

PRESS RELEASE

KARDAN'S FINANCIAL SERVICES SEGMENT EXITS ACTIVITIES IN SERBIA

Amsterdam, 30 May 2006 –Kardan N.V. (Kardan) announces that its financial services group company TBIH Financial Services Group N.V. (TBIH) sold its investments in a Serbian pension fund and asset management company in consideration for EUR 4.9 million.

According to a strategic decision, it has been decided to sell TBIH's Serbian pension and asset management subsidiaries (Dunav TBI and TBI Stockbroker ad) to TBIH's local Serbian partner, Dunav, the largest governmental insurance company. The consideration will amount to EUR 4.9 million and the capital gain to Kardan is expected to be USD 2 million. The transaction is subject to the approvals of the Serbian National Bank and is expected to be completed within the end of the second quarter this year.

Kardan holds an interest of approximately 55% in Kardan Financial Services B.V. (KFS) together with the Austrian insurance group, Wiener Stadtische Allgemeine Versicherung Aktiengesellschaft,, which has a 40% interest in KFS. KFS has a 75% interest in TBIH.

TBIH is a leading retail financial services provider (including insurance, pension fund management, asset management, leasing, consumer finance and mortgages) in several CEE countries.

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 main businesses and is actively involved in the definition and implementation of their strategy. Total assets per December 31, 2005 amounted to USD 1,769 million, with revenues of USD 547 million. The number of employees engaged by the group is approximately 6,100 as of December 31, 2005. Kardan is listed on Euronext Amsterdam and the Tel-Aviv Stock Exchange.

For further information please contact:

Citigate First Financial

Ingeborg Klunder

phone +31 (0)20 575 40 19 / mobile +31(0)6 55 86 70 96