KARDAN

PRESS RELEASE

KARDAN'S SUBSIDIARY GTC TO COMPLETE A USD 150 MILLION CAPITAL INCREASE

Amsterdam, 27 March 2006 – In connection with the press release published on 24 February 2006, Kardan N.V. (Kardan) announces that its real estate subsidiary, Globe Trade Centre S.A. (GTC), has successfully completed the book-building for a capital increase of approximately USD 150 million. The issuance is estimated to result in an equity gain of approximately USD 28 million to Kardan.

GTC will issue 1.712 million new shares at a price of PLN 285 per share (approximately USD 88 per share), reflecting a company value of approximately USD 1.7 billion, before the issuance. The newly issued shares constitute approximately 8% of the share capital of GTC. Kardan indirectly holds approximately 35% equity interest in GTC, which will be diluted to approximately 30% following the share issuance.

GTC intends to use the funds from the capital increase to finance the acquisition of new projects, either acting independently or through joint ventures. GTC expects to be able to seize more real estate opportunities at a faster rate, in the growing markets of Central and Eastern Europe.

GTC is a real estate developer 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. GTC is constantly seeking further investment opportunities in other countries in the CEE region.

GTC is listed on the Warsaw Stock Exchange and is included in the WIG20, MSCI, GPR 250 and CAIB REX indices.

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 most 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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