



KARDAN N.V.

Q1 – 2012 results

May 2012

Unique
investment
gateway
to emerging
markets

*We initiate, develop and manage
long term cash flow generating assets,
mainly in Real Estate and
Water Infrastructure in
promising Emerging Markets.*

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Emerging Markets

Active in approximately 30 countries

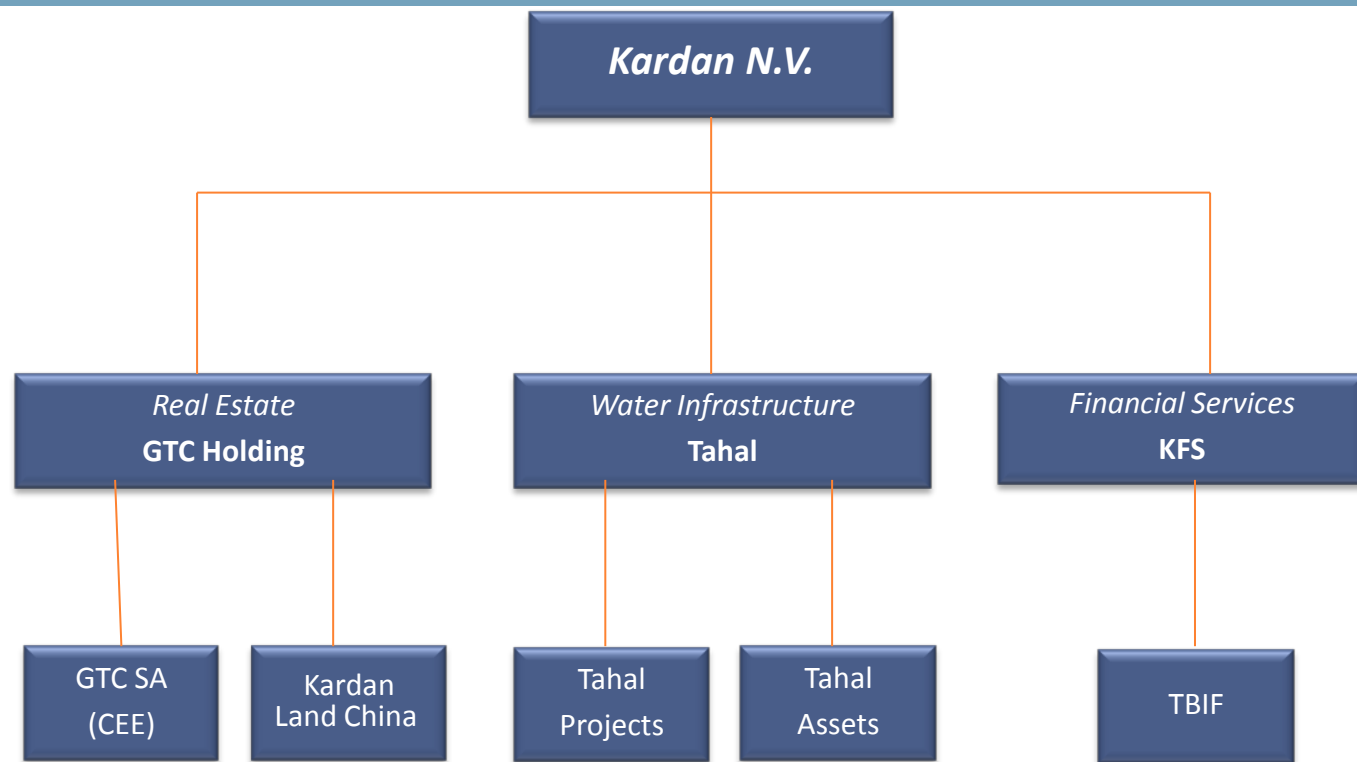
Focus:

- Real Estate: China and CEE / SEE*
- Water Infrastructure: worldwide*
- Financial Services activities in Bulgaria and Romania*

Stock listed on NYSE Euronext Amsterdam and Tel Aviv Stock Exchange

*Total Assets of EUR 4.3 billion
(consolidated as of March 31, 2012)*

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70% of total investment



15% of total investment



15% of total investment



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*On the basis of Equity investment and shareholders loans as of 31.3.12 excluding loans funding operational activities of subsidiaries and funds expected from closing of Sovcombank transaction.

Central and Eastern Europe:

- Unexpected stalling of economic recovery late 2011 extended into Q1 - 2012
- Substantial growth differentials between the individual countries:
 - Poland still developing strongly
 - Bulgaria and Romania showed GDP contraction in Q1 - 2012
- Consumer confidence has not yet returned.

China:

- Measures taken by the Chinese government to control speculation, fight inflation and stimulate internal demand
- Buyers of apartments hesitant as mortgages are more difficult to obtain
- Urbanization continues, thus underlying demand for apartments remains
- Retail sales index continues to show double digit growth.

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Kardán N.V.:

- As of March 31, 2012:
32% of Debenture Plan (to buy back debentures up to EUR 50 million) executed

Real Estate Asia:

- Shopping mall Chengdu performing well; substantial deliveries of apartments
- Continued slowdown in sale of apartments

Real Estate Europe:

- Rental and service recharge revenues up by 3% despite sale of Galeria Mokotow
- Average occupancy at GTC S.A.: 89% (year end 2011: 87%)
- Slightly positive net revaluations & impairments
- Intended rights issue of EUR 100 mn approved by GTC S.A. shareholders meeting

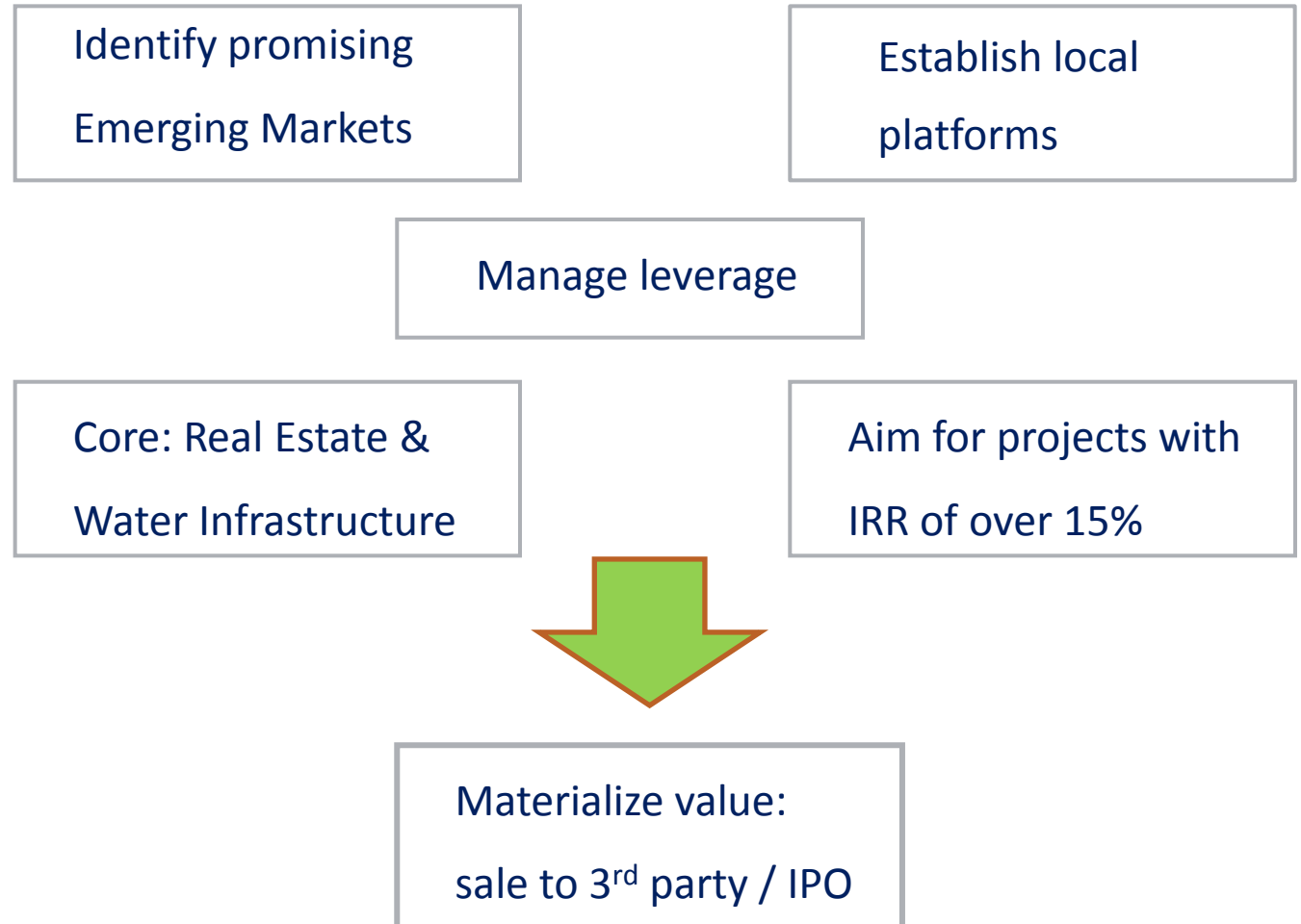
Water Infrastructure:

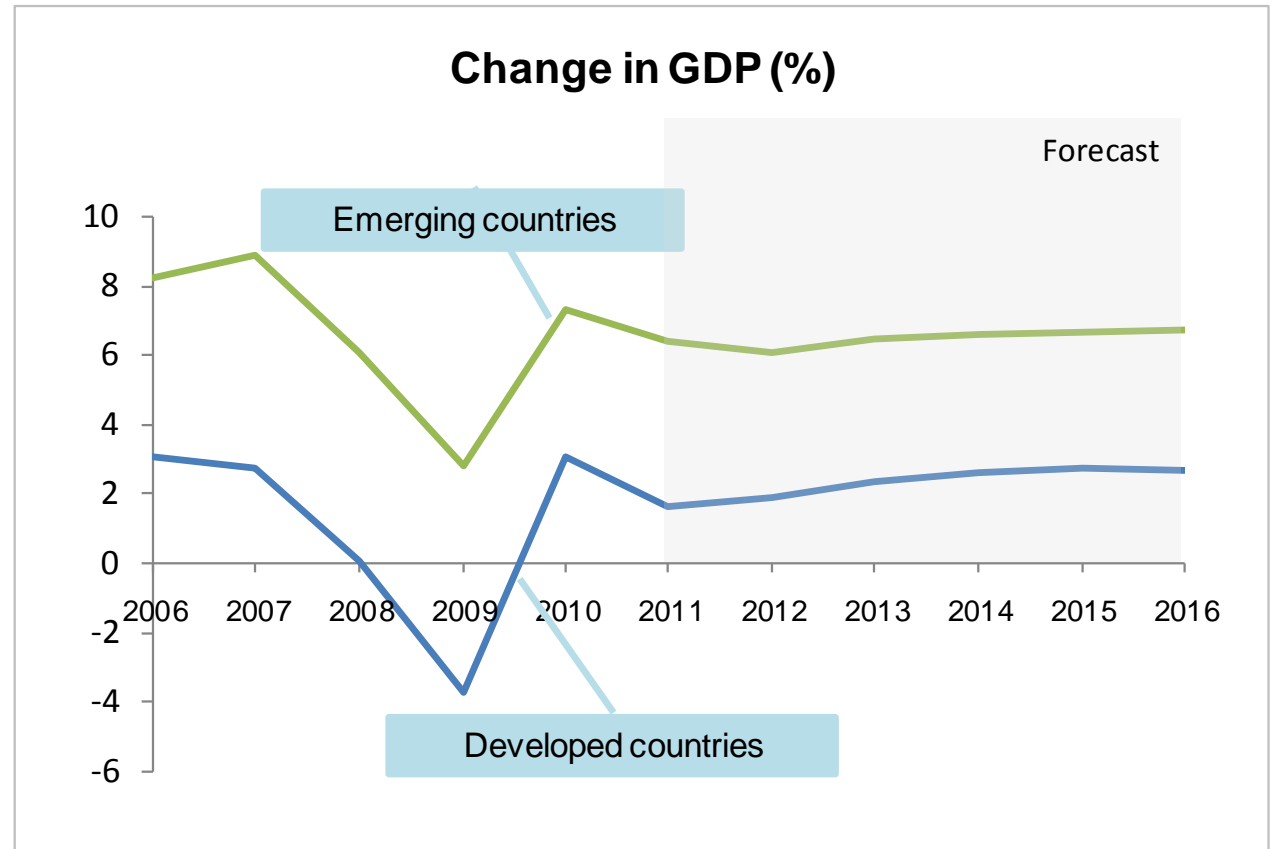
- Kardán Water activities in China growing
- Lower gross profit in Projects from different project mix

Banking and Retail Lending:

- Continuing impairments on non performing consumer credits lead to substantial loss
- TBI Bank progressing according to plan

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Source: IMF, World Economic Outlook, September 2011

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Middle Class: growth engine of emerging markets

	2009	2020 F	% change 2009-2020
	Number of People (millions)		
	<u> </u>	<u> </u>	
North America	338	333	-2%
Europe	664	703	6%
Asia Pacific	525	1,740	231%
Central & South America	181	251	39%
Middle East & Africa	<u>137</u>	<u>222</u>	62%
World	1,845	3,249	

Source: OECD, 2010

The main growth is in emerging markets

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Kardan Land China – 100%

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2.8 million m²: under various stages of developments



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Number of Units (company share approx. 50%)



Unrealized gross profit of approx. EUR 31 million

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Galeria Chengdu

- Opened in November 2010
- NRA: 35,000m²
- Occupancy: 98% with international tenants
- Development costs: EUR 68 million (Equity: EUR 40 million)
- 50% sold to MGPA at value of EUR 118 million (August 2011)



Europark Dalian

- Mixed use project under development; expected completion in 2015
- Expected NRA shopping center: 65,000m²
- GFA of Home Office & Residential: 100,000m²
- Land purchased in 2008 for approx. EUR 100 million



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Kardan Land China has rights to develop GFA 75,000 m² retail centers in mixed use projects

- Profit mainly from large number of deliveries of units and revaluations of Galeria Chengdu
- Equity as of 31.03.11: **EUR 242 million**
- Cash & ST investments: **EUR 65 million**
- 4,684 units sold not yet delivered expected to generate revenue of EUR 129 million & gross profit of approximately EUR 31 million
- Slowdown in sale of units due to measures Chinese government

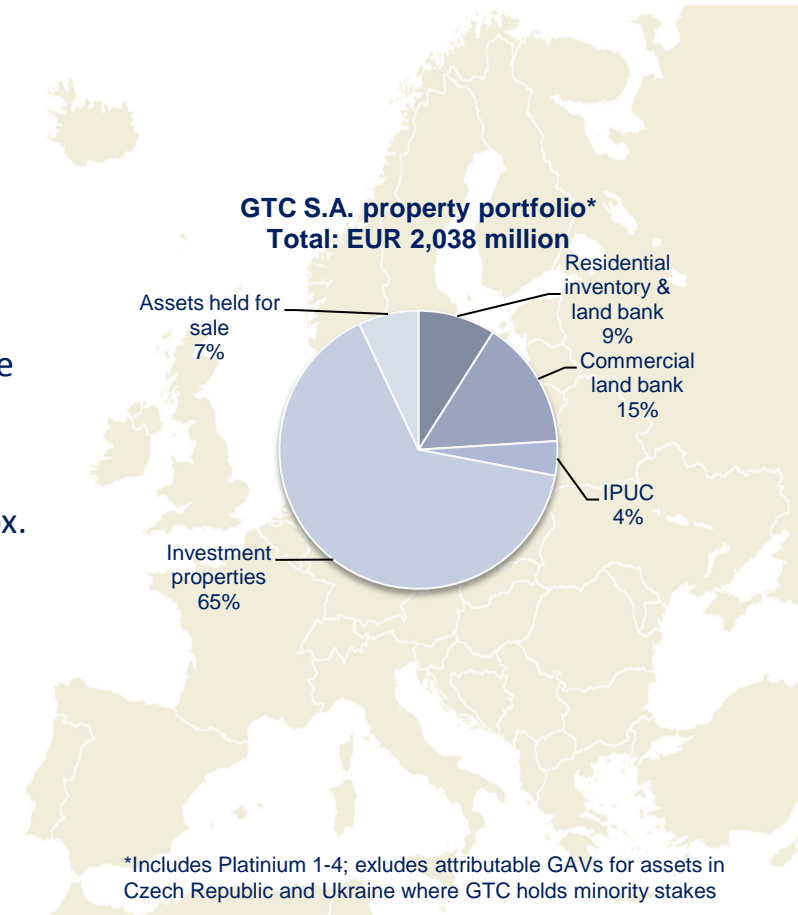
	For the quarter ended March 31	
	In EUR million	
	2012	2011
Rental revenue	2	2
Residential revenue	15	3
<i>Total revenues</i>	17	5
<i>Gross profit</i>	4	1
<i>Rental gross profit margin</i>	44%	35%
<i>Residential gross profit margin</i>	21%	25%
Adjustment to fair value (impairment) of investment properties	3	3
Net profit (loss) to shareholders	1	1

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GTC S.A. (28%)

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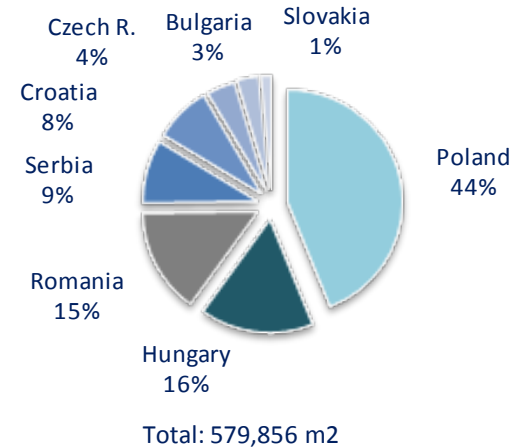
- Developer and manager of office buildings and shopping centres
- Founded in 1994 by Kardan in Poland
- Listed on the Warsaw stock exchange (WIG20) as of 2004
- Market cap. (90 days average) approx. EUR 442 million
Equity to shareholders approx. EUR 755 million
- Completed since 1994 over 1,000k sqm of commercial space, of which over 400k sqm sold, and 370 sqm of residential space



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- NRA: 580,000m² *
- Occupancy: 89% (2011: 87%)
- Gross margin from operations in Q1 2012: EUR 23 million
- Book value of completed assets: EUR 1.5 billion
- **Galeria Burgas** (retail center, Bulgaria) opened on May 15 (90% occupancy)
- **Platinum V** (office, Warsaw); expected completion date: June 2012
- Till end 2014: Completion of 2 shopping centers in Warsaw (NRA* of 108,000m²)
- Aligning development pace to macro environment

NRA by Country (GTC SA stake)



Galeria Wilanow, Warsaw

*GTC S.A.'s stake

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- Profit due to slightly higher revenues and profits on revaluations & impairments
- LTV: 60% (2011: 60%)
- Cash & ST investments: EUR 163 million
- First tranche of bonds maturing April 2012 repaid
- Bonds maturity:
 - 2013: EUR 103 million
 - 2014: EUR 191 million
- GTC S.A. intends to raise approx. EUR 180 million free cash through sale of assets in the next 3 years
- The company intends to raise approximately EUR 100 million through rights issue; record date is set for June 4, 2012

GTC S.A.	For the quarter ended March 31	
	In EUR million	
	2012	2011
Rental revenue	32	31
Residential revenue	5	4
Total revenues	37	35
Gross profit	23	22
<i>Rental gross profit margin</i>	72%	74%
Profit before revaluations	16	15
Adjustment to fair value (impairment) of investment properties	2	14
Operating profit (loss)	18	29
Net profit (loss)	3	8
Net profit (loss) to shareholders	1	3

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Tahal Group International (100%)

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- Specializes in water-related infrastructure projects and development
- Operates through the entire value chain, primarily in developing countries
- Over 1,200 employees
- Major clients: governments, public utilities and water agencies
- Two sub-divisions:
 - Tahal Assets (100%): investments / development of assets, Build Operate Transfer (BOT) and Build Operate Own (BOO)
 - platforms in China and Turkey
 - Tahal Projects (100%): design, consulting and turn-key projects (EPC)



Atma Project, Ghana, Africa



Epal Project, Angola, Africa

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Projects

- Revenues stable
- Decrease in gross margin due to change in mix of projects
- New business signed in Q1 - 2012:
 - Ghana project (approx. EUR 73 million; project to take 3 years from start)
- Backlog at March 31, 2012: EUR 351 mn (March 31, 2011: EUR 174 mn)

Tahal Projects	For the three months ended March 31	
	In EUR million	
	2012	2011
Revenues	22	23
Gross profit	2	6
EBIT	(1)	1
Net profit (loss) to shareholders	(2)	-

Assets

- Increase in revenues – mainly in China*

Tahal Assets	For the three months ended March 31	
	In EUR million	
	2012	2011
Revenues	9	6
Gross profit	4	3
EBIT	1	1
Net profit (loss) to shareholders	1	(1)

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- Active in Tier 2 & 3 cities (China)
- 10 operating plants (WWT, WS & WR) & 1 WWTP under construction
- May 2012: obtained 100% ownership for Tianjin WWT plants
- Capacity expected to increase in the next few years further to expansions:

(in EUR millions)	Q1 2012	Q1 2011
Revenues	8	3
Gross profit	3	2
<i>Gross profit margin</i>	43%	61%
Operating profit	2	1
Net profit to shareholders	1	1

	Number of plants / uses	Designed Capacity ('000 t/day)			
		2011	Expected - based on expansions		
			2012	2013	2014
Tianjin Group	5	205	255	295	315
Dazhou	2	110	110	110	170
Dingzhou	1	20	20	20	40
Xuanhua	2	240	240	240	240
ZiChuan	1	30	30	30	30
Total	11	605	655	695	795



Xuanhua

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TBIF (100%)

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Profile TBIF (100%)

- Banking, consumer finance, leasing and mortgages in Bulgaria and Romania

Bulgaria and Romania	Q1 2012	Q1 2011**
(100% in EUR million)		
Net banking income*	5	7
Profit (Loss)	(9)	(1)
Total Equity	46	44
Total Assets	205	205
Equity / Assets	22%	21%
Cash & short term investments	18	13

* incl. Net interest income, net commission income and other operating income

** TBI Bank is not yet consolidated in the Q1 2011 results

Key Indicators TBIF **

- Outstanding net portfolio: EUR 153 mn
- Total Branches and POS > 265
- Total merchants > 1,400
- Total employees > 1,280

** as of March 31, 2012, excluding Sovcombank, including TBI Bank

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Kardan additional financials

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- Equity to shareholders as of 31.03.12: **EUR 191 million**
(31.12.11: EUR 203 million)
- Loss in Q1 – 2012: EUR 14 million,
mainly due to the loss in the financial services division
- Liabilities, including GTC RE Holding:
 - Debentures: EUR 488 million (after hedge transactions)
 - Loans from banks: EUR 131 million
- Cash & ST investments (including GTC RE Holding)
as of 31.03.12: EUR 85 million
- Closing of sales of Sovcombank expected soon
(remainder of consideration to be received: EUR 71 million)

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Company Only – Kardan NV & GTC RE Holding*

(EUR millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020	total
Debentures – Series A**		50	51	50	51					202
Debentures - Series B			40	40	40	40	41	41	41	283
Loans from Banks	30***		5	13	15	15	15	26	12	131
Total	30	50	96	103	106	55	56	67	53	616

* The liabilities of KFS are expected to be repaid following closing of Sovcombank transaction

** Does not include repurchase of debentures after March 31, 2012

*** Paid in April 2012

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Company only - Kardan N.V. & GTC RE holding

April 1, 2012 – April 1, 2014

Sources	EUR millions
Cash & ST investments as of 31.03.12*	85
Repayment of loans from subsidiaries**	112
Sale of assets	92
Loans from banks	6
<i>Total sources</i>	<i>295</i>
 Uses	
Series A debentures (principle)	80
Series B debentures (principle)	44
Repurchase of debentures	32
Repayment of bank loans	36
Interest expenses	58
G&A expenses less management fees	9
GTC S.A. Rights issue	28
<i>Total uses</i>	<i>287</i>
 Expected cash & ST investments as of 31.03.2014	8

* Includes pledged deposits which will be free in the near future

** Among others from KFS (proceeds from Sovcombank transaction) and Kardan Land

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Outlook 2012

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Kardan N.V.:

- Focus on cash flow and debt position of Kardan NV and GTC Real Estate BV
- Company intends to participate in rights issue of GTC S.A. for its full pro rate parte: 28%.

Real Estate Asia:

- Sale of apartments expected to be lower in 2012
- Expect to deliver approx. 1,800 apartments during 2012 (Kardan Land China share: 50%)
- Expect to start construction of mixed use project Europark Dalian in H2 – 2012 (approx. 300,000 sqm residential, retail and parking space)

Real Estate Europe:

- GTC S.A. completed a shopping mall in Bulgaria (Burgas: opened May 15 last, pre let 90%) and plans to complete an office building in Warsaw (pre let 90%)
- Management aims to strengthen balance sheet by raising EUR 100 mn equity through rights issue and selling assets (EUR 180 mn approx. in coming three years)

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Water Infrastructure

- Focus on development of Water Related Assets, EPC in frontier markets and Engineering in Israel
- China: capacity of plants expected to increase to 655,000 m³ / day by end of 2012; revenues are therefore expected to increase
- Project revenue expected to increase from existing and recently signed contracts

Banking and Retail lending:

- TBI Bank to start raising deposits and generating new business
- Attempt to get a branche license in Romania
- Expectation that no major additional provisions will need to be taken after Q1 2012, unless markets further deteriorate
- Closing of the sale of Sovcombank expected soon. Remaining part of sales price to be received: EUR 71 mn; which will mainly be used to reduce debt.

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Thank you



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Condensed Consolidated Income Statement

Kardan N.V. Q1 -2012



	Real Estate		Infrastructure		Banking and Retail lending	Other	Total	Total	Total
	Asia	Europe	Assets	Projects			Q 1-2012	Q1 -2011	FY 2011*
Total revenues	17	38	9	22	(1)	-	85	77	334
Total expenses	16	21	7	24	9	2	79	63	394
Profit (loss) from operation before fair value adjustments, disposal of assets and financial expenses	1	17	2	(2)	(10)	(2)	6	14	(60)
Profit (loss) from fair value adjustments and on disposal of assets and investments	3	1	-	-	-	-	4	16	(217)
Result from operations before finance expenses	4	18	2	(2)	(10)	(2)	10	30	(277)
Financing income (expenses), net	(2)	(17)	-	-	(1)	(5)	(25)	(23)	(123)
Profit (Loss) before income tax	2	1	2	(2)	(11)	(7)	(15)	7	(400)
Income tax (expenses)/benefit	(1)	1	(1)	-	-	3	2	6	27
Profit (Loss) from continuing operations	1	2	1	(2)	(11)	(4)	(13)	1	(427)
Profit (Loss) from discontinued operations	-	-	-	-	-	-	-	3	18
Profit (Loss) for the period	1	2	1	(2)	(11)	(4)	(13)	4	(409)
Attributable to:									
Non-controlling interest	-	1	-	-	-	-	1	4	(261)
Net result for equity holders	1	1	1	(2)	(11)	(4)	(14)	-	(148)
Profit (Loss) for the period	1	2	1	(2)	(11)	(4)	(13)	4	(409)

(*) The results of 2011 have been restated as the results of Sovcombank have been classified as discontinued operations.

The Netherlands

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