



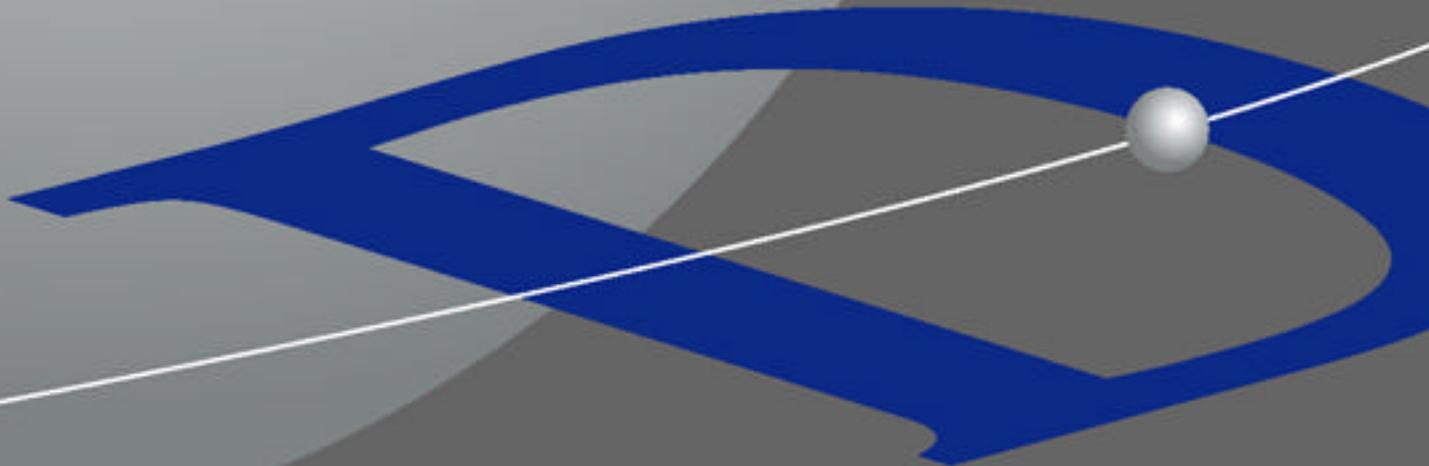
Draka Holding

Full Year Results 2004

7 March 2005

Garo Artinian – CEO

Jaap Sulkers – Director Control





- ◆ **Summary**
- ◆ **Fundamental change**
- ◆ **Financial Results 2004**
- ◆ **Results per Group**
- ◆ **Financial position**
- ◆ **Outlook 2005**





- ◆ **New organisational structure in place; foundation to restore profitability**
- ◆ **Turnover grew by 14.1%, driven by volume growth of 8.0%**
- ◆ **Good performance in Transport, Marine, Oil & Gas and Data Communication divisions**
- ◆ **EBIT from operational activities €17.8 million, excluding non-recurring items of €25.2 million (2003: €30.7 million)**
- ◆ **Net profit of €3.7 million (excl. non-recurring items)**
- ◆ **Net debt reduced by €136.6 million**



Draka Holding

Fundamental change





Draka Holding

Fundamental change (I)

Draka Holding prior to 1 July 2004

**Telecommunication
Cable & Systems**

**Low-voltage &
Special-Purpose Cable**

Chief Operating officer

Chief Operating officer

Divided in countries which contained
several activities

Country manager responsible for P&L

PMG-manager responsible for marketing
and day-to-day business coordination



Draka Holding after 1 July 2004

Draka Comteq

Draka Cableteq

Chief Executive officer
Sandy Lyons

Chief Executive officer
Ingolf Schulz

Three divisions

Divisional president
responsible for P&L

Six divisions

Divisional president
responsible for P&L



Draka Holding

Fundamental change (II)

Draka Holding prior to 1 July 2004

100%

100%

Telecommunication
Cable & Systems

Low-voltage &
Special-Purpose Cable

Draka Holding after 1 July 2004

50.1%

100%

Draka Comteq

Draka Cableteq

Activities:

Telecommunication
copper cable

Telecommunication
optical fibre cable

**Mobile network
Cable**

Activities:

Low-Voltage Cable

Rubber Cable

**Data Communication
Cable (copper & fibre)**

Cable for transport
industry

Cable for oil & gas
industry

Elevator cable



Divisions:

Telecommunication
Cable

**Data Communication
Cable**

Optical Fibre

Divisions:

Low-Voltage Cable

Elevator Cable

Marine, Oil & Gas

Mobile Network Cable

Rubber Cable

Transport



Fundamental change - Advantages

- ◆ **Focussed businesses**
- ◆ **Opportunity to optimise factories**
- ◆ **Dedicated sales & marketing approach**
- ◆ **Management incentives on the right place**



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Financial results 2004





Draka's key figures¹

(x €m)	2004	2003	2004 ²	2003 ³
Net turnover	1742.6	1420.2	1742.6	1420.2
EBITDA	58.2	103.2	83.4	91.8
EBITDA-margin	3.3%	7.3%	4.8%	6.5%
EBIT	(7.4)	42.1	17.8	30.7
EBIT-margin	(0.4%)	3.0%	1.0%	2.2%
Net result	(11.6)	11.2	3.7	(0.2)
EPS (€)⁴	(0.77)	0.12	(0.20)	(0.43)
Operating cash flow	(5.3)	80.7	(5.3)	80.7

¹ Including full consolidation of Draka Comteq B.V.

² Excluding non-recurring charges of € 25.2m

³ Excluding non-recurring income of € 11.4m

⁴ Per ordinary share after a reserve for preference dividend (€9.2m in 2004 and €8.7m in 2003)



Overview 2004: Sales & EBIT

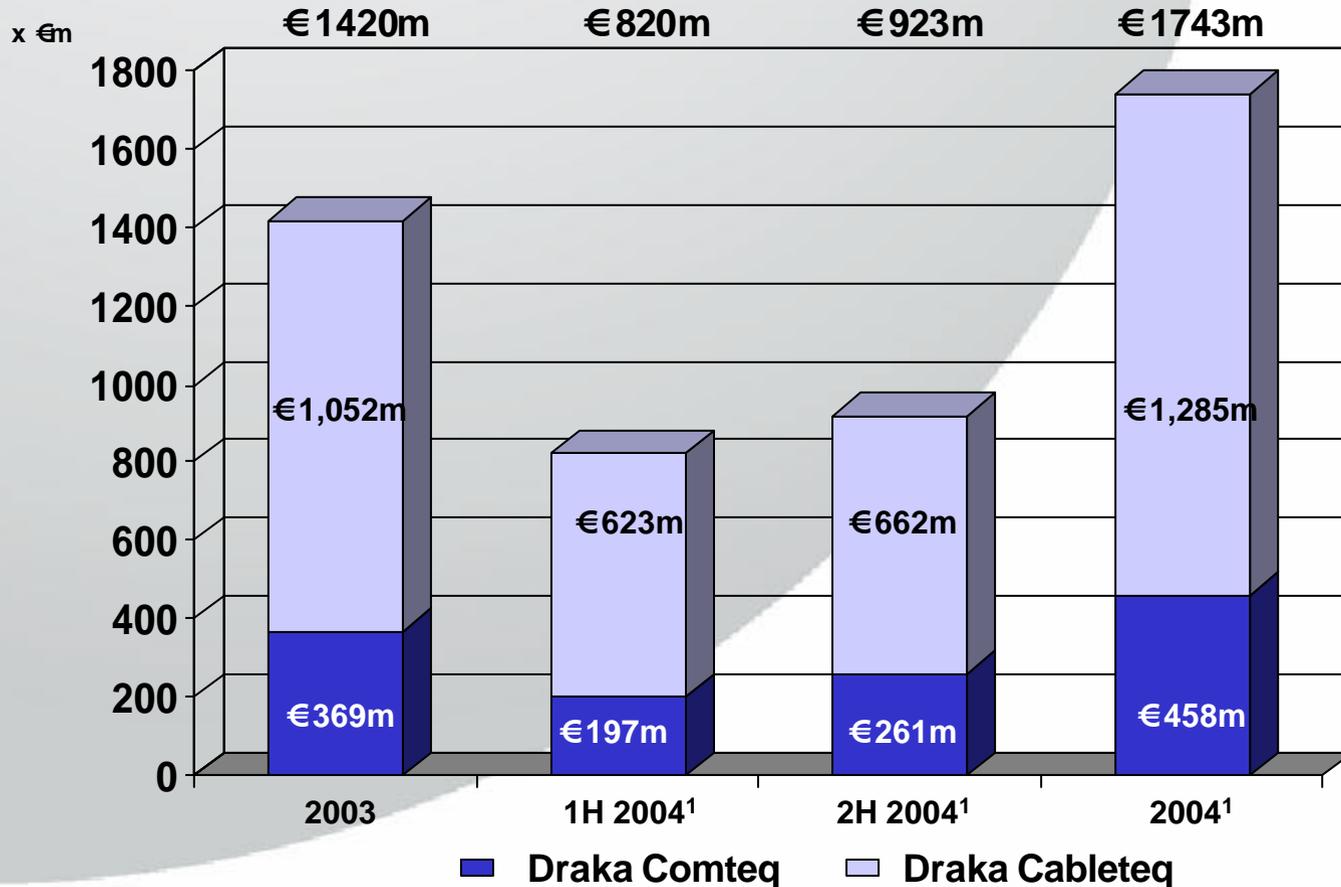
(x €m)	Sales			EBIT		
	2004	2003	△ %	2004 ¹	2003 ¹	△ %
Draka Comteq	457.8	368.7	24.2	(14.7)	(1.5)	NMF
Draka Cableteq	1,284.8	1,051.5	22.2	42.4	39.9	6.3
Others	-	-	-	(9.9)	(7.7)	28.6
Total	1,742.6	1420.2	22.7	17.8	30.7	(42.0)

¹Excl. non-recurring items of €25.2 million negative in 2004 and €11.4 million positive in 2003

- ◆ Sales growth driven by sound volume growth (8.0%) and consolidation effects (9.2%)
- ◆ EBIT was depressed by 1) sustained pressure on selling prices; 2) sharp increase in raw material prices, and 3) the lower average exchange rate of the US dollar against the euro



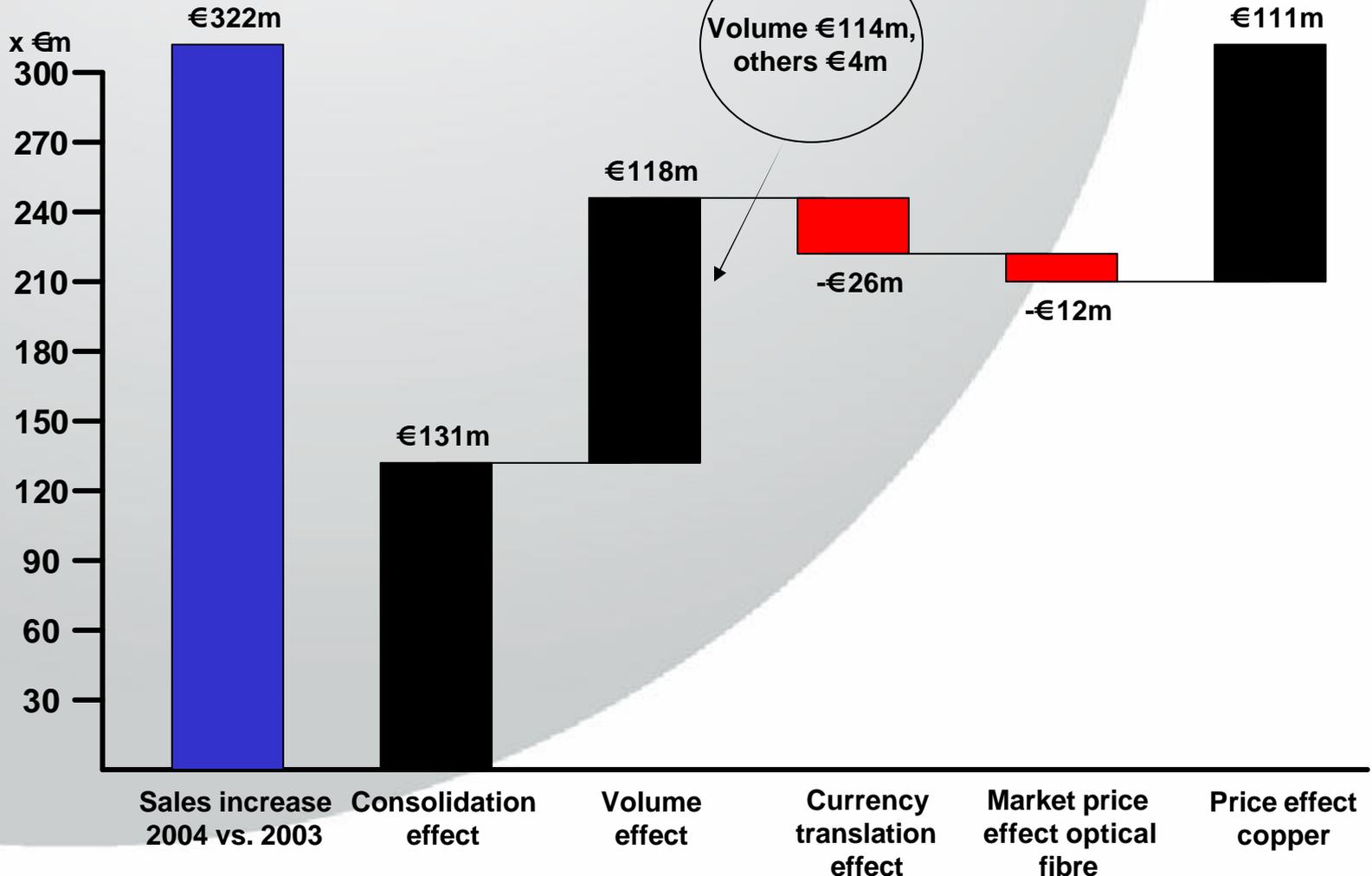
Sales development 2004 vs. 2003



¹Incl. consolidation of NK Networks & Services in 2004 and Alcatel's activities in 2H 2004

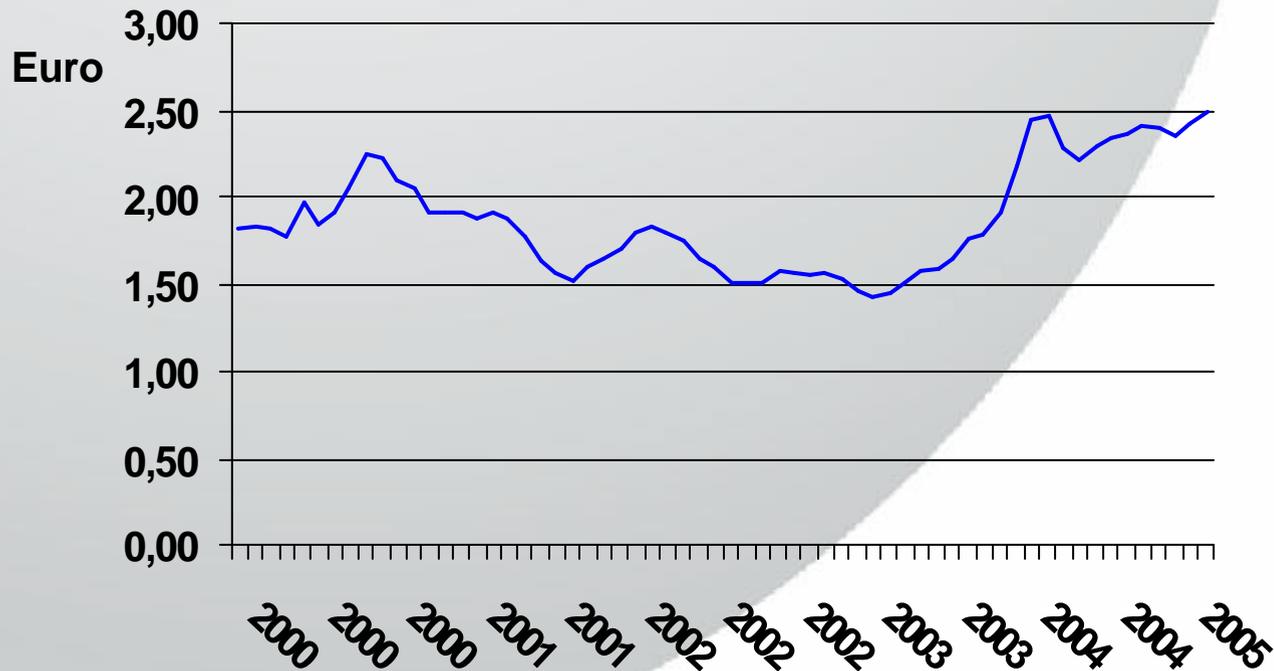


Sales analysis 2004





Sharp increase in price of copper



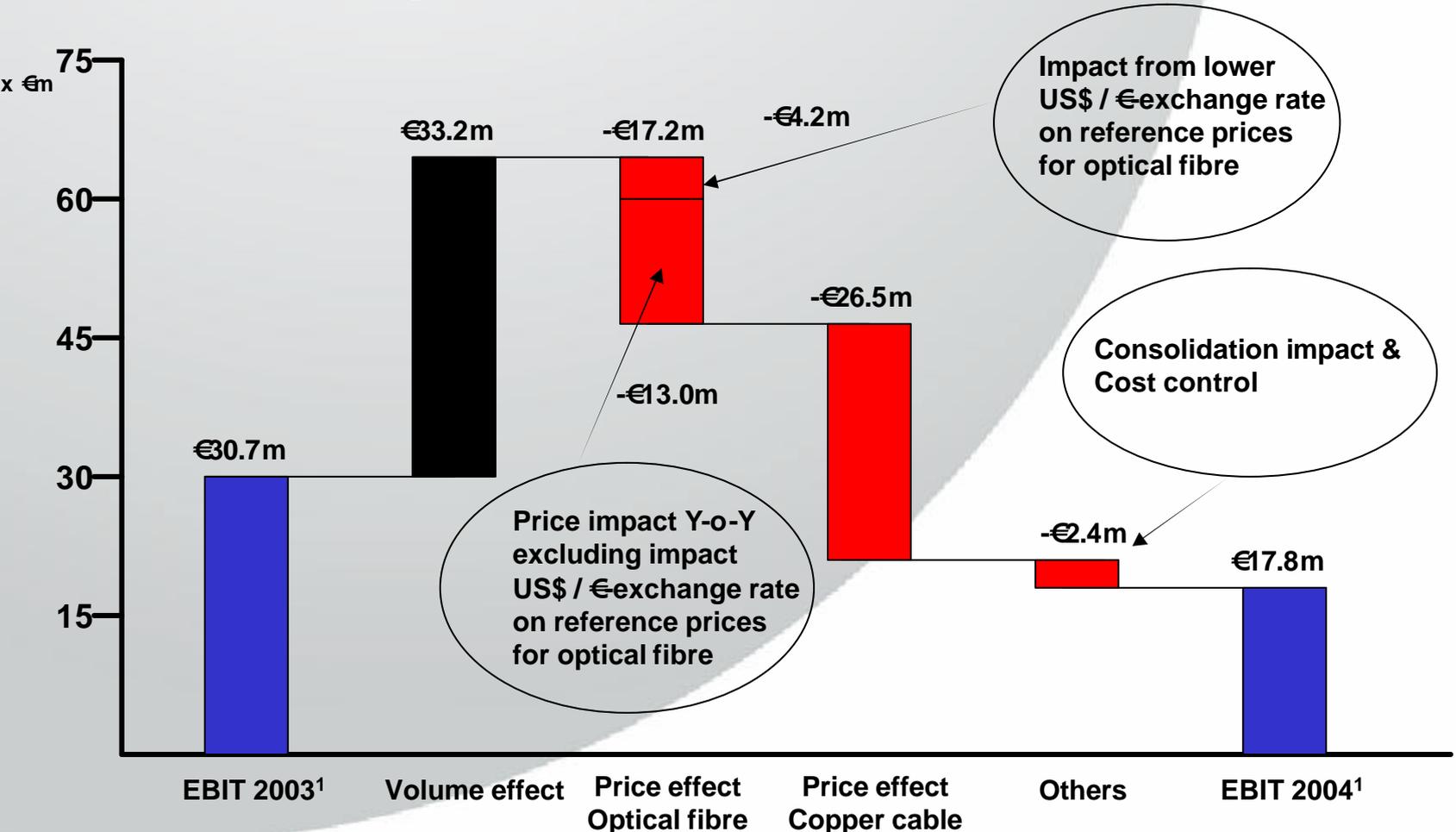
Average copper price in 2003: €1.57

Average copper price in 2004: €2.30

Copper price 28 February: €2.50



EBIT analysis 2004 vs. 2003





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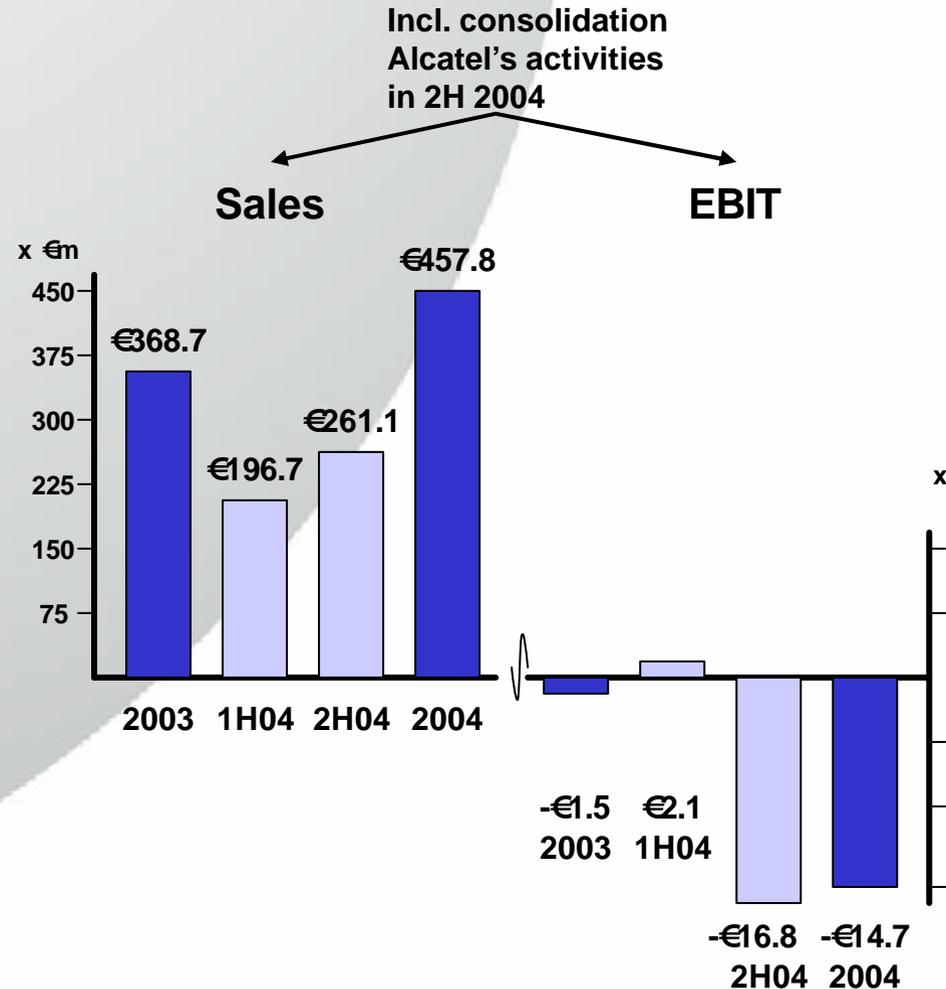
Results per Group





Draka Comteq

- ◆ Organic sales growth 1.4%
- ◆ EBIT depressed in 2H 2004 by:
 - 1) continued price pressure
 - 2) lower exchange rate USD vs. Euro





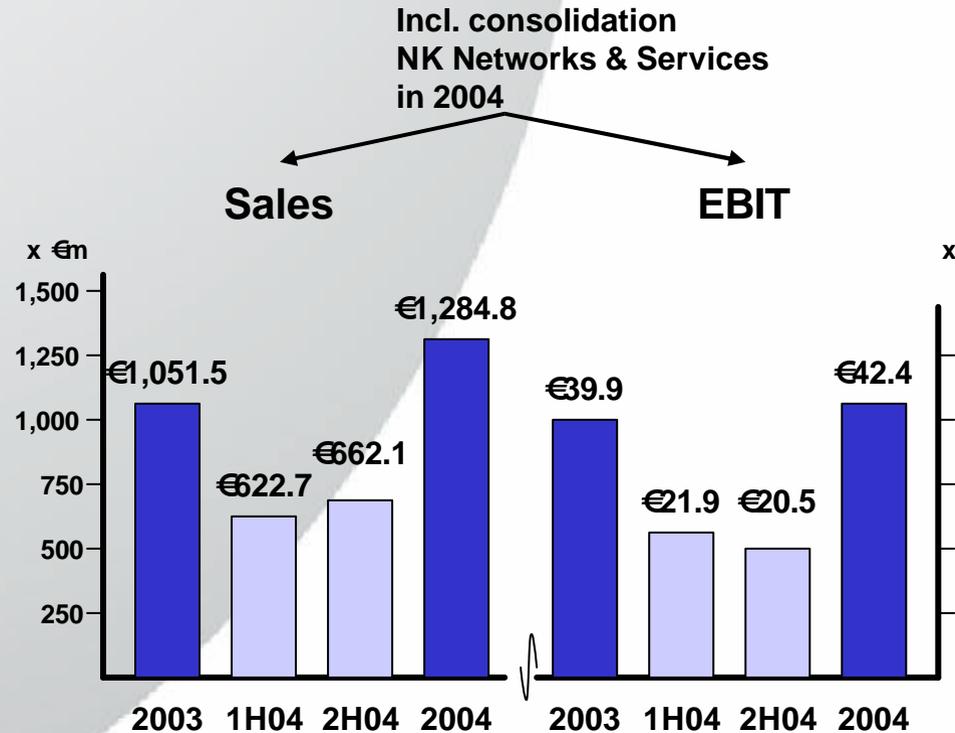
Draka Comteq – Main topics

- ◆ **All markets reported growth, in particular data communication. Fibre demand jumped in the US (35%)**
- ◆ **All divisions contributed to volume growth**
- ◆ **Main focus on integrating Alcatel's activities**
- ◆ **Discussions with co-shareholders in YOFC are still in progress**



Draka Cableteq

- ◆ Organic sales growth 17.6%
- ◆ EBIT slightly improved in 2004 due to:
 - 1) volume growth and
 - 2) cost control, but
 - 3) offset by further price pressure





Draka Cableteq – Main topics

- ◆ **Most of the markets reported growth, except in Western Europe; OEM segment outperformed**
- ◆ **All divisions contributed to volume growth and most of them managed to improve market share**
- ◆ **Sharp increase in raw material prices**



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Financial position





Highlights

- ◆ **Net investments remained at low level (€23.5 million)**
- ◆ **Operating NWC remained flat at 28.5% (2003: 28.4%) despite sharp increase in copper prices**
- ◆ **Operating cash flow amounted to €5.3 million negative (2003: €80.7 million positive) mainly caused by the increase in working capital**
- ◆ **Net debt reduced by €137 million**



Cash flow statement

(x €m)	2H04	1H04	FY04	FY03
EBIT ¹	(1)	19	18	31
Depreciation	39	31	70	61
Working capital	1	(45)	(44)	46
Others (interest, tax, provisions)	(23)	(26)	(49)	(57)
Operating cash flow	16	(21)	(5)	81
Dividend	-	(10)	(10)	(9)
CF from Investments	(16)	(8)	(24)	(15)
Free cash flow	(1)	(38)	(39)	57
CF from Financing	(14)	41	26	(62)
Net cash flow	(15)	3	(12)	(5)

¹ Excluding non-recurring items of €25.2m negative in 2004 and €11.4m positive in 2003



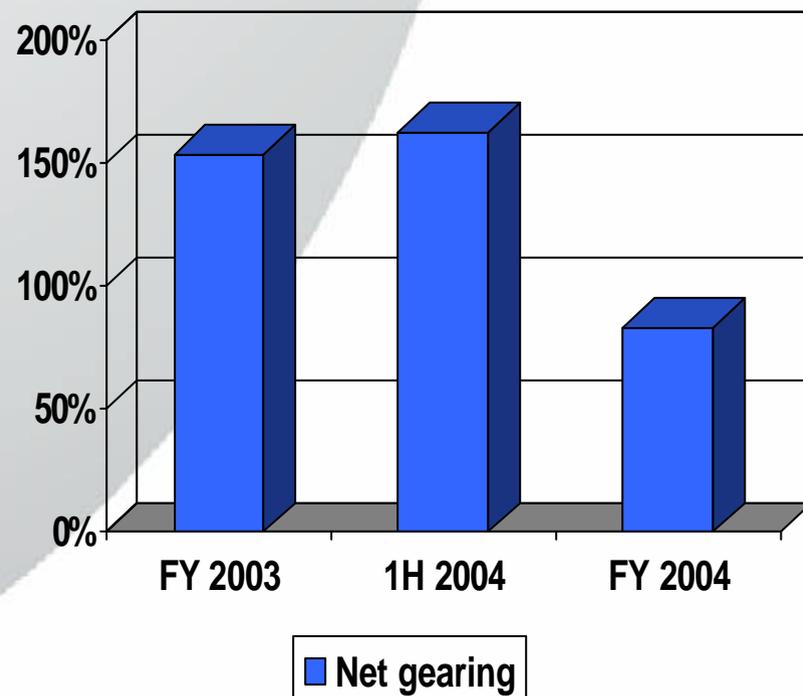
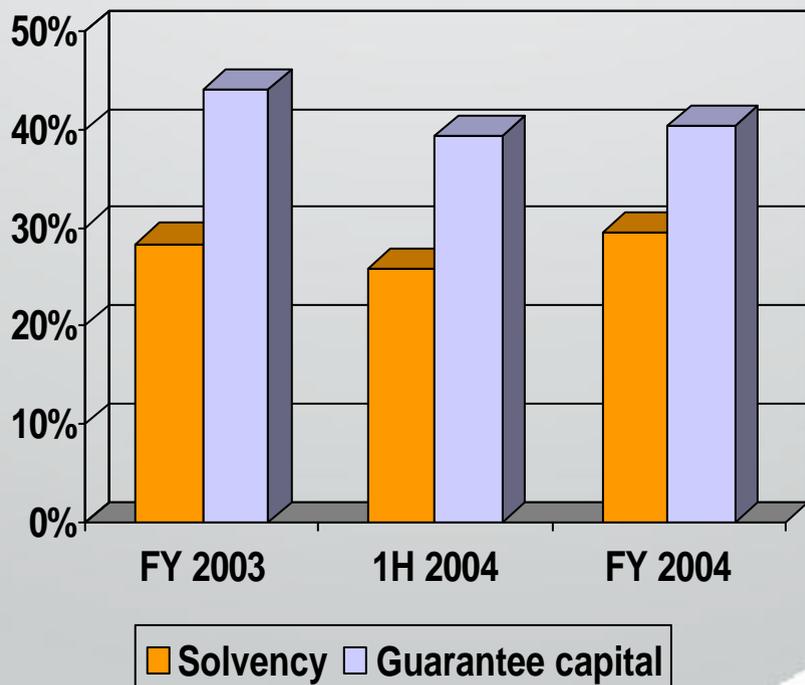
Investments & Depreciation

(x €m)		FY 2004	FY 2003
Draka Comteq	- Investments	5	9
	- Depreciation	27	22
Draka Cableteq	- Investments	21	20
	- Depreciation	40	38
Total	- Investments	26	30
	- Depreciation	70	61

→ Investments remained at low level in 2004



Balance sheet ratios

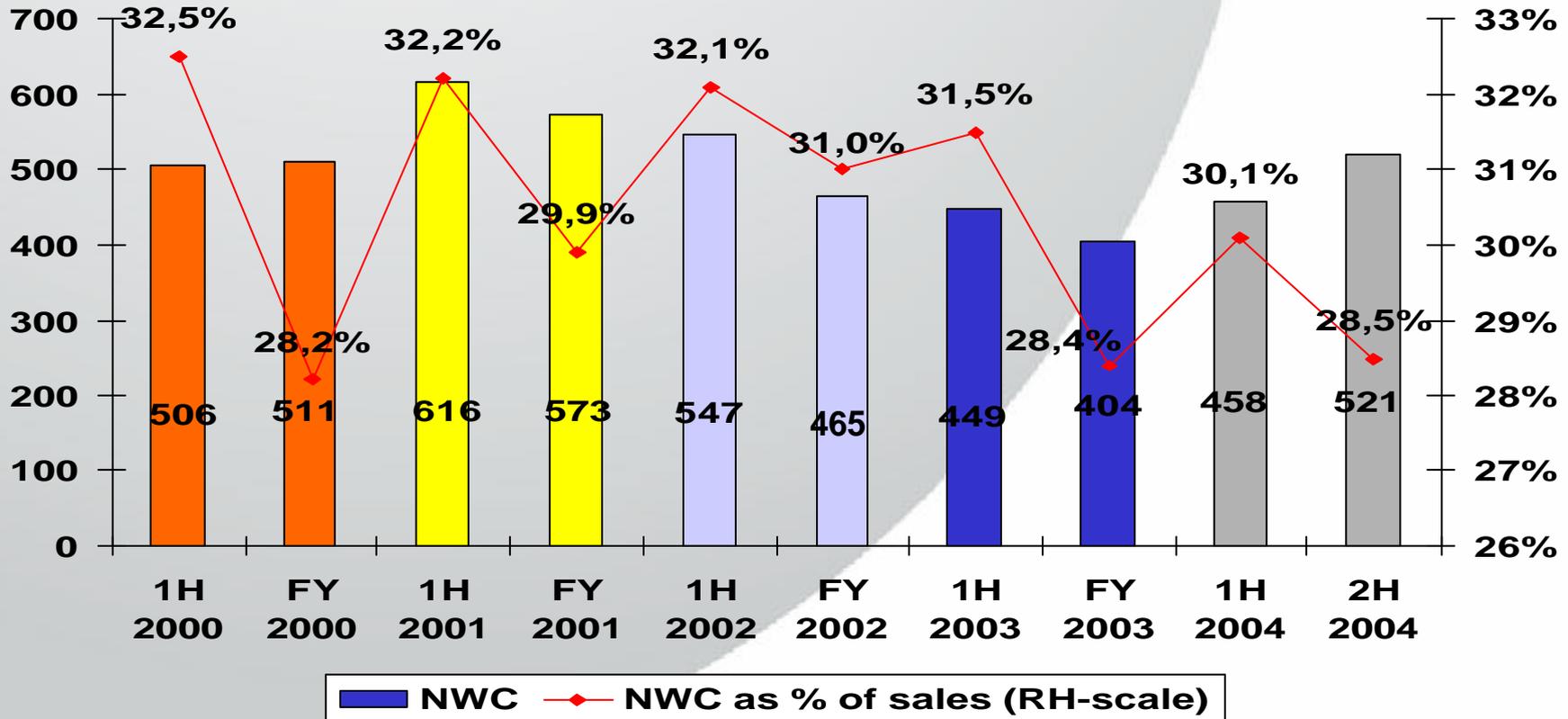


→ Balance sheet ratios improved substantially



Working capital movement

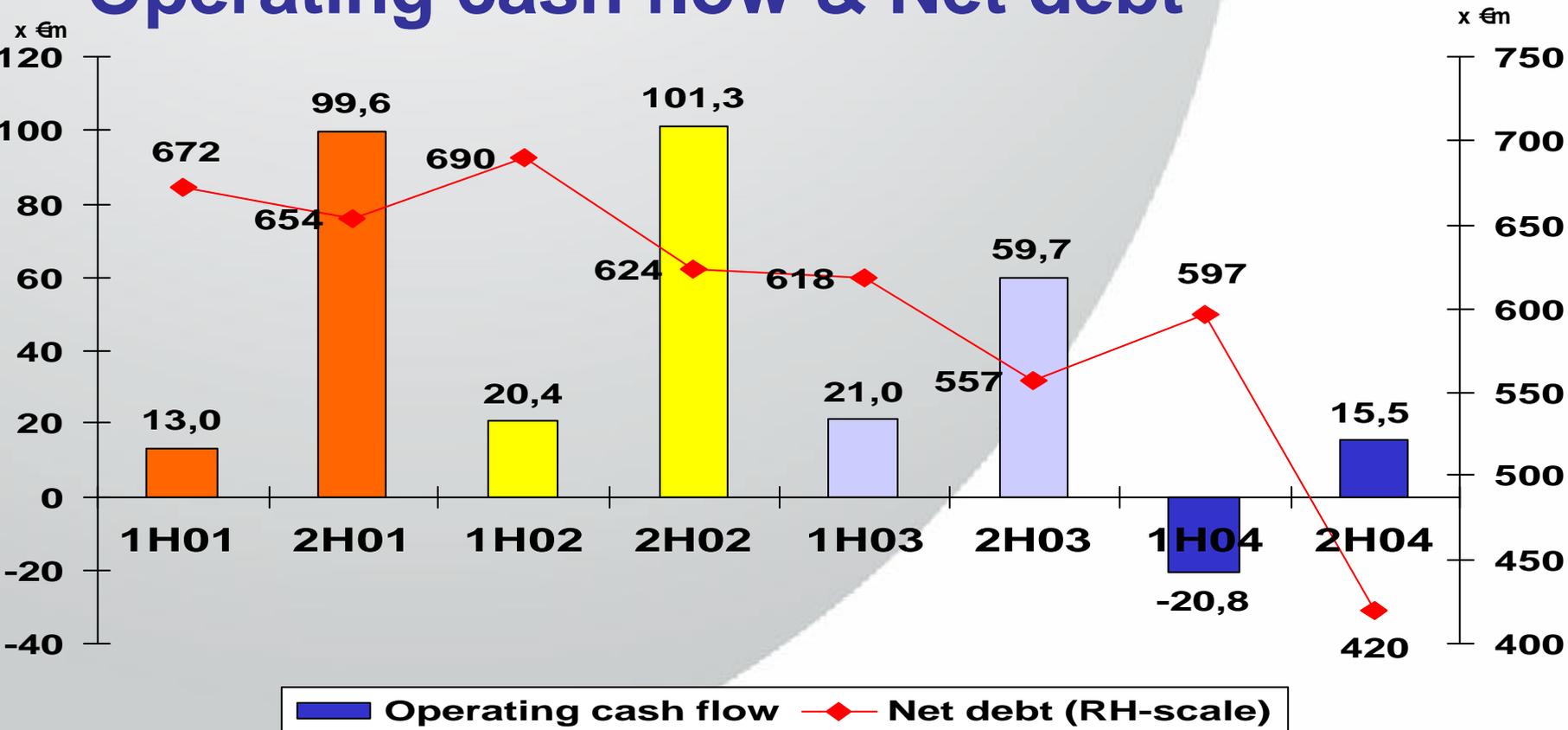
x €m



NWC ratio remained unchanged



Operating cash flow & Net debt



→ Strong reduction in net debt



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Outlook 2005





Draka Comteq

- ◆ **Some further market improvement expected**
- ◆ **Fibre prices: modest decline anticipated in 1H 2005**
- ◆ **Volume growth is expected to outpace market growth**
- ◆ **Margins remain under pressure, due to price declines and further increase in raw material prices**
- ◆ **Focus will be on achieving integration and industrial synergies**



Draka Cableteq

- ◆ **Modest market growth expected, in particular in specialty cable segment**
- ◆ **Volume growth anticipated, but at a lower pace than in 2004**
- ◆ **Margins remain under pressure, due to price declines and further increase in raw material prices**
- ◆ **Management priority on optimising factories and strengthening market position**



Draka group - Summary

- ◆ **Market conditions almost unchanged; some further volume growth expected**
- ◆ **Margin pressure will continue due to price declines and further increase in raw material prices**
- ◆ **Cost savings of around €40 million expected**
- ◆ **Focus remains on cash generation: reduction operating NWC and stringent investment policy**
- ◆ **At this stage, it is too early to give a forecast about the likely net result**



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“The fundamental change in Draka’s organisational structure implemented in 2004, is the foundation to restore profitability.”



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Q & A



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Appendices



Balance sheet

(x €m)	FY 2004	1H 2004	FY 2003
Intangible fixed assets	89	18	21
Tangible fixed assets	603	549	566
Financial fixed assets	87	82	82
Total fixed assets	779	654	669
Stocks	374	347	282
Receivables	464	412	323
Trade creditors & others	-374	-352	-255
Curr. assets - curr. liabilities	464	406	350
Invested capital	1,243	1,060	1,019



Balance sheet

(x €m)	FY 2004	1H 2004	FY 2003
ST interest bearing debt	118	228	150
LT interest bearing debt	158	213	243
Subordinated LT debt	144	156	164
Net debt	420	597	557
Shareholders' equity	484	366	362
Minority interest	167	7	5
Provisions	172	91	95
Total financing	1,243	1,060	1,019
Guarantee capital	661	558	563



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www.draka.com

