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Results Water Infrastructure Assets*

	For the nine months ended September 30		For the three months ended September 30		Full year
	in EUR million				
	2013	2012	2013	2012	2012*
Contract revenues	21.4	26.3	8.6	9.1	35.6
Contract cost	11.8	16.3	5.1	6.3	22.7
Gross profit	9.6	10.0	3.5	2.8	12.9
SG&A expenses	4.6	4.9	1.5	0.8	6.7
Equity earnings / (losses)	(0.2)	0.3	(0.3)	0.2	0.1
Gain on disposal of assets and other income	1.3	0.7	0.5	0.2	0.4
Result from operations before financing expenses	**6.1**	**6.1**	**2.2**	**2.4**	**6.7**
Financing income (expenses) net	(2.3)	(5.3)	(1.9)	(1.7)	(4.4)
Income tax (expenses) / benefit	(1.8)	(2.2)	(0.7)	(0.8)	(2.0)
Profit (loss) from continuing operations	**2.0**	**(1.4)**	**(0.4)**	**(0.1)**	**0.3**
Net profit (loss)	2.0	(1.4)	(0.4)	(0.1)	0.3
Attributable to:					
Non-controlling interest holders	(0.7)	(0.7)	(0.3)	(0.2)	(0.7)
Equity holders (Kardan N.V.)	**2.7**	**(0.7)**	**(0.1)**	**0.1**	**1.0**

(*) Finance expenses of Tahal Group International have been allocated to Tahal Assets

Additional Information Assets	**2013 (30.09)**	**2012 (31.12)**
Balance sheet (in EUR millions)		
Cash & short term investments	4.3	3.2
Total Assets	165.7	162.6
Net Debt (excl shareholder loans)**	53.3	53.1
Equity*	97.0	95.2
Equity*/ Assets	59%	59%

* Group equity including shareholder loan
** Bank loans net of cash and cash equivalents

Revenues

The revenue of Tahal Assets is mainly generated by Kardan Water in China. It is noted that as of Q1 2013, the joint venture activities which Tahal Assets has in Turkey are reported according to the Equity method, in line with IFRS 11. The comparative results have been adjusted to conform to these changes.

During 2013, Kardan Water in China performed substantially less construction activities compared to last year leading to a drastic drop in revenues. Following the completion of some maintenance and expansion activities in the first two quarters of 2013 and the consequential re-start of operations in Q3, revenue from rendering of water services increased to reflect a y-o-y growth of 4% y-o-y in 9M 2013. The impact of the drop in construction revenues was consequentially mitigated, leading to a decrease in total revenues of 18% y-o-y in 9M 2013.

Gross profit

As a result of fewer construction activities in 2013, the 9M 2013 contract costs were also significantly less than in the same period last year resulting in an increase in the gross profit margin to 45% in 9M 2013 (9M 2012: 38%).

Sales & Marketing, and General & Administrative expenses (SG&A)

SG&A expenses in 9M 2013 were 6%% less than in the corresponding period last year. It should be noted, however, that in Q3 2012 a one off expense relating to the change in management in China was included.

Gain on disposal of assets and other income

This relates primarily to VAT tax exemption for Kardan Water China facilities, following a change in the VAT.

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Financing income (expenses), net
The substantial y-o-y decrease of net financing expenses in 9M 2013 can largely be explained by a positive impact of the valuation of the warrant and call option related to a loan which was provided by a private equity investor in 2010.

Results Water Infrastructure Projects*

	For the nine months ended September 30		For the three months ended September 30		Full Year
	in EUR million				
	2013	2012	2013	2012	2012
Contract revenues	86.4	78.6	23.9	37.0	107.4
Contract cost	74.3	72.4	20.4	33.4	99.3
Gross profit	12.1	6.2	3.5	3.6	8.1
SG&A expenses	8.9	10.8	2.7	3.5	13.4
Equity earnings / (losses)	(0.1)	(0.1)	-	(0.1)	0.2
Gain on disposal of assets and other income	(0.5)	(0.1)	(8.5)	(0.1)	(1.1)
Result from operations before financing expenses	**2.6**	**(4.8)**	**(7.7)**	**(0.1)**	**(6.2)**
Financing income (expenses), net	(2.4)	(0.5)	(1.1)	(0.2)	(2.0)
Income tax (expenses) / benefits	(3.8)	(0.1)	0.5	(0.2)	0.9
Profit (loss) from continuing operations	**(3.6)**	**(5.4)**	**(8.3)**	**(0.5)**	**(7.3)**
Net profit (loss)	(3.6)	(5.4)	(8.3)	(0.5)	(7.3)
Attributable to:					
Non-controlling interest holders	0.2	0.3	0.1	0.1	0.1
Equity holders (Kardan N.V.)	**(3.8)**	**(5.7)**	**(8.4)**	**(0.6)**	**(7.4)**

(*) General and Administrative expenses of Tahal Group International have been allocated to Water Infrastructure Projects

Additional Information Projects	**2013 (30.09)**	**2012 (31.12)**
Balance sheet (in EUR millions)		
Cash & cash equivalents	19.9	22.6
Total Assets	142.9	135.2
Net debt (excl. shareholder loans)**	(18.7)	(17.4)
Equity*	33.9	33.3
Equity* / Assets	24%	25%
Other (in USD million)		
Backlog	346	411

* Group equity including shareholder loan
** Bank loans net of cash and cash equivalents

Revenues
As a result of the inability of Tahal's subsidiary in Poland to meet its obligations and the following filing for insolvency, as well as delays in some projects, the remarkable revenue growth as presented in the first two quarters of 2013 was interrupted: a 35% y-o-y decline was recognized in Q3 2013. During the period January – September 2013 Tahal Projects generated 10% more revenue than the same period last year.

Only when the first down payment of a new project has been received does Tahal Projects recognize the full value of the project into its backlog. Revenue starts to be recognized on these projects according to the relevant agreements, which is generally after the first invoice has been sent or the first agreed upon phase of the project has been completed.

Gross profit
The gross margin improved in Q3 2013 to15% (Q3 2012: 10%) mainly due to the changed mix of better performing projects following intense project management and, for instance, the absence of the loss making activities in Poland. In the 9M period the margin improved from 8% (2012) to 14% this year.

Sales & Marketing, and General & Administrative expenses (SG&A)
Following tight cost control, in line with the major reorganization which was put in effect as of the beginning of 2012, SG&A expenses continue to decrease (9M 2013: 18% less than in 9M 2012).

Gain (loss) on disposal of assets and other income
In Q3 2013 a write-off of EUR 8.2 mn was recognized with respect to Tahal Projects' Polish subsidiary . The small loss reported in the 9M 2013 results combines the gain realized on the sale of Tahal's rights in a leased real estate asset in Tel Aviv, Israel which was disclosed in Q1 2013 and the earlier mentioned write-off recognized in Q3 2013.

Financing income /(expenses) net
Net financing expenses in 9M 2013 were noticeably higher than in the same period last year mainly due to negative foreign currency effects as well as to an increased use of credit facilities (in 9M last year there were substantial advance payments).

Income tax (expenses) / benefit
The substantial increase in tax expenses in the reporting period compared to 9M 2012 is primarily attributable to the release of a tax asset relating to Tahal's Polish subsidiary as well as to the sale of the real estate asset in Tel Aviv as mentioned above.

Additional information Tahal Projects
Due to delays in closing of new contracts in Q3 2013 combined with revenue which was booked on the existing backlog position during the year 2013, the backlog position as at end of September 30, 2013 was USD 346 mn, which is lower than at the end of year 2012 (USD 411 mn).

BANKING AND RETAIL LENDING

Kardan is active in the financial services sector through its 100% holding in Kardan Financial Services (KFS) which operates through its 100% subsidiary TBIF (banking and retail lending) in Bulgaria and Romania. In addition, KFS is active in Ukraine with leasing activities through its 66% holding in Avis Ukraine.
In line with IFRS 11 Joint Arrangements, the results of Avis Ukraine and two other small entities are presented according to the equity method.

General developments Bulgaria and Romania and TBIF

In Romania, bank deleveraging is one of the problems for the economy as a whole and for domestic demand in particular as households are still facing high debt-service-to-income ratios. Unemployment growth is slowing down and labor market reforms are being introduced resulting in a somewhat improved consumer sentiment, evidenced by a slight upturn in retail sales. Subsequent to reporting date, the National Bank of Romania cut the interest rate further by 25bp to 4.0% in the beginning of November in order to address this stagnating consumption as well as the decline in private lending.
TBIF obtained a branch license for TBI Bank in Romania in the last quarter of 2012 and its operations commenced in 2013, among others by implementing a direct sales force encompassing approximately 300 active agents.

The uncertain economic environment and insufficient domestic demand remain the main factors impeding a strong economic growth in Bulgaria. Although the purchasing power of consumers is buoyed by growth in real wages in a low inflation environment consumer spending remains lackluster as the labor market is still fragile and the population declines due to ageing and emigration. Bulgaria has a relatively strong financial sector however, with a fairly high liquidity due to the lack of credit demand combined with continued deposit growth. Deposit and lending interest rates have continued on a downward trend, to ease lending conditions and facilitate credit availability. TBI bank continues to focus on retail lending and services. Whereas TBI bank managed to expand its new business activities in the retail market, the SME (small and medium sized enterprise) business continues to be challenging.

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Results Banking & Retail Lending

	For the nine months ended September 30		For the three months ended September 30		Full Year
	2013	2012	2013	2012	2012
	in EUR million				
Banking and retail lending activities	18.0	8.0	6.5	6.4	11.0
Other revenues	1.4	1.4	0.4	0.5	2.9
Total revenues	19.4	9.4	6.9	6.9	13.9
Costs of banking and lending activities	20.7	16.8	7.9	5.0	23.6
Other expenses, net	0.2	2.5	-	1.6	2.9
Gross profit	(1.5)	(9.9)	(1.0)	0.3	(12.6)
SG&A expenses (income)	1.0	1.0	0.2	0.4	1.5
Equity earnings / (losses)	(3.1)	0.8	0.3	0.4	0.9
Gain (loss) on disposal of assets and other income	(3.3)	(0.6)	(4.8)	(0.5)	(1.2)
Impairment losses on goodwill	(3.4)	(0.8)	(3.4)	(0.3)	(3.8)
Result from operations before financing expenses	**(12.3)**	**(11.5)**	**(9.1)**	**(0.5)**	**(18.2)**
Financing income (expenses), net	(1.9)	(5.1)	(0.8)	(1.3)	(3.1)
Income tax (expenses) / benefits	0.2	-	0.4	(0.1)	-
Profit (loss) from continuing operations	**(14.0)**	**(16.6)**	**(9.5)**	**(1.9)**	**(21.3)**
Net profit (loss) from discontinued operations	-	0.5	-	-	0.5
Net profit (loss)	**(14.0)**	**(16.1)**	**(9.5)**	**(1.9)**	**(20.8)**
Attributable to:					
Equity holders (Kardan N.V.)	**(14.0)**	**(16.1)**	**(9.5)**	**(1.9)**	**(20.8)**

Additional Information KFS Banking & Retail Lending	**2013 (30.09)**	**2012 (31.12)**
Balance sheet *(in EUR millions)*		
Net loan portfolio	130.4	124.7
Cash & short term investments	67.3	31.5
Total Assets	283.6	223.6
Deposits	139.5	68.3
Total Equity	34.5	42.6
Other		
Provisions	32%	34%

Revenues
The banking and retail lending activities continued to improve its performance: in 9M 2013 reported revenues were more than double the revenue reported in the comparable period last year on better origination and quality of portfolios, as a result of better branch network efficiency and targeted risk management (and consequentially less provisions deducted from revenues). In Q3 2013, revenues were near equal to Q3 2012, due to a one-off provision this year. Excluding this provision, revenues in Q3 2013 showed a y-o-y increase by 17%.

Gross profit
“Gross result” in 9M 2013, although still negative, was substantially better than the negative gross result in 9M 2012 mainly on the back of better revenues particularly in Bulgaria. The increase in costs of banking and lending activities is a reflection of the intensified business generation and the relating growth of the sales force, particularly in Romania.

Equity earnings
These relate to the leasing activities of the joint venture Avis Ukraine, of which Kardan Financial Services holds 66%, as well as to the mortgage activities operations in Bulgaria (of which 50% is owned). The equity earnings

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result in 9M 2013 reflects an improved operational result of Avis Ukraine which was off-set by an impairment on the investment in Avis Ukraine, on the June 2013 announcement that TBIF intends to sell Avis Ukraine.

Gain on disposal of assets and other income

"Other income" in 9M 2013 is in respect of the one off recovery payment relating to a former investment in Serbia which was reported in Q1 2013, a partial reversal of the provision which was taken on the Bulgarian retail portfolio in previous quarters and an impairment of an intangible asset.

Impairment losses on goodwill

In Q3 2013, a goodwill impairment of EUR 3.4 mn was recognized on the Romanian activities, on the back of continued challenging market circumstances.

Financing income (expenses), net

KFS has taken significant measures to pay down debt using, among other, the proceeds of the sale of Sovcombank, which was completed in Q2 of 2012. Consequently, financing expenses have decreased markedly in 9M 2013 compared to the same period last year.

Additional Information

As at September 30, 2013, the total net loan portfolio of KFS showed an increase of 5% compared to the situation as at December 31, 2012, mainly due to an improvement in origination in Q3 2013, less need for provisioning and off- set slightly by repayments. Compared to year–end 2012, TBI Bank, in Bulgaria in particular, reported deposits of more than double at the end of September 2013. In Q3 2013, deposits increased by 29% when compared to the balance as at June 30, 2013. In Bulgaria, deposits are split evenly over corporate and retail deposits, whereas in Romania, where deposit taking was initiated in the second quarter of 2013, deposits derive mainly from retail clients.

Other Expenses

	For the nine months ended September 30		For the three months ended September 30		Full Year
	2013	**2012**	**2013**	**2012**	**2012**
	in EUR million				
General and administration expenses	4.2	5.6	1.5	2.0	7.2
Equity earnings (losses)	0.6	(5.8)	0.8	(4.3)	(6.2)
Financing income (expenses), net	(33.3)	31.2	(5.2)	34.4	18.9
Income tax (expenses) / benefit	(3.3)	0.8	0.3	(1.2)	1.8
Profit (loss) from continuing operations	(40.2)	20.6	(5.6)	26.9	7.3
Net profit (loss) from discontinued operations	(78.7)	(43.8)	(43.2)	(24.4)	(132.4)
Net profit (loss)	**(118.9)**	**(23.2)**	**(48.8)**	**2.5**	**(125.1)**
Attributable to:					
Non-controlling interest holders	(20.0)	(36.2)	(0.1)	(20.1)	(105.5)
Equity holders (Kardan N.V.)	**(98.9)**	**13.0**	**(48.7)**	**22.6**	**(19.6)**

General

The results under "Profit (loss) from continuing operations" relate to the holding and finance expenses of Kardan N.V. and its direct subsidiary GTC Real Estate Holding BV (GTC RE). In addition, as the 27.75% stake in GTC SA was sold subsequent to balance sheet date, the segment Real Estate Europe is no longer presented as a separate segment but included in "Other".

General and Administrative expenses
The substantial decrease of these expenses recognized in 9M 2013 compared to the same period last year, can be explained by a downsizing of management at Kardan holding and a reduction in other professional service costs.

Financing income (expenses), net
Whereas in 9M 2012 a substantial financial income could be recognized on the back of the gain on the buyback of debentures, in the first nine months of 2013, the financing expenses were substantially negatively impacted by a revaluation loss (EUR 11 mn) related to foreign exchange differences, with regard to the debentures, resulting from the strengthening of the Israeli Shekel (NIS) versus the Euro. Currently, the company equity is mostly exposed to the Chinese RMB on its assets side and to NIS on its liabilities side. Changes in the NIS exchange rate mostly impact the income statement while changes in RMB mostly impact the equity directly.

Income tax
The income tax expense relates to deferred and current tax on hedge instruments.

Net profit (loss) from discontinued operations
The result fully derives from the company holding in GTC SA. In Q3 the loss includes the impairment of the investment in GTC SA to its market value less costs of sale in the amount of EUR 43.9 mn.

OUTLOOK 2013

Kardan N.V.
Management attention in 2013 is fully focused on bringing down the debt position of Kardan N.V. and of its intermediate holding companies in general and repayment of the upcoming dues for the debentures in particular. The Company aims to generate cash predominantly by repayment of shareholder loans and dividend by some of the Company's subsidiaries and by selling assets in order to fulfill its obligations to its Debenture holders in the short to medium term. In addition, ongoing attention is given to consistent improvement of operations and of their debt servicing capacity.
A cash flow forecast for the coming two years can be found in the Directors' Report on page 14.

Real Estate Asia
Kardan Land China expects to deliver approximately 2,400 apartments during 2013,and aims to continue its healthy sale of apartments, which is dependent on the economy in China, as well as on measures which the Chinese government may take to control the real estate market, in particular the speculation in this market. With respect to the Europark Dalian retail center, Kardan Land China expects to have signed lease agreements and Letters of Intent with retailers for approximately 25% by year end 2013. Completion of the mall is planned for the end of 2014.

Water infrastructure Assets
Kardan Water plans to continue increasing the revenue from rendering water treatment services during 2013 and plans to prepare the start of expansion activities in two of its current plants in China to increase the total designed capacity of the combined Kardan Water facilities to 695,000 m3/day in the coming year. The construction of the expansions should have a positive impact on the revenue line of Kardan Water in the upcoming quarters.

Water Infrastructure Projects
In the Project segment the spectrum of activities is more focused on Engineering, Procurement and Construction Projects (EPC) projects in frontier countries, as well as on design and engineering activities in Israel. Revenues and profitability are expected to continue to increase from existing and recently signed projects (y-o-y), albeit that the total results will be negatively impacted by the cancellation of operations in Poland. The backlog (in USD) as at year end 2013 is expected to arrive at a lower level as at the end of 2012 due to delays in the closing of several new projects to early 2014.

Banking and Retail Lending
TBIF aims to continue to further increase loan origination and commission income from non-lending activities and to finance this by raising deposits. Furthermore, TBIF continues to effect synergies of business consolidation in order to improve the operational result. TBIF expects to report a positive "normalized" (i.e. excluding impairments on intangible assets) operating result for 2013 , in continuing difficult market circumstances.

This report also contains information regarding market developments which are based on external party research which was published in the following reports.

Macro-economic reports
National Bureau of Statistics, China
International Monetary Fund, *World Economic Outlook* (October 2013)
International Monetary Fund, C*entral, Eastern and Southeastern Europe Regional Economic Issues, 10-2013*
European Commission; *Economic Forecast Autumn 2013: Gradual recovery, external risks*

Real Estate:

Cushman & Wakefield: *Investment Market Beat China Q3 2013*
National Bureau of Statistics, China

Water Infrastructure
Water21: *Issue of October 2013*
www.globalwaterintel.com
CDP Global Water Report: *Moving beyond business as usual, 2013*

Financial Services
Bulgarian National Bank, *Economic Review Summaries*
Ministry of Finance Bulgaria, *Recent economic developments, September 2013*
Unicredit; *EEMEA Macro Flashes 2012 / 2013*

Kardan N.V. is not responsible for the nature or correctness of data presented in this section regarding market developments or projections.

Analyst & Investor Call

An analyst and investor call will be held ***on Thursday November 28, 2013*, at 10.30 CET**.
To take part in the call, please use the following dial-in number:

Dial in number NL: +31 (0) 45 6316903 Conference ID: 4649304

Dial in number UK: +44 207 153-2027 Conference ID: 4649304

The Investor Relations presentation will be published on the corporate site, www.kardan.nl, approximately one hour after publication of this release.

Please confirm your attendance to eventmanagement@citigateff.nl.

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 Asia (predominantly China), Africa and selected CEE and CIS countries.
Its activities are mainly focused on three sectors that benefit from the rising middle class: Real Estate, Water Infrastructure and Banking & Retail Lending. Company headquarters are in the Netherlands. Kardan aims at holding controlling interests in its investments and is actively involved in the definition and implementation of their strategy through its local business platforms. Total assets as of September 30, 2013 amounted to EUR 1.1 billion; revenues totalled EUR 131 mn in the period January – September 2013. Kardan is listed on NYSE Euronext Amsterdam and the Tel Aviv Stock Exchange.

The Director's Report including the financial reports, drawn up in accordance with the Dutch and Israeli regulations, are presented in a separate document and form an integral part of this release.

For further information please contact:
Caroline Vogelzang
Director Investor Relations
+31 (0)20 305 0010
Vogelzang@kardan.nl
www.kardan.nl

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