



KARDAN N.V.

Q1 2013 results

May 2013

Unique
investment
gateway
to emerging
markets



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

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Emerging Markets, with growing middle class

Focus:

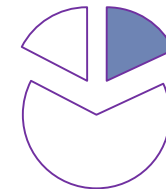
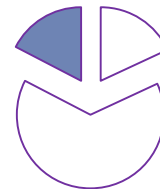
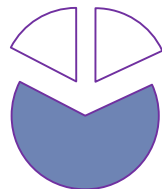
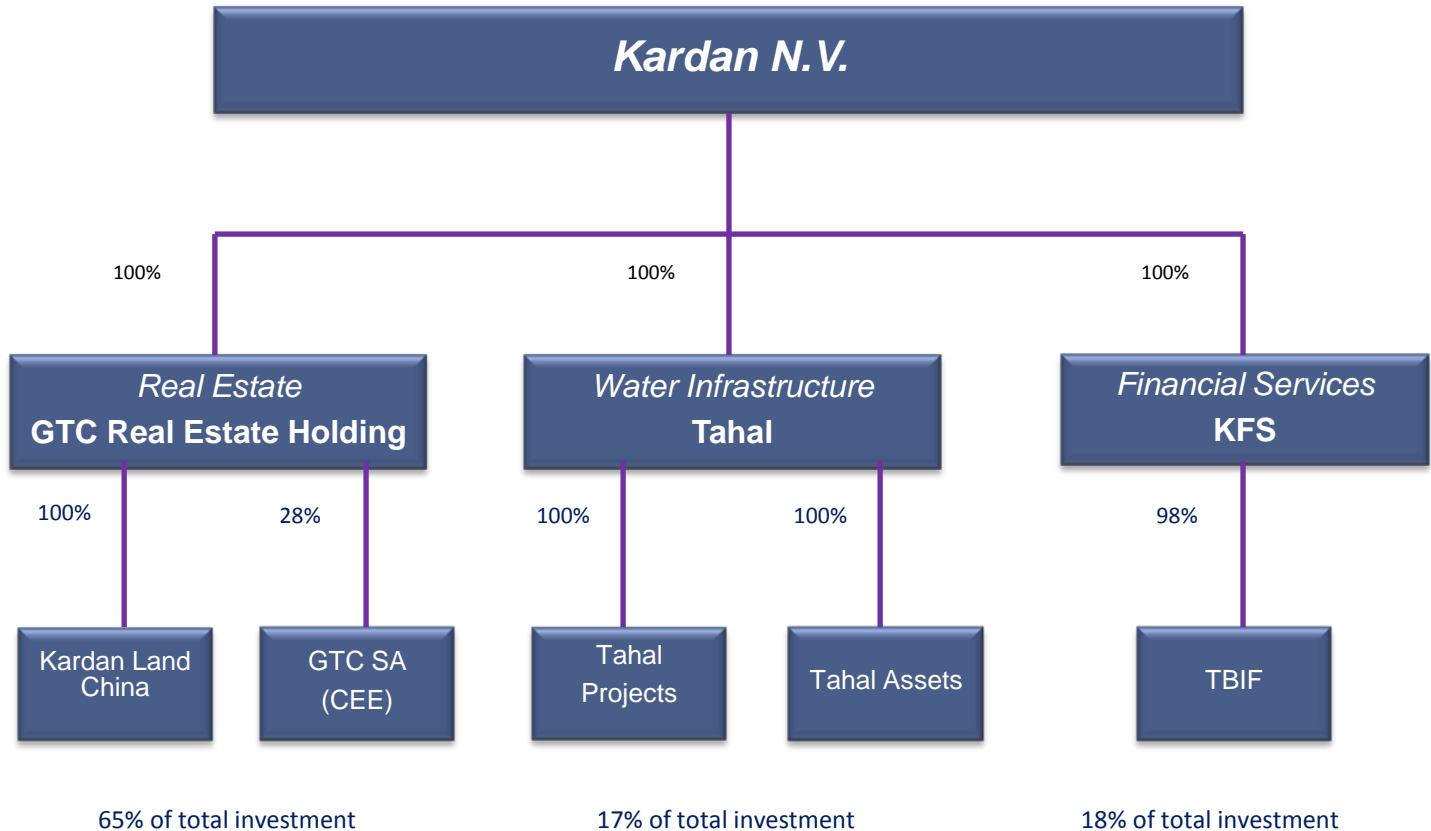
- Real Estate: China and CEE / SEE*
- Water Infrastructure: worldwide*
- Financial Services activities in Bulgaria and Romania*

Active in approximately 30 countries

Stock listed on NYSE Euronext Amsterdam and Tel Aviv Stock Exchange

*Total Assets of EUR 1.1 billion
(consolidated as of March 31, 2013)*

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*On the basis of Equity investment and shareholders loans as of 31.03.13

Unique investment gateway to emerging markets

Identify promising
Emerging Markets

Establish local platforms

Manage leverage

Real Estate, Water Infrastructure,
Financial Services

Aim for projects
with IRR > 15%



Upstream cash / Materialize value:
sale to 3rd party / IPO / dividend

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- EUR 22 mn loss compared to EUR 14 mn loss (Q1 2012) for Kardan shareholders
- Significant negative impact due to strengthening of Israeli Shekel versus Euro (EUR 20 mn)
- Deconsolidation of GTC SA
- Implementation of IFRS 11 (Joint Arrangements)

Current Strategic Focus

- **Debt servicing**
- **Improve operational efficiency**

Q1 2013

Condensed consolidated Income Statement



(in EUR millions)	Real Estate		Infrastructure		Banking and Retail lending	Other	Total		
	Asia	Europe	Assets	Projects			Q1-2013	Q1-2012	FY 2012
Total revenues	1	-	6	28	6	-	41	29	162
Total expenses	2	-	5	28	7	1	42	41	187
Profit (loss) from operation before fair value adjustments, disposal of assets and financial expenses	(1)	-	1	-	(1)	(1)	(1)	(12)	(25)
Profit (loss) from fair value adjustments, disposal of assets and investments, equity earnings (losses)	2	32	1	8	2	-	44	3	9
Result from operations before finance expenses	1	32	2	8	1	(1)	43	(9)	(16)
Financing income (expenses), net	2	-	-	-	(1)	(25)	(24)	(9)	10
Profit (Loss) before income tax	3	32	2	8	-	(26)	19	(18)	(6)
Income tax (expenses)/benefit	(1)	-	(1)	(3)	-	(1)	(5)	2	(1)
Profit (Loss) from continuing operations	2	32	1	5	-	(27)	14	(16)	(7)
Profit (Loss) from discontinued operations	-	(57)	-	-	-	-	(56)	3	(132)
Profit (Loss) for the period	2	(25)	1	5	-	(27)	(42)	(13)	(139)
Attributable to:									
Non-controlling interest	-	(20)	(1)	-	-	-	(20)	1	(106)
Net result for the segment	2	(5)	2	5	-	(27)	(22)	(14)	(33)
Profit (Loss) for the period	2	(25)	1	5	-	(27)	(42)	(13)	(139)

Unique investment gateway to emerging markets

Kardan Land China – 100%

www.kardanland.com

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Kardan Land China: Increasing focus on mixed-use retail projects



- Founded by Kardan in 2005
- Developer and manager of mixed-use projects (retail + residential) and residential apartments (jointly with a partner)
- Focused on Tier 2 and Tier 3 cities, with above (country) average growth underpinned by expanding middle class with increasing income
- End 2010: opened first shopping center, Galleria Chengdu (now 50% stake)
- 2012: initiated construction of large mixed-use project Europark Dalian; expected completion end of 2014



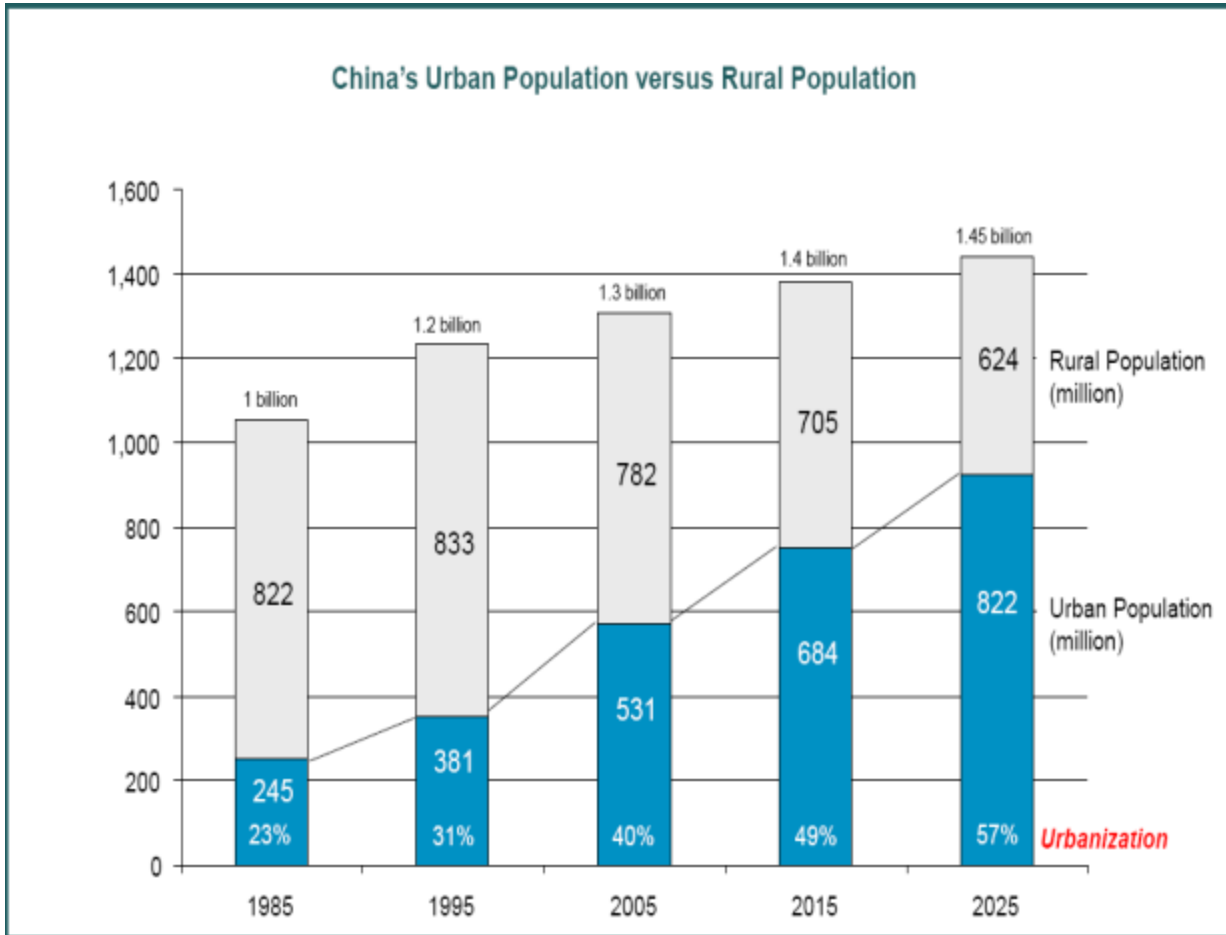
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2.8 million sqm under various stages of development



Unique investment gateway to emerging markets

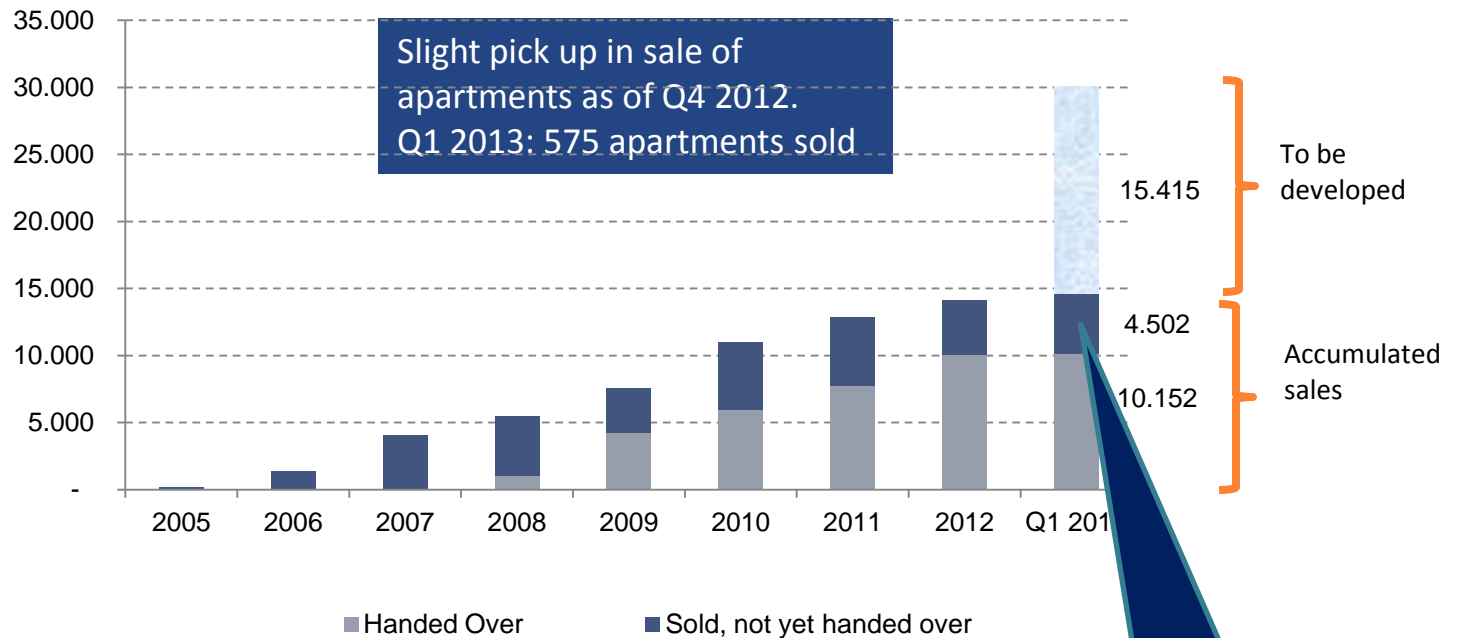
To think of China as a single economy is like thinking of Europe as a single country – the quality and pace of development is likely to vary across the country



- Every year the equivalent of the whole Dutch population moves from the country into cities.
- Urbanization pace is exceeding forecast and reached over 50% in 2011.

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Number of Units (company share approx. 50%)



Not yet recognized gross profit of **approx. EUR 38 mn**
(Kardan Land China share)

China:

- Q1 2013: 7.7% y-o-y GDP growth, stabilizing trend
- Domestic consumption biggest driver in GDP growth
- Rapid rise of new consumer class continues
- Chinese government still focused on containing speculation on real estate markets

Highlights Kardan Land China:

- Progress development Europark Dalian on track
 - Sale of SOHO apartments slow due to season effect (winter)
 - Negotiations with international investor for 50% stake Europark Dalian ended; process was resumed
 - Significant number of apartments sold
 - Lower number of apartments delivered
-

NOTE:

- As of 01.01.13 IFRS 11 (Joint Arrangements) has been adopted by Kardan:
 - 50% stake in Chengdu retail center and all residential projects (except Dalian residential which is 100% owned) are presented as Equity earnings (losses) in joint ventures

	Q1		Delta Q1 2013 versus Q1 2012
	2013	2012	
	In EUR million		
Management fee and other revenues	1	1	Increase in service management fees in retail center Chengdu
<i>Total revenues</i>	1	1	
Other expenses, net	-	0.5	
<i>Gross profit</i>	1	0.5	
SG&A expenses	2	1	Expansion of activities (e.g. Europark Dalian)
Adjustment to fair value (impairment) of investment properties	2		Europark Dalian retail center development progress
Gain on disposal of assets and other income	-		
Equity earnings / (losses)	-	3.5	Result of slower residential revenues (less deliveries) and 50% retail center Chengdu (details see slide 15)
Result from operations before finance expenses	1	3	
Financing income (expenses), net	1	(2)	Forex effect of strengthening of RMB versus Euro
Income tax (expenses) / benefit		-	Deferred tax charge on valuation gain Dalian
Net profit (loss) attributable to Kardan N.V.	2	1	

Jointly controlled ventures

Operational Information Residential

(in EUR millions)

	Q1 2013	Q1 2012	FY 2012
Revenue Residential	3	15	60
Gross profit residential	1	3	18

Operational Information Retail

Revenue Retail*	2	1.5	6
Gross profit Retail	1	1	4

* Comprises rental income of 50% stake Chengdu and 100% service management fees Chengdu

Residential apartments	Q 1 12	Q 2 12	Q 3 12	Q 4 12	FY 2012	Q1 2013
Apartments handed over***	512	601	704	455	2,272	110
Apartments sold*	81	136	423	554	1,194	575

* Numbers relate to all residential apartments, including the Dalian apartments. Apartments are sold once the contract has been signed and a minimum deposit (currently set at 30% of the sale price) has paid, otherwise the apartment is "reserved" until 30% or more has been received by KLC. The remainder of the price is on average deposited within approximately two months after the contract has been signed.

Q1 2013 includes 11% of mentioned sold apartments as reserved, FY 2012 includes 9% of the total.

* ** reflects number of apartments 100%; Kardan Land China holds 50%

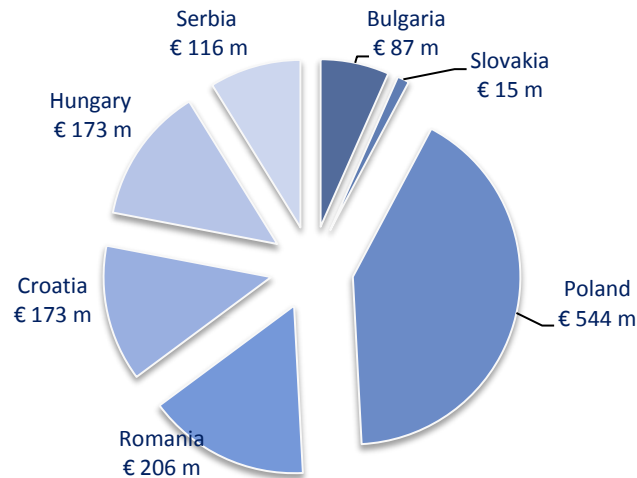
GTC SA – 28%

www.gtc.com.pl

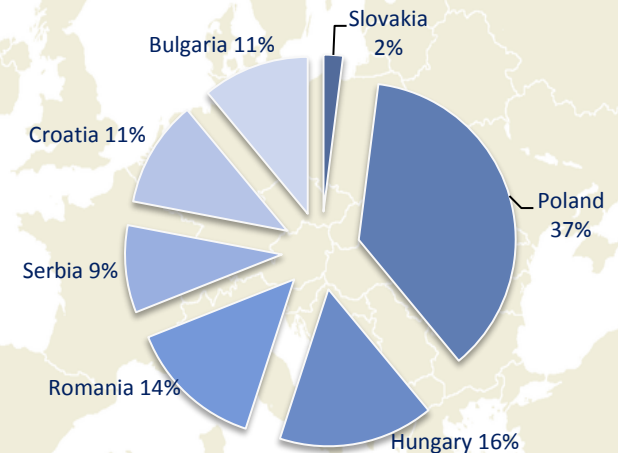
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- Developer and manager of office buildings & shopping malls
- Founded in 1994 by Kardan in Poland
- 2004: Listed on the Warsaw stock exchange (WIG20)
- Balanced portfolio (52% offices, 39% retail centers) with CEE focus, primarily on Poland

Income generating assets* - Value by country
Total: EUR 1,302 mn



Income generating assets* - NLA by country**
Total: 575k sqm



(*) As at March 31, 2013

(*) Excludes attributable value for assets in Czech Republic and Ukraine where GTC SA holds minority stakes and assets held for sale

** NLA is pro-rata to GTC Holding

Central and (South) Eastern Europe:

- Consumer confidence still low due to continued European sovereign debt crisis
- Poland relatively strong; growth slowing down
- Warsaw : underdevelopment of modern retail space
- Bulgaria and Romania: slight signs of recovery but from a low level

GTC SA highlights Q1 2013 :

- Over 5,000 sqm new leases
(University Business Park – Lodz,
Korono Office Centre – Cracow)
- Lease renewals with prominent tenants
(4,400 sqm office space)
- Progress with development of 2 shopping malls,
Warsaw (Wilanów, Bialoleka)

- LTV ratio: 55% (YE 2012: 53%);
due to revaluations and sale of assets
- Almost half of total debt and financial liabilities
matures in more than 5 years
- Average occupancy rate stable at 91%



Financials Q1 2013 – GTC SA*



	Q1		Delta Q1 2013 versus Q1 2012
	2013	2012	
	In EUR million		
Rental & service revenues	28	29	Slight decrease due to sale of Platinum Offices in Q4 2012
Costs of rental operations	8	8	
<i>Rental Margin</i>	20	21	
	70%	72%	Focus on efficiency asset management; avg. occupancy stable 91%
Residential sales revenue	3	5	Continued challenging market circumstances; low consumer confidence
Cost of residential sales	3	5	
<i>Gross profit from operations</i>	20	21	
SG&A expenses	1	6	Cost cutting and provision reversal of share based payment program
Other income / (expenses)	(1)	-	
Profit (loss) from revaluation of Invest. Property and impairment	(25)	2	Mainly Romania: a) change in zoning regulation for Galleria Bucharest land plot, b) yield expansion re City Gate office building Bucharest
Operating profit (loss)	(7)	17	
Financing income (expenses), net	(13)	(16)	
Share of profit (loss) of associates	-	-	
Income tax (expenses) / benefit	(6)	2	Mainly re operations in Poland and forex impact on deferred taxes
Net profit (loss)	(26)	3	
Net profit (loss) attributable to:			
Equity holders	(23)	6	
Minority interest	(3)	(3)	

(*) Adjusted to accounting policy of Kardan NV

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Tahal Group International – 100%

www.tahal.com

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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)
 - platform mainly in China (smaller in Turkey)

 - Tahal Projects (100%): design, consulting and turn-key projects (EPC)



Markets:

- Access to treated / clean water prerequisite for social and economic development
- Funding impacted by macro-economic circumstances worldwide
- China acknowledges environmental deficit as key focal area
- Public Private Partnership funding policies gradually being accepted in some countries

Highlights Q1 2013:

Tahal Assets

Kardan Water China

- Operational start of completed and expanded facilities

Tahal Projects

- Continued focus on cost efficiency
- No provisioning on older projects
- Backlog: USD 393mn (YE 2012: USD 411mn)

Completion sale of real estate asset (Tel Aviv)

Financials Q1 2013 - Tahal Assets*



	Q1		Delta Q1 2013 versus Q1 2012
	In EUR millions		
	2013	2012	
Contract revenues	6	9	No additional revenues from construction activities
Contract cost	3	6	
Other expenses, net	-	-	
<i>Gross profit</i>	3	3	Higher margin due to lack of construction activities
SG&A expenses	1	1	
Gain (loss) on disposal of assets and other income	-	-	
Result from operations before financing expenses	2	2	
Financing income (expenses) net	-	-	
Income tax (expenses) / benefit	(1)	(1)	
Profit (loss) from continuing operations	1	1	
Net profit (loss) from discontinued operations	-	-	
Net profit (loss)	1	1	
Attributable to:			
Non-controlling interest holders	(1)	-	
Kardan N.V.	2	1	

(* Finance expenses of Tahal Group International have been allocated to Tahal Assets

- Active in secondary Tier cities
- Developer, owner & operator of wastewater treatment (WWT), water supply (WS) and water re-use (WR) projects
- 11 operating plants
- Capacity expected to increase in the next few years further to expansions:

(in EUR millions)	Q1 2013	Q1 2012
Revenues*	5	8
Gross profit	2	3
Gross profit margin	49%	36%
Operating profit	2	2
Net profit to shareholders	1	1

* Includes value increase recognized during construction / upgrade

	Number of plants / uses	Designed Capacity ('000 t/day)			
		2012	2013	2014	2015
			Expected - based on expansions		
Tianjin Group	5	230	270	310	310
Dazhou	2	110	110	110	170
Dingzhou	1	20	20	20	20
Xuanhua	2	240	240	240	240
ZiChuan	1	30	30	30	30
Total	11	630	670	710	770

Financials Q1 2013 - Tahal Projects*



	Q1		Delta Q1 2013 versus Q1 2012
	in EUR millions		
	2013	2012	
Contract revenues	28	22	New projects in Africa (Ghana mainly)
Contract cost	24	20	
Other expenses, net	-	-	
<i>Gross profit</i>	4	2	Higher revenues, tight cost control, no provisioning on older projects
SG&A expenses	4	4	
Gain (loss) on disposal of assets and other income	8	-	Sale of real estate asset in Tel Aviv
Result from operations before financing expenses	8	(2)	
Financing income (expenses), net	-	-	
Income tax (expenses) / benefits	(3)	-	Mainly on sale of real estate asset in Tel Aviv
Net profit (loss) attributable to Kardan N.V.	5	(2)	

(*) General and Administrative expenses of Tahal Group International have been allocated to Tahal Projects

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Kardan Financial Services – 100%

www.tbif.com

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Bulgaria:

- Q1 2013 GDP growth 0.4% y-o-y
- Slow recovery in private consumption, but on low purchasing level
- Political instability
- Financial sector relatively strong

Romania:

- Q1 2013 GDP growth 2.1% y-o-y
- Consumer confidence prudent, high youth unemployment (23%)
- Tight financing conditions coupled with ongoing deleveraging of banks

Highlights Q1 2013:

- Operations of TBI bank branch in Romania started
- Continued growth in deposit taking by TBI Bank in Bulgaria, mainly from retail clients



	Q1 in EUR millions		Delta Q1 2013 versus Q1 2012
	2013	2012	
Banking and retail lending activities*	6	(3)	Better quality portfolios, lower provisioning
Other revenues	-	-	
<i>Total revenues</i>	6	(3)	
Costs of banking and lending activities	6	7	Saving in staff costs mainly
Other expenses, net			
<i>Gross profit</i>	-	(10)	
SG&A expenses	-	-	
Gain on disposal of assets and other income	1	-	One off recovery payment relating to former investment in Serbia
Impairment losses on goodwill	-	-	
Result from operations before financing expenses	1	(10)	
Financing income (expenses), net	(1)	(1)	Following significant deleveraging in 2012
Income tax (expenses) / benefits	-	-	
Profit (loss) from continuing operations	-	(11)	
Net profit (loss) from discontinued operations	-	-	
Net profit (loss) attributable to Kardan NV	-	(11)	

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



Kardan additional financials

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- Equity to shareholders as of March 31, 2013: EUR 159,854k
(December 31, 2012: EUR 167,044k)
- Loss (attributable to Kardan shareholders) in Q1 2013: EUR 22,443k (Q1 2013: loss of EUR 13,980k)
mainly due to:
 - impairments on real estate assets in Romania at GTC SA
 - strengthening of Israeli Shekel versus Euro leads to financing loss
- Cash and short term investments (including GTC RE) as of March 31, 2013: EUR 5,883k

Maturity of liabilities

Company Only – Kardan N.V.

(principle only as at March 31, 2013)

(EUR millions)	2013	2014	2015	2016	2017	2018	2019	2020	total
Debentures – Series A*		36	36	36					108
Debentures - Series B		42	43	43	43	42	43	42	297
Loans from Banks	6	5	13	15	15	15	26	12	107
Total	6	83	92	93	58	57	69	54	512

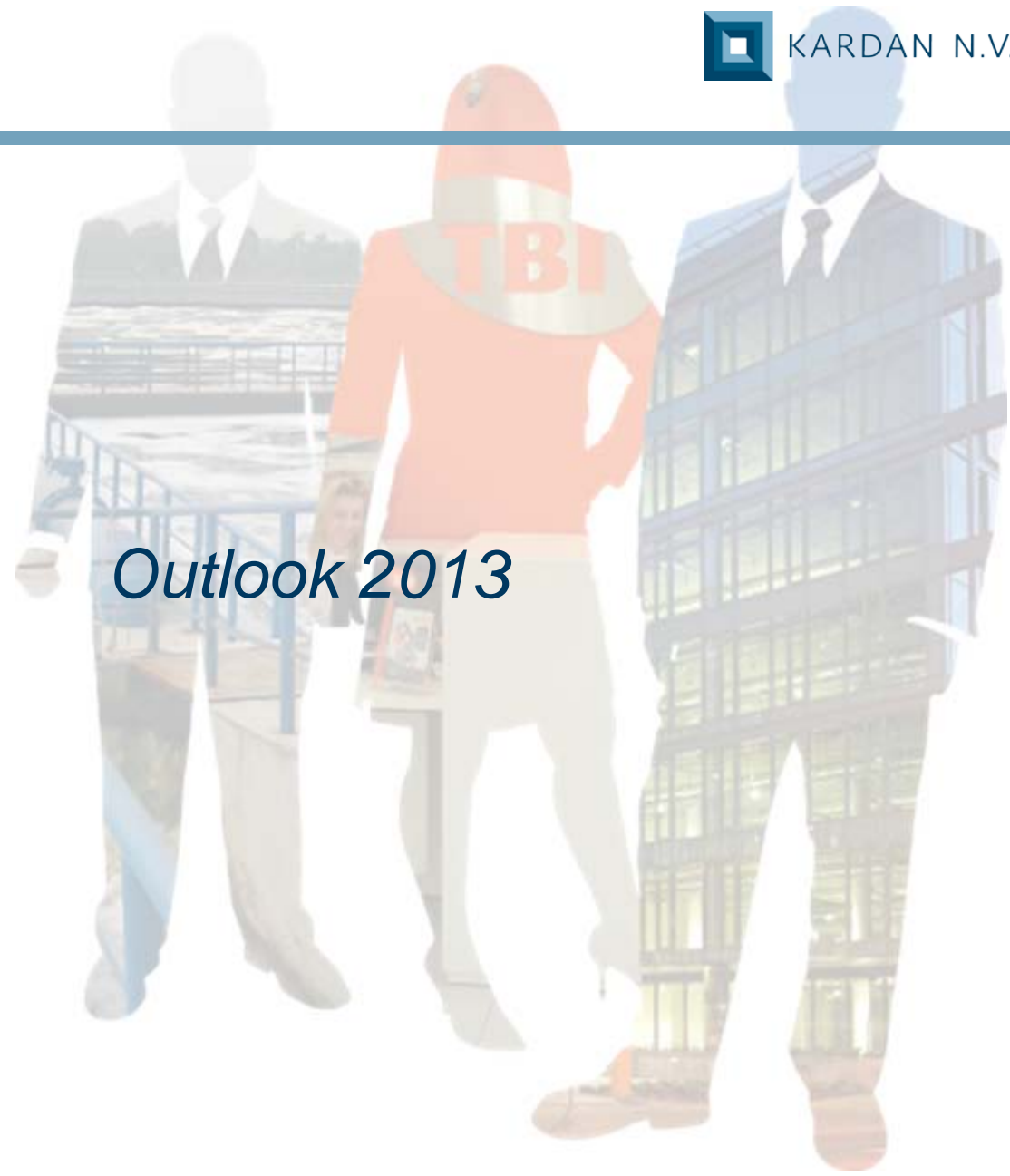
(*) Net of debentures held by subsidiaries

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

April 1, 2013 – March 31, 2015

Sources	EUR millions
Cash & ST investments as at 01.04 .13	5
Repayment of loans from subsidiaries	38
Sale of assets	205
<i>Total sources</i>	<i>248</i>
Uses	
Series A debentures (principle)*	82
Series B debentures (principle)	85
Repayment of bank loans	12
Interest expenses	44
G&A expenses less management fees	11
 <i>Total uses</i>	 <i>234</i>
 Expected cash & ST investments as at 31.03.2015	 14

(*) Gross of Swap



Outlook 2013

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Kardan N.V.:

- Focus on cash flow and debt position of Kardan NV and GTC Real Estate BV
- Consistent improvement of operations through cost optimization

Real Estate Asia:

- Expect to deliver approx. 2,000 apartments during 2013 (Kardan Land China revenue share: 50%)
- Galleria Chengdu expected to increase revenue
- Europark Dalian: continued development, sale of (SOHO) apartments & signing of leases with retailers

Real Estate Europe:

- GTC SA management to continue to decrease leverage mainly through sale of assets which should generate free cash of EUR 120 million by end of 2014
- GTC SA to focus on active asset management, operational efficiencies and preparations for development of selected assets in Warsaw.

Water Infrastructure:

Assets:

- China: capacity of plants expected to increase to 670,000 m³ / day by end of 2013 (year end 2012: 630,000 m³ / day); revenues expected to increase

Projects:

- Project revenue and profitability expected to increase from existing and recently signed contracts.
- Backlog expected to increase by approximately 10% y-o-y by end 2013

Banking and Retail lending:

- TBI Bank to continue raising deposits and generating new business, both in Bulgaria as in Romania
- Plan to open at least 5 TBI Bank branches in Romania (3 new, 2 conversions from POS)
- Consumer and leasing markets in Bulgaria and Romania expected to remain difficult

Thank you



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