KARDAN

PRESS RELEASE

KARDAN REAL ESTATE SUBSIDIARY TO DEVELOP MORE PROJECTS IN ROMANIA AND SERBIA

Amsterdam, 20 March 2006 – Kardan N.V. (Kardan) announces that its real estate subsidiary, Globe Trade Centre S.A. (GTC), has agreed on terms for the acquisition of land plots in Bucharest and Belgrade for new residential and commercial developments.

Following the announcement on the acceleration of its development program in Central and Eastern Europe, GTC has signed a memorandum of understanding for the acquisition of a 10.5 hectare site in the Northern part of Bucharest for a consideration of approximately EUR 12.6 million. GTC is planning to develop 1,300 high standard apartments in this prestigious location over the next 5-7 years, following the receipt of the necessary permits. GTC's share in this project will be 80%.

This new investment will increase the GTC portfolio in Romania to 400,000 sq.m of gross commercial and residential space. The acquisition further demonstrates the importance of the Romanian real estate market in the GTC portfolio.

In addition, GTC has agreed on terms for the acquisition of a 19,500 sq.m site in Belgrade for a consideration of approximately EUR 10.5 million. The land is located in New Belgrade, and according to the preliminary design it would be developed into 24,000 sq.m of office and retail space.

This acquisition will be Kardan's third project in the Serbian capital. GTC has already started the construction of a mixed project including a class A office building and a residential complex. The first phase of the project, consisting of 16,700 sq.m of office space and 200 apartments, will be completed in the fourth quarter of 2007.

In September 2005 GTC completed its first project in Belgrade: the GTC house, a class A office building. This building attracted international tenants such as Raiffeisen Bank, EBRD, Nestle, Honeywell, Phillip Morris and L'Oreal.

GTC is one of the leading real estate developers in Central and Eastern Europe. It invests in three main sectors of the real estate market: office buildings, retail and entertainment centres and residential property. It operates in 6 countries; Poland, Hungary, the Czech Republic, Romania, Serbia and Croatia, and is constantly seeking further investment opportunities in other countries in the CEE region.

GTC, with a market cap of USD 2 billion, is listed on the Warsaw Stock Exchange and is included in the WIG20, MSCI ,GPR 250 and CAIB REX indices.

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

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.

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