

PRESS RELEASE

KARDAN COMPLETES SALE OF OFFICE BUILDING IN POLAND TO ALLIANZ

Amsterdam, 2 January 2006 – Following the press release dated 2 May 2005, Kardan N.V. (Kardan) announces that its real estate subsidiary Globe Trade Centre S.A. (GTC Poland) signed a final share purchase agreement with T.U. Allianz Polska Sp. zo.o., a member of the Allianz Group, for the sale of a subsidiary owning an office building located in Warsaw and fully occupied by Allianz. The total consideration amounts to approximately EUR 22.6 million. Kardan estimates the sale will result in a capital gain of approximately USD 4 million.

GTC Poland is one of the leading real estate developers in Central and Eastern Europe. It operates in 6 countries: Poland, Hungary, Romania, the Czech Republic, Serbia and Croatia. GTC Poland is listed on the Warsaw Stock Exchange with a market cap exceeding USD 1 billion.

Kardan, through GTC Real Estate N.V., indirectly holds approximately 35% equity interest in GTC Poland.

About Kardan

Kardan is an international investment company with a focus on three sectors: Real Estate, Financial Services and Infrastructure. Kardan is primarily active in Central and Eastern Europe, where it conducts more than 75% of its activities. Kardan holds controlling interests in its investee companies and is actively involved in the definition and implementation of their strategy. Total assets per December 31, 2004 amounted to USD 1,437 million, with revenues of USD 337 million. The number of employees engaged by the group amounted to approximately 4,160 as of December 31, 2004. Kardan is listed on Euronext Amsterdam and the Tel-Aviv Stock Exchange.

For further information please contact:

Citigate First Financial
Uneke Dekkers

phone +31 (0)20 575 40 10
mobile +31(0)6 50 26 16 26