



KARDAN N.V.

H1 – 2012 results

August 2012

Unique
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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

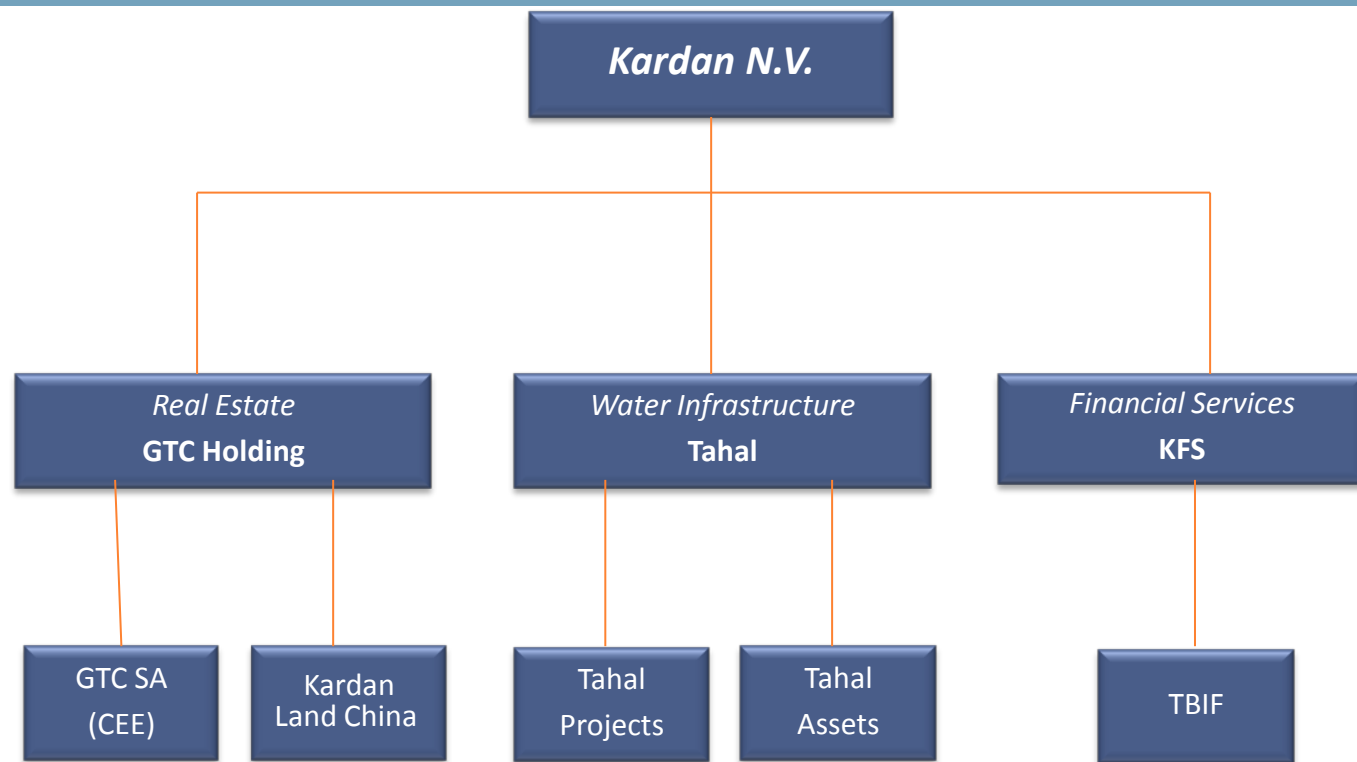
Focus:

- 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 3.6 billion
(consolidated as of June 30, 2012)*

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70% of total investment



15% of total investment



15% of total investment



*On the basis of Equity investment and shareholders loans as of 30.06.12

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Central and Eastern Europe:

- Sovereign debt crisis continuing
- CEE impacted: Eurozone is their main export market
- Poland still strong despite slowdown of GDP growth
- Consumer confidence has not yet returned.

China:

- Chinese government measures to control real estate speculation, fight inflation and stimulate internal demand continues
- Slower GDP growth in Q2 2012 at 7.6% y-o-y
- To boost economy, government has brought down interest rates and has eased reserve requirements for banks
- Urbanization continues; underlying demand for apartments remains
- Retail sales index continues to show double digit growth, although slowing down slightly

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Highlights Q2 and H1 – 2012

Focus on debt servicing



Kardán N.V.:

- Increased focus on debt servicing and cost efficiency in segments
- Successful repurchases of Debentures (approx. EUR 10 mn financing income in H1 – 2012 & approx. EUR 33 mn to be recorded in Q3 – 2012)
- Q2 – 2012 net loss to equity holders: EUR 11 mn, H1 – 2012: EUR 25 mn loss

Real Estate Asia:

- Contribution shopping mall Chengdu (y-o-y) the same, despite sale of 50%
- Construction of Europark Dalian in progress
- Substantial deliveries of apartments
- Sale of apartments slow, but slightly better in Q2 than in Q1 (2012)

Real Estate Europe:

- GTC S.A. rights issue of EUR 100 mn successfully placed; Kardán retains 28% stake
- GTC S.A. Signed agreement to sell Platinum (I-V)
- Cost optimization plans installed by GTC S.A. management

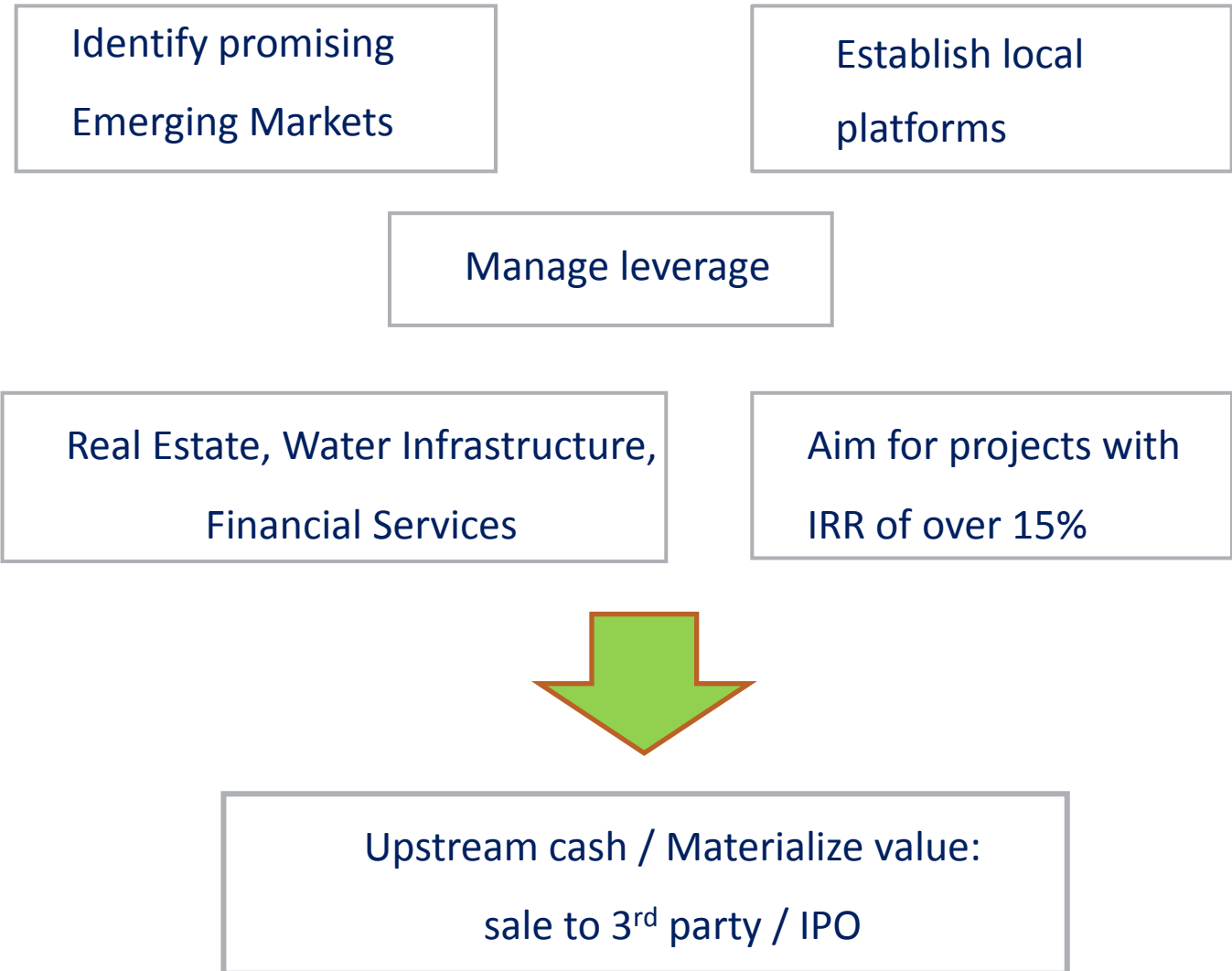
Water Infrastructure:

- Capacity increase plans of Kardán Water in China on track
- Delays in revenues at Projects
- Reorganization (started 2011) leads to less SG&A costs
- Record backlog at EUR 347 mn

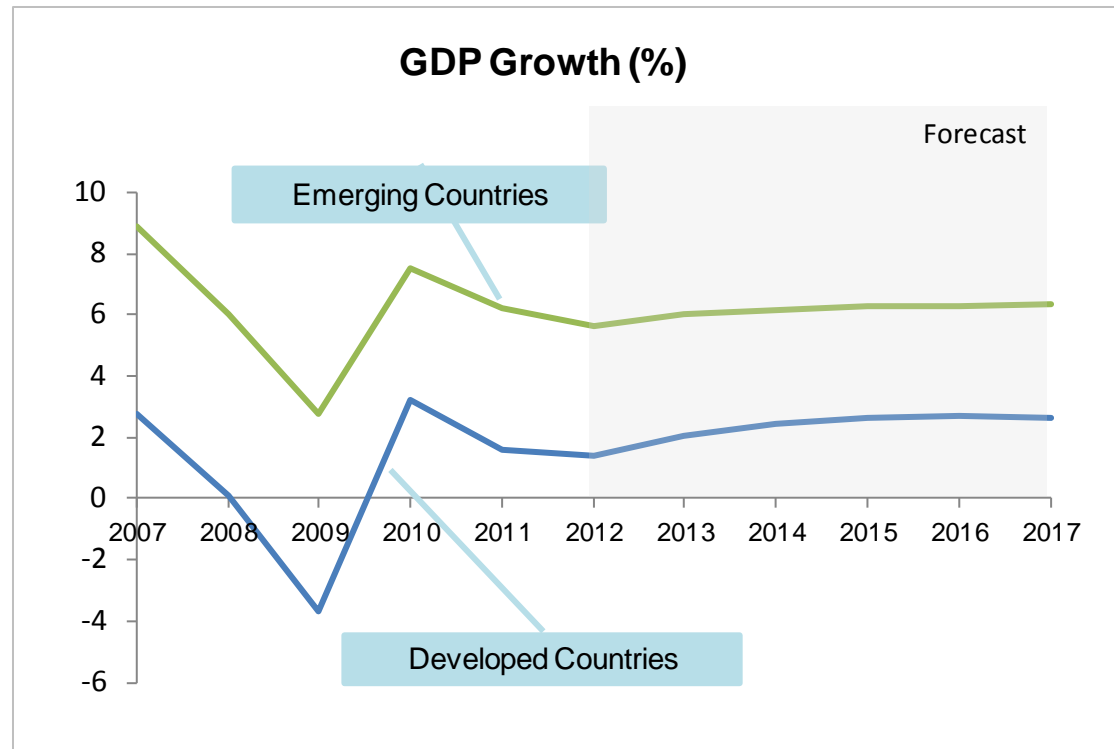
Banking and Retail Lending:

- Sale of Sovcombank completed
- Gross loan portfolio decreasing trend in SME sector, strong growth of deposits at TBI bank in retail sector

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Source: IMF, World Economic Outlook, April 2012

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Middle Class: growth engine of emerging markets

	2009	2020 F	% change 2009-2020
	Number of People (million)		
North America	338	333	-2%
Europe	664	703	6%
Asia Pacific	525	1,740	231%
Central & South America	181	251	39%
Middle East & Africa	137	222	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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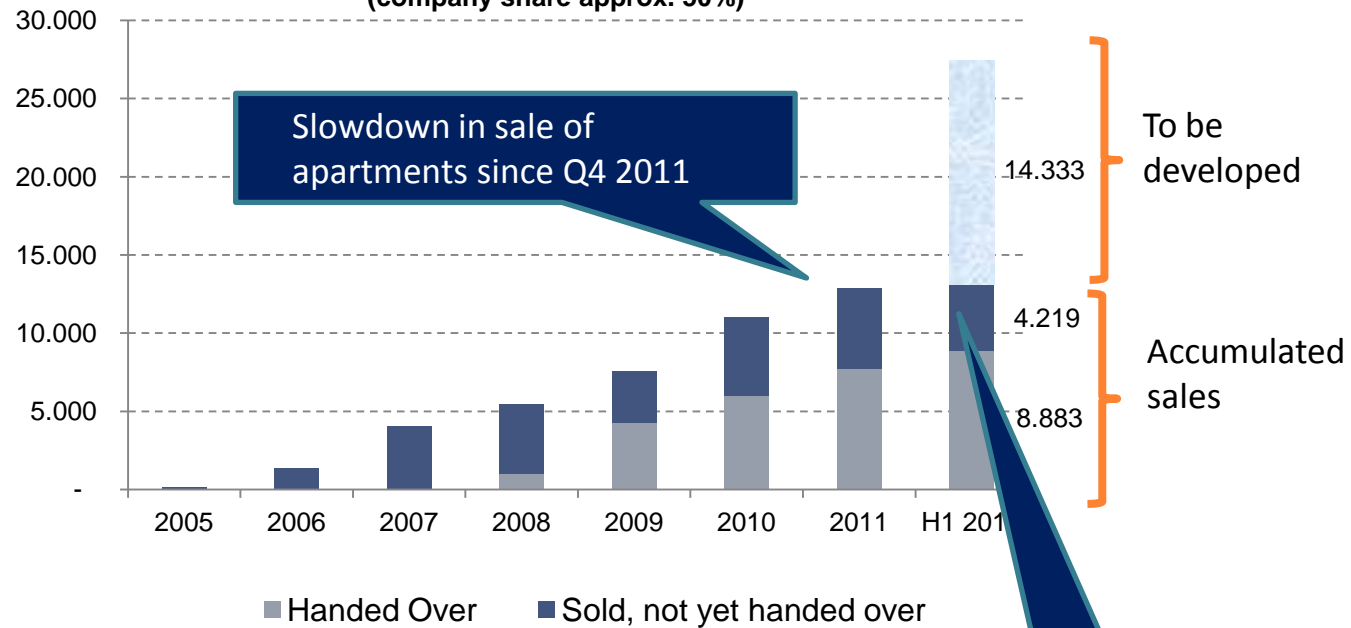
2.8 million m²: under various stages of developments



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Number of Apartments

(company share approx. 50%)



Slowdown in sale of apartments since Q4 2011

Not yet recognized gross profit of approx. EUR 33 million
(Kardan Land China share)

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Galeria Chengdu

- Opened in November 2010
- NRA: 35,000m²
- Occupancy: 98% with international tenants
- Average of more than 20,000 visitors per day
- Development costs: EUR 68 mn (Equity: EUR 40 mn)
- 50% sold to MGPA at value of EUR 118 mn (August 2011)

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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 mn
- Sales activities to start in Q4 2012
- Construction started in Q2 2012



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- Profit mainly from large number of deliveries of units, operation and revaluations of Galeria Chengdu
- Equity as of 30.06.12: EUR 259 mn
- Cash & ST investments: EUR 63 mn
- 4,219 units sold not yet delivered expected to generate revenue of EUR 130 mn & gross profit of approximately EUR 33 mn

	For the half year ended June 30	
	In EUR million	
	2012	2011
Rental revenue*	3	3
Residential revenue	31	14
<i>Total revenues</i>	34	17
<i>Gross profit</i>	7	4
<i>Rental gross profit margin</i>	47%	50%
<i>Residential gross profit margin</i>	20%	25%
Adjustment to fair value (impairment) of investment properties	3	17
Net profit (loss) to Kardan	4	11

* Note: H1-2012: 50% stake in Chengdu, whereas H1-2011 100% stake in Chengdu

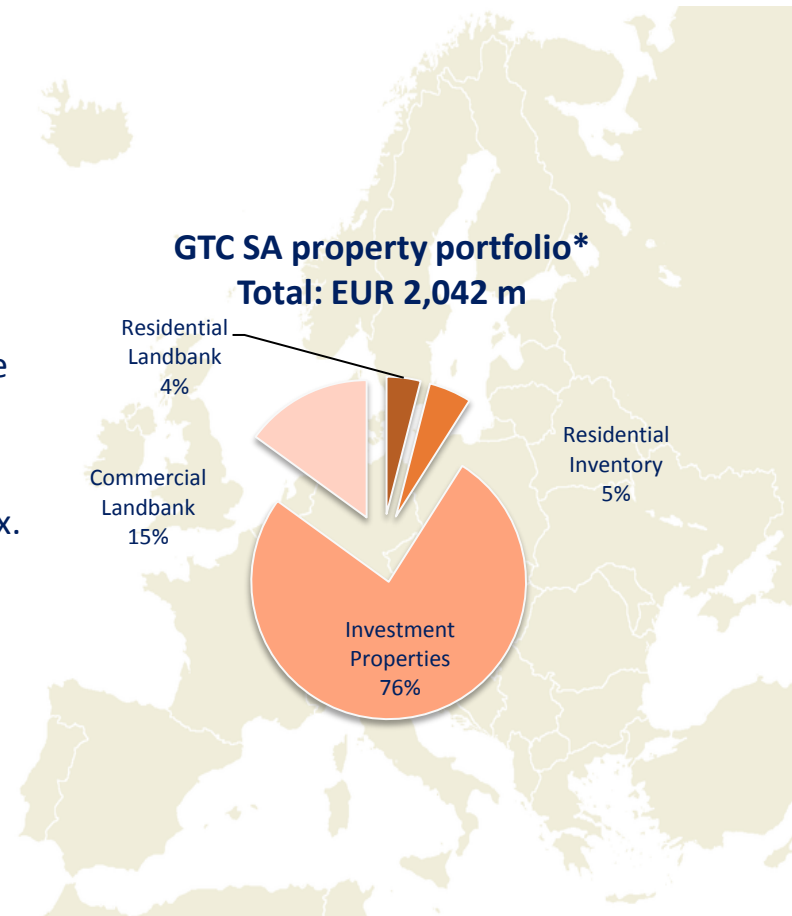
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GTC S.A. (28%)

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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 463 mn
Equity to shareholders approx. EUR 840 mn (30.06.2012)
- Balanced portfolio with CEE focus, primarily on Poland;
> 80% of Portfolio concentrated in 4 countries

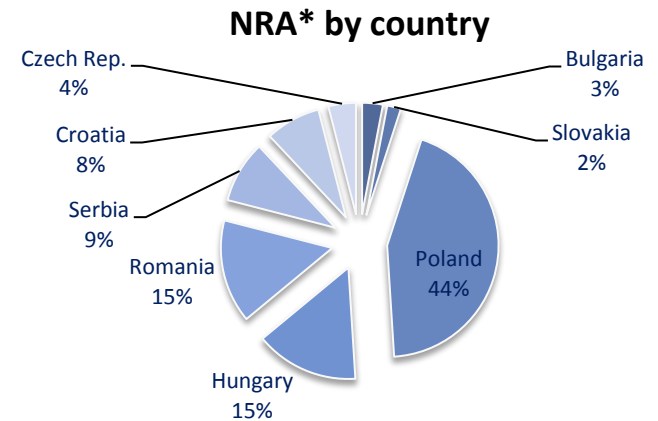
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* As per June 30, 2012. Includes Platinum 1-5; excludes attributable Gross Annual Values for assets in Czech Republic and Ukraine where GTC holds minority stakes.

- Occupancy: 89% (2011: 87%)
- Gross profit from operations in H1 2012: EUR 47 mn
- Book value of completed assets: EUR 1.6 billion
- Galeria Burgas (retail center, Bulgaria) opened on May 15 (90% occupancy)
- Signed sale agreement Platinum (I –V) (office, Warsaw); approx. EUR 60 mn of free cash expected on transaction
- Focus on Poland:
 - Develop 2 shopping centers in Warsaw (NRA* of 98,000m²)
- Aligning development pace to macro environment

*GTC S.A.'s stake



* NRA is pro-rata to GTC SA holding Total: 634,917 m2
Includes Platinum 1-5; excludes attributable GAVs for assets in Czech Republic and Ukraine where GTC holds minority stakes.



Galeria Wilanow, Warsaw

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- Positive revaluation in Poland, devaluations mainly in Bulgaria and Romania
- LTV June 30, 2012: 55% (YE 2011: 60%)
- Cash & ST investments (June 30, 2012): EUR 239 mn
- Bonds maturity (incl. hedges) till June 30:
 - 2013: EUR 106 mn
 - 2014: EUR 191 mn
- GTC S.A. intends to raise approx. EUR 180 mn free cash through sale of assets till end 2014
 - sale of Platinum: 30% achieved
- EUR 100 mn (net) raised through rights issue

GTC S.A.	For the half year ended June 30	
	In EUR million	
	2012	2011
Rental revenue	64	65
Residential revenue	10	11
Total revenues	74	76
Gross profit	47	47
<i>Rental gross profit margin</i>	73%	72%
Profit before revaluations	33	30
Adjustment to fair value (impairment) of investment properties	(10)	(38)
Operating profit (loss)	23	(8)
Net profit (loss)	(18)	(38)
Net profit (loss) to Kardan	(3)	(7)

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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
- Founded in 1952
- 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



Tianjin WWTP, China

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Projects

- Revenue development impacted by delays in projects
- Positive effect of reorganization of SG&A expenses
- Main new business signed in H1 - 2012:
- Ghana project (approx. EUR 73 million; project to take 3 years from start)
- Significant backlog at June 30, 2012: EUR 347 mn
(December 31, 2012: EUR 316 mn)

Tahal Projects

	For the half year ended June 30	
	In EUR million	
	2012	2011
Revenues	42	43
Gross profit	3	3
EBIT	(4)	(7)
Net profit (loss) to Kardan	(4)	(6)

* EBIT = Net profit (loss) before income taxes

Assets

- Increase in revenues – mainly in China (capacity increase and value increase recognized during construction / upgrade)
- Gross profit margin decrease due to lower margins on younger plants
- Capacity increase plan on track

Tahal Assets

	For the half year ended June 30	
	In EUR million	
	2012	2011
Revenues	18	13
Gross profit	7	6
EBIT	-	(1)
Net profit (loss) to Kardan	(1)	3**

(*) EBIT = Net profit (loss) before income taxes
(**) Includes discontinued operations (Milgam)

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- Active in Tier 2 & 3 cities (China)
- 9 operating plants (WWT, WS & WR) & 1 WWTP under construction
- Q2 -2012: obtained 100% ownership for Tianjin WWT plants
- Capacity expected to increase in the next few years further to expansions:

(in EUR millions)	H1 2012	H1 2011
Revenues	14*	7
Gross profit	6	4
<i>Gross profit margin</i>	44%	57%
Operating profit	4	2
Net profit to shareholders	2	1

* Includes value increase recognized during construction / upgrade

	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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KFS (100%)

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Profile KFS (100%)

- Banking, consumer finance, leasing and mortgages in Bulgaria and Romania
- Leasing activities in Ukraine (AVIS)

Key Indicators TBIF **

- Outstanding net portfolio: EUR 151 mn
- Total Branches and POS > 275
- Total merchants > 1,400
- Total employees > 1,290

** as of June 30, 2012, excluding AVIS



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KFS	H1 2012	H1 2011**
(100% in EUR million)		
Net banking income*	5	15
Profit (Loss)	(15)	(9)
Total Equity	47	41
Total Assets	253	195
Equity / Assets	19%	21%
Cash & short term investments	30	13

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

** TBI Bank is not yet consolidated in the H1 2011 results, but is in H1 2012

Kardan additional financials

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- Equity to shareholders as of 30.06.12: EUR 196 mn (31.12.11: EUR 203 mn)
- Loss in Q2 – 2012: EUR 11 million, H1 – 2012: EUR 25 mn, mainly due to losses in Financial Services division and Real Estate Europe

Liabilities, incl.GTC RE (in EUR million)	June 30, 2012	August 27, 2012
Debentures*	459	413
Loans from banks	107	107

* Excluding accrued interest

- Cash & ST investments (including GTC RE Holding) as of 30.06.12: EUR 40 mn
- No breach in covenants in line with new covenants agreed with banks

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Company Only – Kardan NV & GTC RE Holding (principle only as at August 27, 2012)

(EUR millions)	9-12/ 2012	2013	2014	2015	2016	2017	2018	2019	2020	total
Debentures – Series A*		35	35	35	35					140
Debentures - Series B			39	39	39	39	39	39	39	273
Loans from Banks		6	5	13	15	15	15	26	12	107
Total		41	79	87	89	54	54	65	51	520

* Net of swaps

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

July 1, 2012 – July 1, 2014

Sources	EUR millions	Executed as at August 27, 2012
Cash & ST investments as of 30.06.12*	39	
Repayment of loans from subsidiaries	82	33
Sale of assets	121	41
<i>Total sources</i>	242	
Uses		
Series A debentures (principle)	78	
Series B debentures (principle)	40	
Repurchase of debentures	51	51
Repayment of bank loans	6	
Interest expenses	49	
G&A expenses less management fees	8	
<i>Total uses</i>	232	
Expected cash & ST investments as of 30.06.2014	10	

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

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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

Real Estate Asia:

- Sale of apartments expected to continue to be low, but to pick up slowly
- Expect to deliver approx. 1,800 – 2,100 apartments during 2012
(Kardan Land China share: 50%)
- Expect to start sale activities Europark Dalian in Q4 – 2012
(approx. 300,000 sqm residential, retail and parking space)

Real Estate Europe:

- GTC S.A. management aims to continue to decrease leverage
- GTC S.A. continues to focus on active asset management, sale of assets and further improvement in average occupancy and cost optimization

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Water Infrastructure

- China: capacity of plants expected to increase to 655,000 m³ / day by end of 2012 (year end 2011: 605,000 m³ / day); revenues are therefore expected to increase
- Project revenue expected to increase from existing and recently signed contracts (Backlog at June 30, 2012: EUR 347 mn)

Banking and Retail lending:

- TBI Bank to continue raising deposits and generating new business
- Attempt to get a branche license in Romania by end of 2012
- Expectation that no major additional loan loss provisions will need to be taken, unless markets further deteriorate

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Thank you

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Condensed Consolidated Income Statement

Kardan N.V. H1 -2012



	Real Estate		Infrastructure		Banking and Retail lending	Other	Total	Total	Total
	Asia	Europe	Assets	Projects			HY- 2012	HY - 2011	FY 2011*
Total revenues	34	77	18	42	5	-	176	166	334
Total expenses	33	44	15	46	17	3	158	164	394
Profit (loss) from operation before fair value adjustments, disposal of assets and financial expenses	1	33	3	(4)	(12)	(3)	18	2	(60)
Profit (loss) from fair value adjustments and on disposal of assets and investments	3	(16)	1	-	-	-	(12)	(7)	(217)
Result from operations before finance expenses	4	17	4	(4)	(12)	(3)	6	(5)	(277)
Financing income (expenses), net	2	(33)	(4)	-	(4)	(4)	(43)	(55)	(123)
Profit (Loss) before income tax	6	(16)	-	(4)	(16)	(7)	(37)	(60)	(400)
Income tax (expenses)/benefit	(2)	(5)	(1)	-	-	2	(6)	1	27
Profit (Loss) from continuing operations	4	(21)	(1)	(4)	(16)	(5)	(43)	(61)	(427)
Profit (Loss) from discontinued operations	-	-	-	-	1	-	1	(11)	18
Profit (Loss) for the period	4	(21)	(1)	(4)	(15)	(5)	(42)	(72)	(409)
Attributable to:									
Non-controlling interest	-	(17)	-	-	-	-	(17)	(36)	(261)
Net result for equity holders	4	(4)	(1)	(4)	(15)	(5)	(25)	(36)	(148)
Profit (Loss) for the period	4	(21)	(1)	(4)	(15)	(5)	(42)	(72)	(409)

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

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