# KARDAN MAY INCREASE STAKE IN UKRAINIAN SUBSIDIARY, VAB BANK

Amsterdam, January 12, 2010 - Kardan N.V. ("Kardan"), active in Real Estate, Financial Services and (Water) Infrastructure in emerging markets announces that its 90% owned subsidiary, TBIF, may increase its stake in VAB Bank (its Ukrainian banking operation) to 98%. On November 19, 2009, TBIF signed a frame work agreement with the other major shareholder in VAB Bank to buy its shares.

Mr. Kurt Geiger, Chairman of the TBIF Supervisory Board stated: "This transaction would offer the bank greater flexibility in its corporate strategy and capital structure allowing for new synergies with large financial institutions in a country that still has very little banking penetration".
As soon as the macro and political environment improves, VAB Bank will be able to leverage its excellent reputation and standing in Ukraine, as is reflected by the fact that VAB Bank was awarded The Most Transparent Bank in Ukraine in 2009, by Standard & Poor's.

Mr. Geiger joined the TBIF Supervisory Board in the second half of 2009 after serving at the European Bank for Reconstruction and Development (EBRD), the largest investor in the CEE and CIS regions, where he was Head of Financial Institutions & Private Equity. Mr. Geiger played a key role in building a financial services and private equity industry in Central and Eastern Europe.

The consideration for the increase of the holding to 98% is expected to amount up to approximately EUR 24 million, depending on market conditions at the time of closing. Additionally, within twelve months after the completion of the transaction, TBIF will refinance subordinated debt amounting to EUR 11.6 million lent to VAB Bank by the selling shareholder.

The transaction will only take place if certain conditions will be fulfilled by the selling shareholder to the satisfaction of TBIF management and all regulatory approvals have been received from the relevant authorities in Ukraine. The transaction is not expected to be closed before Q2 2010.

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**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 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 as of September 30, 2009 amounted to EUR 5.5 billion (9M 2008: EUR 5.2 billion), with revenues of EUR 548 million in 9M 2009 (9M 2008: EUR 355 million).

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*"This press release contains regulated information (gereglementeerde informatie) as defined in the Dutch Act on Financial Supervision (Wet op het financieel toezicht)"*