,
	2011	2010	2010
	€ in millions		
A. Adjustments to reconcile net profit (loss) to net cash			
Charges / (credits) to profit / loss not affecting operating cash flows:			
Share of loss of associates accounted for using the equity method	(1)	(3)	(13)
Dividend from associated companies	2	1	9
Gain on issuance of shares in associated companies to third parties, net	-		(9)
Impairment of goodwill	-		28
Loss (gain) on disposal of assets and investments, net	4	(5)	(85)
Share-based payment	2	1	14
Depreciation and amortization	19	16	66
Fair value adjustments of investment properties	(21)	(11)	(73)
Financial (income)/expense and exchange rate differences, net	28	28	94
Change in fair value of options and share appreciation rights	(3)	(6)	11
Decrease (increase) in fair value of securities held for trading, and hedge instruments, net	6	(18)	3
Increase in provision for bad debts in the financial service segment	13	19	118
Loss from early repayment of loans	-		(9)
Impairment of assets	-		3
Changes in operating assets and liabilities			
Change in insurance provisions and deferred acquisition costs, net	-	1	5
Purchase of rental vehicles	(26)	(23)	(121)
Proceeds from sale of rental vehicles	23	17	65
Change in trade and other receivables	(113)	(87)	(271)
Change in inventories and in contract work in progress, net of advances from customers	(16)	(13)	(59)
Change in trade and other payables	40	61	262
Interest paid	(61)	(72)	(286)
Interest received	36	62	279
Income taxes paid	(5)	(4)	(23)
	(73)	(36)	8

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Three months period ended March 31, 2011	Three months period ended March 31, 2010	For the year ended December 31, 2010
		€ in millions	
B. Acquisition of newly consolidated subsidiaries, net of cash acquired			
Cash	-	-	-
Working capital (excluding cash)	(18)	-	1
Non-current assets	21	(2)	(5)
Goodwill on acquisition	(6)	(1)	(1)
Long-term liabilities	-	-	1
Total purchase price	(3)	(3)	(4)
Less – cash in subsidiaries acquired	-	-	-
Payable on account of investment	-	1	1
Cash used in acquisition, net of cash acquired	(3)	(2)	(3)
C. Disposal of formerly consolidated subsidiaries, net of cash disposed			
Cash	-	-	22
Working capital (excluding cash)	-	-	135
Non-current assets	-	-	253
Goodwill	-	-	(40)
Non-controlling interests	-	-	(31)
Long-term liabilities	-	-	(307)
Gain on disposal of investment	-	-	59
Total consideration	-	-	91
Cash of subsidiary which ceased to be consolidated	-	-	(22)
Cash flows from disposal, net of cash disposed	-	-	69

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

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	Three months period ended March 31,		For the year ended December 31,
	2011	2010	2010
	€ in millions		
D. Change from proportional consolidation to full consolidation			
Working capital	(3)	(1)	(1)
Investment property	55	(33)	(33)
Other non-current assets	(185)	(242)	(242)
Goodwill on acquisition	(4)	(11)	(11)
Intangible assets	(3)	-	-
Gain on disposal of investment	-	6	6
Non-controlling interests	11	9	9
Long-term liabilities	193	265	265
Total purchase price	10	(7)	(7)
Less – cash in subsidiaries acquired	-	35	35
Cash used in acquisition, net of cash acquired	10	28	28
D. Significant non-cash transactions			
Other receivables from disposal of investment in financial asset	13	-	-

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011

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, 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 May 30, 2011.

2. Basis of presentation and preparation

A. Basis of preparation

The interim condensed consolidated financial statements for the three months ended March 31, 2011 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 interim consolidated financial statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2010.

It should be noted that following the sale of 16% of GTC SA shares in January 2011, the indirect interest of the Company in GTC SA decreased to 27.14%. Nevertheless and as further described in Note 6D below, the Company retained effective control over GTC SA and continues consolidating its financial statements.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2010 - except for the adoption of new standards and interpretations as of January 1, 2011 are noted below:

IFRS 3 (Revised) Business Combinations:

1. **Measurement options available for non-controlling interest:** The measurement options available for non-controlling interest ('NCI') have been amended. Only components of NCI that constitute a present ownership that entitles their holder to proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquirer's identifiable net assets. All other components are to be measured at their acquisition date fair value.

2. Clarifies Un-replaced and voluntarily replaced share-based payment awards and its accounting treatment within a business combination.

3. **Contingent consideration arising from business combination –** Clarification that contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2005).

The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 1 Presentation of Financial Instruments: The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of change in equity or in the notes to the financial statements. The adoption of the amendment will result in a change in the company's disclosures.

IAS 24 Related Party Transactions (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption will result in a change of disclosures.

IAS 34 Interim Financial Statements: The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements. The adoption may result in a change in of disclosures.

New IFRS Standards that have been issued but are not yet effective:

In May 2011, the IASB issued four new standards: IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", IFRS 12, "Disclosure of Interests in Other Entities" ("the New Standards") and IFRS 13, "Fair Value Measurement", and amended two existing standards, IAS 27R (Revised 2011), "Separate Financial Statements", and IAS 28R (Revised 2011), "Investments in Associates and Joint Ventures".

The New Standards are to be applied retrospectively in financial statements for annual periods commencing on January 1, 2013 or thereafter. Earlier application is permitted. However, if a company chooses early adoption, it must adopt all the New Standards as a whole (excluding the disclosure requirements of IFRS 12 which may be adopted separately). The New Standards prescribe transition provisions with certain modifications upon initial adoption.

The main provisions of the New Standards and their expected effects on the Company are as follows:

IFRS 10 - Consolidated Financial Statements:

IFRS 10 supersedes IAS 27 regarding the accounting treatment of consolidated financial statements and includes the accounting treatment for the consolidation of structured entities previously accounted for under SIC 12, "Consolidation - Special Purpose Entities".

IFRS 10 does not prescribe changes to the consolidation procedures but rather modifies the definition of control for the purpose of consolidation and introduces a single consolidation model. According to IFRS 10, in order for an investor to control an investee, the investor must have power over the investee and exposure, or rights, to variable returns from the investee. Power is defined as the ability to influence and direct the investee's activities that significantly affect the investor's return.

According to IFRS 10, when assessing the existence of control, potential voting rights should be considered only if they are substantive, as opposed to the provisions of IAS 27 prior to its amendment which required consideration of potential voting rights only if they could be exercised immediately while disregarding management's intentions and financial ability to exercise such rights.

IFRS 10 also prescribes that an investor may have control even if it holds less than a majority of the investee's voting rights (de facto control), as opposed to the provisions of the existing IAS 27 which permits a choice between two consolidation models - the de facto control model and the legal control model.

The Company is evaluating the possible impact of the adoption of IFRS 10 but at present is unable to assess the effects, if any, on its financial statements.

IAS 27R - Separate Financial Statements:

IAS 27R supersedes IAS 27 and only addresses separate financial statements. The existing guidance for separate financial statements has remained unchanged in IAS 27R.

IFRS 11 - Joint Arrangements:

IFRS 11 supersedes IAS 31 regarding the accounting treatment of interests in joint ventures and SIC 13 regarding the interpretation of the accounting treatment of non-monetary contributions by venturers.

IFRS 11 defines joint arrangements as contractual arrangements over which two or more parties have joint control.

IFRS 11 distinguishes between two types of joint arrangements:

- Joint ventures in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement. IFRS 11 requires joint ventures to be accounted for solely by using the equity method, as opposed to the provisions of IAS 31 which allowed the Company to make an accounting policy choice whether to apply proportionate consolidation or the equity method for entities under joint control.

- Joint operations in which the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. IFRS 11 requires the joint operator to recognize a joint operation's assets, liabilities, revenues and expenses in proportion to its relative share of the joint operation as determined in the joint arrangement, similar to the current accounting treatment for proportionate consolidation.

The Company is evaluating the possible impact of the adoption of IFRS 11 but at present is unable to assess the effects on its financial statements.

IAS 28R - Investments in Associates:

IAS 28R supersedes IAS 28. The principal changes in IAS 28R compared to IAS 28 relate to the application of the equity method of accounting for investments in joint ventures, as a result of the issuance of IFRS 11, and the guidance for transition from proportionate consolidation to the equity method of accounting for these investments.

IFRS 12 - Disclosure of Interests in Other Entities:

IFRS 12 prescribes disclosure requirements for the Company's investees, including subsidiaries, joint arrangements, associates and structured entities. IFRS 12 expands the disclosure requirements to include the judgments and assumptions used by management in determining the existence of control, joint control or significant influence over investees, and in determining the type of joint arrangement. IFRS 12 also provides disclosure requirements for material investees.

The required disclosures will be included in the Company's financial statements upon initial adoption of IFRS 12.

IFRS 13 - Fair Value Measurement:

IFRS 13 establishes guidance for the measurement of fair value, to the extent that such measurement is required according to IFRS. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 also specifies the characteristics of market participants and determines that fair value is based on the assumptions that would have been used by market participants. According to IFRS 13, fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

IFRS 13 requires an entity to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. IFRS 13 also includes a fair value hierarchy based on the inputs used to determine fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs (valuation techniques that do not make use of observable inputs).

IFRS 13 also prescribes certain specific disclosure requirements.

The appropriate disclosures will be included in the Company's financial statements upon initial adoption of IFRS 13.

The Company is evaluating the possible impact of the adoption of IFRS 13 but at present is unable to assess the effects, if any, on its financial statements.

B. 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**
March 31, 2011	0.703	0.202	126.7
March 31, 2010	0.744	0.200	121.5
December 31, 2010	0.75	0.211	125.4
Change in 2011 (3 months)	(6.3)%	(4.3)%	0.01%
Change in 2010 (3 months)	7.82%	8.70%	(0.90)%
Change in 2010 (12 months)	8.0%	14.9%	2.3%

3. Segment information

Segments results

For three months ended March 31, 2011:

	Real Estate	Retail lending	Infrastructure Projects	Infrastructure Assets	Rental and leasing of vehicles	Sale of vehicles	Others	Total
Revenue	49	21	22	18	58	-	13	181
Other income/expense (*)	19	(1)	-	-	(7)	3	3	17
Total Income	68	20	22	18	51	3	16	198
Segment result	34	1	1	2	(2)	3	2	41
Unallocated expenses								3
Profit from operations and share in profit of associates companies before finance expenses, net								38
Finance expenses, net								31
Profit before income tax								7
Income tax expenses								8
Loss from continuing operations								(1)
Profit from discontinued operations								5
Profit for the period								4

For three months ended March 31, 2010:

	Real Estate	Retail lending	Infrastructure Projects	Infrastructure Assets	Rental and leasing of vehicles	Sale of vehicles	Others	Total
Revenue	43	11	24	15	45	-	14	152
Other income/expense (*)	11	6	-	-	-	3	1	21
Total Income	54	17	24	15	45	3	15	173
Segment result	24	10	2	1	6	3	1	47
Unallocated expenses								3
Profit from operations and share in profit of associates companies before finance expenses, net								44
Finance expenses, net								41
Profit before income tax								3
Income tax expenses								6
Loss from continuing operations								(3)
Loss from discontinued operations								(6)
Loss for the period								(9)

For the year ended December 31, 2010:

	Real Estate	Retail lending	Infrastructure Projects	Infrastructure Assets	Rental and leasing of vehicles	Sale of vehicles	Others	Total
Revenue	218	35	112	65	183	1	53	667
Other income/expense (*)	74	(25)	2	3	-	10	10	74
Total Income	292	10	114	68	183	11	63	741
Segment result	128	(38)	8	5	26	11	13	153
Unallocated expenses								16
Profit from operations and share in profit of associates companies before finance expenses, net								137
Finance expenses, net								149
Loss before income tax								(12)
Income tax expenses								25
Loss from continuing operations								(37)
Profit from discontinued operations								8
Loss for the period								(29)

(*) Other income/expense includes fair value adjustments of investment properties, goodwill impairment, equity earnings, gains from disposal of assets and investments and other adjustments:

Following to the acquisition of additional shares in AVIS Israel, which resulted in obtaining control, as described in note 6B, a total of €489 million of assets and €381 million of liabilities were consolidated into the ‘Rental and leasing of vehicles’ segment. Likewise, as a result of the disposal of the investment in VAB Bank, as describe in note 6C, assets amounting to €585 million and liabilities amounted to €587 million were deducted from the ‘Retail lending’ segment.

4. Share capital

A. Composition

	March 31, 2011		December 31, 2010	
	Authorized	Issued and Paid-in	Authorized	Issued and Paid-in
	Number of shares		Number of shares	
Ordinary shares with nominal value of €0.20 each	225,000,000	111,824,638	225,000,000	111,824,638

During the three month period ended on March 31, 2011 there were no changes to the share capital of the Company, with the exception of the repurchase of 20,000 shares which are held by the Company’s liquidity provider.

5. Investment properties

Further to Note 8 to the 2010 consolidated financial statements, below we present updated information regarding investment properties:

A. Investment properties can be split up as follows:

	March 31,		December 31,
	2011	2010	2010
	€ in millions		
Completed investment properties	1,901	1,622	1,876
Investment properties under construction carried at fair value	168	249	201
Investment properties under construction carried at cost	290	400	267
	2,359	2,271	2,344

B. Fair value adjustments comprise:

	For the three months ended March 31,		For the year ended December 31,
	2011	2010	2010
	€ in millions		
Adjustment to fair value of newly completed properties, net of goodwill released	5	-	25
Adjustment to fair value of properties completed in prior years	21	(1)	35
Adjustment to fair value of investment property under construction, net of goodwill released	(5)	12	11
Impairment adjustments to investment properties under construction measured at cost	-	-	2
	21	11	73

During the first quarter of 2011 substantially all investment properties were subject to an internal evaluation and if required, an update, of the December 31, 2010 external valuation.

C. Significant assumptions

Significant assumptions used in the valuations as of March 31, 2011 and December 31, 2010 are presented below on the basis of weighted averages:

	China		Western Europe		CEE	
	March 31, 2011	December 31, 2010	**March 31, 2011**	December 31, 2010	**March 31, 2011**	December 31, 2010
Completed investment properties						
Average rental rate per sqm per month (in €)*	17	17	9.8	9.8	18.8	19.7
Yield	9.5%	9.5%	6.4%	6.4%	7.9%	7.8%
ERV per sqm per month (in €)*	20	20	9.3	9.3	18.9	19.1
Vacancy	5%	5%	3.8%	3.8%	16%	17%
Assets under construction (only assets at fair value)						
Average risk-adjusted yield used in capitalizing the net future income stream	-	-	-	-	9.1%	9%
Average % complete	-	-	-	-	62%	62%
Estimated average development profit ((Fair value upon completion / Total budgeted costs)- 1)	-	-	-	-	3.6%	7.6%
Effective average development profit on executed part, accumulatively ((Current fair value /Total costs spent) -1)	-	-	-	-	5.6%	n/a

*) Apart from basic rent, includes income from parking, add on factors and other income.

6. Significant transactions, business combinations and commitments

A. Discontinued operations:

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

	For the three months ended March 31,		For the year ended December 31,
	2011	2010	2010
	€ in millions		
Total income	*-	86	64
Total expenses	*-	(98)	(137)
Loss before tax	-	(12)	(73)
Income tax expenses	-	(1)	6
Net loss from discontinuing operations before capital gains	-	(13)	(67)
Revaluation of put option	-	7	(11)
Capital gain from sale	5	-	106
Release of capital reserves	-	-	(29)
Release of goodwill/deferred gain	-	-	9
Net profit (loss) from discontinued operations	5	(6)	8

* The sale of VAB Bank was completed in January 2011; therefore, total income and expenses from these activities in the first quarter of 2011 were immaterial.

Capital gain of €5 million relates to the completion of the sale of VAB Bank, as described below. Discontinued operations for comparatives periods presented include the results of TBIH, VAB Bank and Sovcom Bank, as detailed in Note 5 to the 2010 financial statements.

Assets and liabilities held for sale as of December 31, 2010 primarily relate to VAB Bank. The assets and liabilities presented as held for sale as of March 31, 2010 and 2011, do not relate to the discontinued operations, but primarily include a disposal group held for sale.

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

	For the three months ended March 31,		For the year ended December 31,
	2011	2010	2010
	€ in millions		
Net cash flow from operating activities	-	(34)	(55)
Net cash flow from investing activities	(1)	(2)	148
Net cash flow from financing activities	-	-	44
Net cash flows from discontinued operations	(1)	(36)	137

As a result of the sale of VAB Bank (as described below), €96 million of cash and cash and cash equivalents, which were included in assets held for sale as of December 31, 2010, were disposed of.

For all presented periods, other comprehensive income items relating to discontinued operations is immaterial.

B. Kardan Israel

1. Obtaining control over Avis Israel and Sale of Emed.

Kardan Israel holds 100% of the share capital of Kardan Emed Properties Ltd ('Emed Properties').

Prior to the completion of the transactions described below, Emed Properties held 50% of Emed Real Estate and Investments Developments Ltd. ('Emed'), a proportionately consolidated Company (50%) which was engaged both in real estate investments in Israel and in rental and lease of vehicles through a 54% stake in Dan Vehicle and Transportation D.R.T Ltd. ('Avis Israel').
In addition, Kardan Israel directly held approximately 14% of Avis Israel.

In January 2011, two agreements were signed with the partner in Emed in connection with the holding in Emed and Avis Israel.

According to the first agreement, Emed Properties sold to its partner its shares in Emed, reflecting 50% of Emed's issued and paid in capital.

According to the second agreement, Kardan Israel would purchase from Emed, through Emed Properties, all of its holdings in Avis Israel, reflecting 54.25% of Avis Israel's issued and paid in capital.

The transaction was finalized on March 2011, after fulfillment of all conditions precedent. Through Emed Properties, Kardan Israel purchased, from Emed all its shares in Avis Israel in consideration of €68 million (NIS 336 million). Following the acquisition, Kardan Israel obtained control over Avis Israel by holding, directly and indirectly, 68.27% of its shares. In addition, Emed Properties sold all its shares in Emed, in consideration of €73 million (NIS 361 million).

According to IFRS 3R, regarding business combination achieved in stages, as a result of the transactions, Kardan Israel recorded a loss of approximately €7 million (NIS 34.9 million).

Kardan Israel has allocated the excess of purchase price over the carrying value of Avis Israel to goodwill and intangible assets and liabilities on a temporary basis, subject to final purchase price allocation.

From the date which the transaction was finalized, Avis Israel contributed revenues in the amount of €26 million and a profit of €0.7 million which were included in the condensed interim consolidated income statement.

Had the transaction been closed on the first day of the reporting period, the consolidated revenue of Company would have been €199 million and the consolidated profit of would have been €1 million.

The fair values and the carrying value of the identifiable assets and liabilities of Avis Israel at acquisition date were as follows:

	Fair Value	Carrying value
	€ in millions	
Cash and cash equivalents	12	12
Trade receivables	31	31
Other accounts receivables	12	12
Inventory	22	22
Rental vehicles	404	398
Intangible assets	8	2
Goodwill	-	1
Other non-current assets	11	11
Deferred Tax	1	-
	501	489
Current liabilities (not including current maturities of long term bank loans or debentures)	78	78
Interest bearing loans and borrowings (including current maturities)	106	105
Other debentures (including current maturities)	176	164
Deferred income tax liabilities	23	23
Advances from customers	11	11
Non-controlling interest holders (*)	33	-
	427	381
Net identifiable assets	74	108
Goodwill from the acquisition	4	
Purchase price	78	

* The proportional part of non-controlling interest holders in the fair value of the net identifiable assets.

Net cash generated from (used in) the increase in equity in Avis Israel

	€ in millions
Cash and cash equivalents of the acquired company	12
Cash paid	(68)
Net cash	(56)

Cost of acquisition

	€ in millions
Cash paid (not including cash paid for existent investment at the acquisition date)	34
Fair value of the existing share in Avis Israel as of the acquisition date	42
Total cost of acquisition	76

2. Sale of Sintec Media

Further to Note 48(d) to the 2010 consolidated financial statements, in March, 2011 Kardan Communication Ltd. (which is included in the Company's 'others' segment), a fully owned subsidiary of Kardan Israel , sold all of its holdings in Sintec Media (accounted for as a financial asset at fair value through profit and loss), reflecting 16.63% (fully diluted) of Sintec Media's share capital, in consideration of €13.2 million ($18.9 million).

Subsequent to the balance sheet date, in April 2011, an amount of €12 million ($17 million) was transferred to Kardan Communication Ltd. The remainder of the consideration ($1.9 million) was deposited in a trust and will be transferred within 18 months subsequent to the completion of the transaction.

3. Early repayment of a loan

In March 2011, a subsidiary of Kardan Israel purchased half of a loan that was due by Kardan Israel for an amount of €11.5 million (NIS 57 million). Kardan Israel repaid this loan to the subsidiary leading to an accounting loss of approximately €1.6 million (NIS 7.9 million)

4. Option plan - Avis Israel

In March 2011, the Board of Directors of Avis Israel approved an option plan to its executives. According to the option plan, a maximum of 671,811 options, exercisable to up to 671,811 ordinary shares of Avis Israel (reflecting 4%) would be granted. The options were granted after the balance sheet date, in May 2011.

The executives will be entitled to exercise the options after vesting periods as follows: 50% after two years from the date grant, 25% after three years and the remaining 25% after four years from the date of grant. Options are exercisable until six years from the date of grant.

The exercise price per option is €6 (NIS 29.71), reflecting the average closing price of Avis Israel’s share on the Tel Aviv Stock Exchange seven days prior to the date of grant.

The fair value of per option is estimated at €2.8 (NIS 13.86) at the grant date (reflecting a total benefit of €2.8 Million), using the binomial model and taking into account the terms and conditions upon which the share options were granted.

5. Holyland

As stated in Note 33 C (11) to the 2010 consolidated financial statements, Kardan Real Estate (a subsidiary included in the Company's Real Estate segment, effectively 49% held) holds a 30% stake in Holyland Park Ltd. (–‘ Holyland’), which is the owner of the Holyland project in Jerusalem (intended for residential building and a hotel) (‘ the Holyland Project’). As of the date of approval of these financial statements the Holyland Project is in various stages of construction, including buildings for which construction has not yet begun.

In their review report for the interim financial statements of Holyland dated March 31, 2011 Holyland's auditors drew attention to management’s inability to reliably assess whether there will be any additional possible effects of the matters described below on Holyland’s financial position and the results of its operations in the future, beyond those which were already presented in financial information for this interim period. The auditors also drew attention in the framework agreement with a bank which will terminate on March 31, 2012, and to management's plans to extend the framework agreement, or repay the outstanding loan to the bank, among others, by way of realization of land and rights in land , following which, Holyland will no longer retain the operational assets it needs to realize its business goals as detailed hereunder, and also to the uncertainty regarding the realization of Holyland’s management future plans.

In March 2011, notices were received from the Tel Aviv District Attorney's Office regarding indictments which are being considered against former officers of Holyland and Kardan Real Estate for alleged bribery charges. Filing the indictments is subject to a preliminary hearing.

In May 2011 Holyland received a notice regarding indictments which are being considered against it for alleged suspicion concerning certain offenses relating to the period before 2007, filing the indictment is subject to a preliminary hearing.

In light of a very preliminary stage in which the said proceedings against the Holyland are found and the fact that the evidence related to that matter were not yet examined, it is in the opinion of Holyland’s management, that it is impossible to estimate at this point in time, the effects of such proceedings, if any, on Holyland's financial position and results in the future.

In May 2011 the Jerusalem District Planning and Construction Committee (–' the Regional Committee') approved the minutes from the meeting dated April 2011 which provides that the Regional Committee is convinced that the planning of the Holyland project contradicts the planning policy of the Regional Committee.

The Regional Committee also announced that it is considering new planning alternatives which include changes in the approved construction permits for buildings not yet built; the preferred alternative will be selected pursuant to filing of a new building plan. These decisions and others, have direct impact over all the plots in the Holyland Project for which the construction has not yet been completed (plots 13, 14, 15 and an additional plot zoned for hotels). The Regional Committee exercised its authority to issue a statement calling for the preparation of a new building plan for the entire Holyland Project and also set restrictions for the issuance of any new building permits.

Holyland's management estimates that the new building plan may adversely impact the current scope of approved construction. But it cannot reasonably and reliably determine its share in the renewed building plan. Holyland's management estimates that the period in which the new building plan be completed is approximately 5-7 years. Holyland's management also estimates, based on the opinions of its legal counsels, that the chance of Holyland receiving compensation due to these changes in planning are higher than 50%.

Following the above, Holyland's management reviewed, among other, with the assistance of independent external appraisers, the net realizable value of the land it owns, based on its fair value, and the need for impairment.

Following the aforesaid review Holyland's management incurred a provision for impairment of its inventory and land. Kardan Real Estate share in the losses of Holyland for the three months period ended March 31, 2011 amounts to approximately €2.5 million (NIS 12.5 million), of which the Company's share amounts to approximately €1.4 million (NIS 6.6 million). As of March 31, 2011 the carrying value of the investment in Holyland in Kardan Real Estate's books amounts to about €0.7 million.

As mentioned in the 2010 consolidated financial statements , Kardan Real Estate guarantees 30% of Holyland's bank loans.

As of March 31, 2011 the loans balance of Holyland was approximately €29 million. Holyland's management estimates, it is likely that if required to do so, it will be able to extend the framework agreement, in whole or in part, from time to time after March 31, 2012 (the date of the loan repayment). Also, Holyland's management estimates that the proceeds that will be received from the sale of the inventory it has, as well as the value of all property and rights in real estate and the guarantees it has available will enable the full repayment of the loans.

These assessments of Holyland's management are based, inter alia, on the rate of actual sales of apartments and the proceeds received, the fact that credit utilized by Holyland under the framework agreement is reducing and the collateral available to the bank. Holyland's management also relied on the valuations of an external real estate appraiser regarding the expected consideration to be received from a sale of Holyland's entire land and land rights if implemented in a very short time. However, there is no certainty that Holyland's management estimations be fully realized, since its realization does not depend exclusively in Holyland.

These interim financial statements include the effects of the above mentioned on the operations of Holyland, according to the best estimates of the management of Kardan Real Estate and Holyland, based on the information and data known to them at the date of approval of these interim financial statements, and based on the opinions of their legal counsels in this matter. However, at the date of approval of these interim financial statements, there is still uncertainty regarding the full implications of all of the aforesaid on the Holyland Project as a whole, by which the management of Kardan Real Estate and Holyland cannot reasonably and reliably estimate, as of the date of approving these interim financial statements, whether there are any additional effects of all the above on the financial position and results of operations of Kardan Real Estate in the future, beyond those already disclosed in these interim financial statements.

C. KFS

Disposal of the investment in VAB Bank and VAB Leasing

On December 9, 2010 TBIF (the holding company of the financial services-retail lending segment) entered into a series of agreements with international entities ("the Purchaser") whereby it was agreed that TBIF would sell to the Purchaser its stake in VAB Bank (the "Sale Transaction"). As part of this Sale Transaction it was agreed that the Purchaser would pay a purchase price, which was equal to the amount placed in the capital increase in December 2010 by TBIF (€ 52 million, UHA 550 million).

Following the capital increase, TBIF's shares in the Bank (84%) were transferred to the Purchaser and the Sale Transaction was completed on January 28, 2011.

On December 9, 2010, TBIF also entered into an agreement with VAB Bank to sell to the Bank its holdings in VAB Leasing (100%) in consideration of $ 4.5 million. The transaction was completed on February 2, 2011.

Following the completion of both transactions in the first quarter of 2011, TBIF recorded a net gain of € 3.9 million, of which € 5.5 million gain relate to VAB Bank and € 1.6 million loss relate to VAB Leasing.

D. GTC

Sale of Shares - GTC S.A

A. In January 2011 GTC Real Estate Holding B.V.('GTC Holding', which is included in the Company's Real Estate segment) sold 35,100,000 shares of GTC S.A., constituting 16% of GTC S.A.'s share capital. The shares were sold at a price of PLN 21.50 per share. Gross proceeds amounted to approximately €195 million (PLN 754,650,000); net proceeds amounted to approximately €188 million.

   Following the transaction, GTC Holding holds 59,529,180 shares in GTC S.A., representing an interest of 27.14% in GTC S.A.

Even though that GTC Holding holds 27.14% of the shares of GTC S.A., it retained the power to govern the financial and operating policies of GTC S.A under its statute as it has majority of the supervisory board members. That fact, in combination with the spread of the other shareholders of GTC S.A. as well as the historical voting patterns at the general meeting, result in retaining effective control over GTC S.A. Accordingly, GTC Holding continues consolidating the financial statements of GTC S.A.

As a result of retaining control over GTC S.A, the transaction was accounted in accordance to IAS27, as an equity transaction. As such, the difference between the consideration received and the increase in the balance of non controlling interest which increased the Company's equity, considering the partial disposal of goodwill and reattribution of amounts were previously recognized in other comprehensive income, to non controlling interest holders transactions reserve.

The Company will keep monitoring any change in facts and circumstances, in order to confirm there are no triggers for loss of control.

7. Subsequent events

A. In April 2011 TBIF has signed an agreement to acquire the Bulgarian Bank, NLB Banka Sofia AD in consideration of €15 million. As of December 31, 2010, Banka Sofia had total assets of €101 million, of which a loan portfolio of €91 million and equity of €12 million.

   Closing is subject to certain conditions precedent such as approval of Bulgarian National Bank and the Bulgarian Competition Authority.

B. Subsequent to the balance sheet date, in April 2011, GTC China sold all its interests in the joint venture company - Hangzhou International Financial Center Co. Ltd. ('HIFC') to a Chinese real estate and investment company, (Rich Holding Group Co. Ltd.) for a consideration of approximately €30 million (RMB 269 million. The transaction resulted in a gain for the Company of approximately €5 million which would be recognized during the second quarter in 2011.

C. Subsequent to the balance sheet date, on May 26, 2011, GTC SA signed an agreement with an affiliate of Unibail Rodamco S.E. to sell its 50% stake in the company which holds the shopping center Galeria Mokotów in Warsaw. The transaction values the asset at €475 million. The closing of the transaction is subject to standard closing conditions and regulatory approvals. The estimated profit from the transaction to Kardan amounts to less than €1 million, as most of it was recognized from revaluations in the past.

A. 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 March 31, 2011 and the related interim condensed consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the three 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, May 30, 2011

Ernst & Young Accountants LLP

Signed by: W. Van Hoeven

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