KARDAN N.V.

KARDAN INITIATES SHARE BUYBACK PLAN OF UP TO EUR 15 MILLION

Amsterdam, September 26 2011 – Kardan N.V., active in Real Estate, Water Infrastructure and Financial Services in emerging markets, announces that as of today it will initiate a share buyback plan (“the Plan”) of up to EUR 15 million, until November 8, 2011.

Based on the authorization granted by the General Meeting of Shareholders on May 31, 2011, together with the approval of the Supervisory Board and the Management Board, GTC Real Estate Holding BV will execute the Plan, representing approximately 8.5% at maximum of its current number of shares issued, based on the share price at closing of the market on September 23, 2011. The Plan will be funded by Kardan’s existing cash reserves.

Kardan decided to initiate the Plan as the current share price, in its view, is attractive and provides an opportunity to ultimately generate a significantly higher return compared to the interest compensation on the surplus cash currently at hand.

Ordinary shares that may be repurchased through the Plan shall be repurchased through transactions executed on either the stock exchange of NYSE Euronext Amsterdam (“ASE”) or of Tel Aviv (“TASE”).

Petercam S.A. will purchase the shares according to the Plan through the ASE and Leader Capital Markets Ltd. will do so on the TASE.

Kardan will provide weekly progress updates to the market.

The Plan will be executed until November 8, 2011, when the closed period starts, prior to the Company releasing its Q3 - 2011 results. In the event that Kardan decides to stop executing the Plan before November 8 coming, this will be publicly disclosed by means of a press release.

The Shareholder’s meeting of Kardan has determined that the purchase price of the shares should be between the par value of such shares (EUR 0.20 per share) and 110% of the market value, whereby market value has the following meaning: the average of the highest price per share on each of the last five trading days on ASE prior to the date of acquisition, as published in the Daily Official List of Euronext Amsterdam.

The freely distributable reserves of the Company as at June 30, 2011, amount to EUR 208 million (according to the Company’s interim statutory equity statement filed with the Chamber of Commerce in Amsterdam on September 16, 2011). The value of the shares that are repurchased will be deducted from the distributable reserves, which based on the June 30, 2011 equity statement will amount to approximately EUR 191 million, following the completion of the Plan. The withholding tax payable by the Company is estimated to be at maximum EUR 2.25 million and is due in case the shares are not held temporarily.

DISCLAIMER

This press release contains forward-looking statements and information, for example concerning the financial condition, results of operations, businesses and potential exposure to market risks of Kardan N.V. and its group companies (“Kardan Group”).All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements (including “forward looking statements” as defined in the Israeli Securities Law).. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from

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those expressed or implied in these statements. These forward-looking statements are identified by the use of terms and phrases such as ''anticipate'', ''believe'', ''could'', ''estimate'', ''expect'', ''intend'', ''may'', ''plan'', ''objectives'', ''outlook'', ''probably'', ''project'', ''will'', ''seek'', ''target'', ''risks'', ''goals'', ''should'' and similar terms and phrases. A variety of factors, many of which are beyond Kardan Group's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Kardan Group to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For Kardan Group, particular uncertainties arise, amongst others but not limited to and not in any order of importance, (i) from dependence on external financing with the risk that insufficient access to capital threatens its capacity to grow, execute its business model, and generate future financial returns (ii) from concentration of its business in Central Eastern Europe and China as a result of which Kardan Group is strongly exposed to these particular markets (iii) from risks related to the financial markets as a result of Kardan's listings and (iv) from it being a decentralized organization with a large number of separate entities spread over different geographic areas in emerging markets, so that Kardan Group is exposed to the risk of fraudulent activities or illegal acts perpetrated by managers, employees, customers, suppliers or third parties which expose the organization to fines, sanctions and loss of customers, profits and reputation etc. and may adversely impact Kardan's ability to achieve its objectives and (v) from any of the risk factors specified in Kardan's Annual Report 2010 and in the "Periodic Report for 2010"published by Kardan N.V. in Israel on March 31, 2011 and which is also available at the Kardan website. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. Kardan N.V. does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

About Kardan

Kardan identifies and develops assets in promising emerging markets, mainly in Central and Eastern Europe, China and CIS. Its activities are mainly focused on three sectors that benefit from the rising middle class: Real Estate, Water Infrastructure and Retail Lending. In addition, the company has some investment activities in Israel. Company headquarters are in the Netherlands. Kardan aims at holding controlling interests in its investments and, through the development of local business platforms, is actively involved in the definition and implementation of their strategy. Total assets as of March 31, 2011 amounted to EUR 5.6 billion; revenues totaled EUR 181 million in the first quarter of 2011. Kardan is listed on NYSE Euronext Amsterdam and the Tel-Aviv Stock Exchange.

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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)"