KARDAN N.V.

TAHAL SIGNS USD 370M OPERATION AND MANAGEMENT CONTRACT IN ANGOLA

Amsterdam, October 13, 2016 - Kardan N.V. ('Kardan' or 'the Company'), active in Real Estate and Infrastructure in emerging markets announces that Tahal Group B.V. ('Tahal'), the Company's (indirectly) wholly owned subsidiary, signed, together with its 50% partner, an agreement regarding the operation and management of a large scale agricultural project in the Quiminha area in Angola (the 'Agreement' and the 'Project', respectively).

Tahal and its partner, ZRB Consulting Finance & Development Limited ('ZRB'), signed the Agreement with Gesterra – Gestao de Terras Araveis S.A., a company owned by the government of Angola.

The Quiminha Project is a communal agricultural project, located 70km east of the capital Luanda over an area of 5,000 ha. In an earlier phase, Tahal was assigned by the government of Angola to provide a full range of services to make the land suitable for agricultural use and to build the infrastructure for full communal and commercial services for the farmers and inhabitants. After successfully handing-over this project in mid-2016, Tahal has now been assigned with its partner for the operation and management of the site.

According to the Agreement, Tahal and ZRB will operate and manage this agricultural project of 5,000 ha which includes 300 private farms of 10 acres each, thousands of acres of crops, grains, vegetables and fruits in open areas and in green houses and chicken coops. The Project furthermore comprises water infrastructure and water treatment, irrigation, and various facilities in relation to crops, live-stock and the distribution of products. The extent of crops expected in the Project will reach approximately 60,000 tons of agricultural products per year to be sold in the domestic market.

Tahal and ZRB will be entitled, in equal shares, to the entire proceeds arising from the sale of the agricultural products, estimated at an average of $ 52 million annually for the duration of the Agreement. Under the Agreement, Tahal and ZRB undertook the responsibility to supply all equipment necessary for the operation of the Project, employing managerial and professional teams to operate the Project, and to pay a franchise fee to the government of Angola which has rights in the Project. The parties intend to commence the Project immediately and first revenues will be recognized in the fourth quarter of 2016.

The Agreement is for a period of 7 years, with an extension option for an additional 5 years. Accordingly, the gross proceeds to Tahal and ZRB during the initial period is estimated at $ 370 million.

In parallel, the parties have signed a memorandum of understanding with an International Fund with respect to financing the majority of the required equity for the Project, which will be non-recourse to the parties. Signing a binding agreement is expected in the coming period.

The expected revenues from the Project of $ 370 million is in addition to the current backlog of Tahal Group of more than $ 300 million. All the projects included in the backlog are for immediate execution, and do not require financing, financial closing and/or regulatory approvals.

"This Project is an important milestone for Tahal and reflects its true potential. It will increase Tahal's backlog and will allow Tahal to continue improving its profitability." said Ariel Hasson, CEO of Kardan.

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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 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 two sectors that benefit from the rising middle class: Real Estate and Water Infrastructure. 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 December 31, 2015 amounted to EUR 975 million; revenues totalled EUR 216 million in the year 2015.
Kardan is listed on Euronext Amsterdam and the Tel Aviv Stock Exchange.

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