



KARDAN SELLS 27.75% STAKE IN CEE REAL ESTATE COMPANY GTC SA

Amsterdam, November 17, 2013 – Kardan N.V. (“Kardan”/ “the Company”), active in Real Estate, Water Infrastructure and Financial Services in emerging markets announces that, following the announcement on October 2, 2013, its wholly-owned subsidiary GTC Real Estate Holding B.V. (“GTC RE”) has signed an agreement to sell 27.75% of the ordinary share capital of the Central and Eastern European real estate company Globe Trade Centre S.A. (“GTC SA”)(“the Transaction”) to a wholly owned subsidiary of Lone Star Funds (collectively “Lone Star”) for a consideration of EUR 160 million (“Consideration”).

The closing of the Transaction is expected to take place in the coming week. The total Consideration, which reflects a value of 1.4% above the average share price of GTC SA over the last three months, is to be paid in cash. Until December 13, 2013, Lone Star may opt – under certain conditions – to replace EUR 10 million of the total Consideration (partly or in total) with debentures (series A) and debentures (series B) of Kardan N.V. (in a 80% - 20% ratio) as listed on the Tel Aviv Stock Exchange (the “Debentures”) with a total par value of EUR 14 million, which will then be transferred to Kardan. As of today, Lone Star does not hold any Debentures. If Lone Star opts to replace the above mentioned amount with Debentures, it will not start purchasing Debentures until after Kardan has published its Q3 2013 financial statements.

In addition, the share purchase agreement contains a “claw back clause” which is conditional upon GTC SA achieving two specific business targets, one by March 31, 2015 and one by December 31, 2015. If a target is not met in time Lone Star has the right to receive an amount of EUR 3.15 million per target. As the GTC SA shares are pledged to a lending bank in order to secure a loan of approximately Euro 100 million, the Consideration will predominantly be used to repay this loan (in whole or in part).

The decision of the Company to sell assets is mainly due to the liquidity needs of Kardan in relation to the upcoming repayments of principal and interest of Kardan's debentures in February 2014 and 2015. The Transaction with Lone Star (Lone Star Real Estate Fund III) is the result of a controlled process aimed at value maximization in the interest of Kardan and its stakeholders and has been led and managed by Citigroup Global Markets Limited.

The book value of Kardan's investment in GTC SA as at June 30, 2013, amounted to EUR 194 million. The accounting implications with respect to the 2013 third and fourth quarter results of Kardan N.V. are still being investigated. If the Consideration of the Transaction includes a debentures component, this component shall be recorded at its liability value.

“We finalized a long and complicated competitive process in a challenging market. Selling the stake in GTC SA is a major step for Kardan in addressing our liquidity situation successfully. Kardan founded GTC SA in the early 1990's, after which it has grown to become a leading real estate company in Central Eastern Europe. In 2004, GTC SA was listed on the Warsaw Stock Exchange. As of Q1 of this year, the financial statements of GTC SA are also no longer consolidated in our financial statements. Taking the decision to sell our stake in GTC SA is a natural step in the strategy of Kardan, which is to initiate, develop and manage assets and then to exit. Kardan will continue to focus on real estate and water infrastructure activities in promising emerging markets with a markedly higher growth expectation than that of the developed markets” says Shouky Oren, CEO of Kardan N.V.

Since the establishment of its first fund in 1995, Lone Star has organized twelve private equity funds with aggregate capital commitments totalling over USD 45 billion. Lone Star RE III Fund was formed in October 2013 and has USD 7.0 billion in combined capital commitments. The Lone Star Funds are one of the world's leading buyers of commercial real estate and debt portfolios. Since its initiation, the Lone Star Funds have closed more than 1100 transactions at an aggregate purchase price of more than USD 94 billion.



KARDAN N.V.

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 (jointly "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 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 N.V.'s listings on NYSE Euronext Amsterdam and the Tel Aviv Stock Exchange 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 Group's ability to achieve its objectives and (v) from any of the risk factors specified in Kardan N.V.'s Annual Report and in the related "Periodic Report" (published by Kardan N.V. in Israel) published in April, 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 and in China. Its activities are predominantly focused on three sectors that benefit from the rising middle class: Real Estate, Water Infrastructure and Retail Banking and Lending. 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 June 30, 2013 amounted to EUR 1.1 billion; revenues totalled EUR 90 million in the first half of 2013. Kardan is listed on NYSE Euronext Amsterdam and the Tel Aviv Stock Exchange.

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