KARDAN N.V.

KARDAN TO SPIN-OFF MAJORITY STAKE IN KARDAN ISRAEL

Amsterdam, 29 October 2009 - Kardan N.V. ("Kardan"), active in Real Estate, Financial Services and (Water) Infrastructure in emerging markets, announces the beginning of the process to spin-off the majority of its 74% holding in Kardan Israel Limited ("KIL"). This follows Kardan press release dated September 10, 2008 when it announced its intention to explore the possibility of transferring its KIL shares to the shareholders of Kardan
With the return of economic stability and increased confidence in the stock markets, Kardan decided to start the process to transfer approximately 55% of KIL shares. The intention is to close this transaction before the end of 2009.
The transaction will increase the transparency of Kardan as well as significantly improve its financial position. KIL, listed at the Tel Aviv stock exchange, will benefit from improved flexibility to pursue its independent strategy.

Increased Transparency:

- The activities of KIL are to a large extent outside the scope of the activities of Kardan: KIL is active in automotive, consumer goods, technology, communications and real estate in Israel. Kardan focuses on real estate, financial services and (water) infrastructure in emerging markets.
- International equity investors have consistently indicated that a more focused Kardan will greatly enhance its transparency. The holding in Kardan Israel is not easily understood, due to a lack of coherence between the international and Israeli activities.

After the spin-off, Kardan's emerging markets focus will predominantly be in China and Central and Eastern Europe within three fields of activity, that all have a long-term growth potential.

Improved Financial Position
The equity position of Kardan will improve as a result of the capital gain benefit from the sale and as a result of the fact that after the intended sale Kardan will cease to hold control in KIL which will eliminate the 'treasury shares', being the 10% share capital that KIL holds in Kardan.

The sale will also significantly increase the cash position of Kardan.

Proposed Transaction
Kardan will offer to its shareholders the right to buy 55% of KIL share capital out of the 74% stake in KIL that it currently holds. Each shareholder will receive the right to buy a number of shares in KIL equal to its pro-rata shareholding in Kardan. The price will be close to the market price of the shares on the offer date. Kardan will consider selling the remaining part of its holding in KIL at a future date based on market considerations.

Since Kardan trades in both Israel and the Netherlands, the process will require the publishing of a prospectus in the Netherlands and a Shelf Offer Report in Israel. In addition, the proposed sale is subject to the approval of Kardan's supervisory board. The intention is to close the transaction before the end of 2009, however, the process might be delayed or even cancelled since the procedure is complicated and subject to the different regulatory requirements in the two countries.

About Kardan

Kardan, with headquarters in Amsterdam focuses on three main fields of activities: Real Estate, Financial Services and (Water) Infrastructure. The company operates in its seven segments primarily in emerging markets in Central and Eastern Europe and China, where it conducts most of its activities.

Kardan holds controlling interests in its divisions and is actively involved in the definition and implementation of their strategy. Kardan has a consistent track record of creating long-term shareholder value through active management of investments in the group companies and by leveraging on its business experience, financial resources and local and international network.

Kardan is listed on NYSE Euronext Amsterdam and the Tel-Aviv Stock Exchange.

Total assets per June 30, 2009 amounted to EUR 5.4 billion (H1-2008: EUR 5.0 billion), with revenues of EUR 353 million in H1-2009 (H1-2008: EUR 221 million).

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