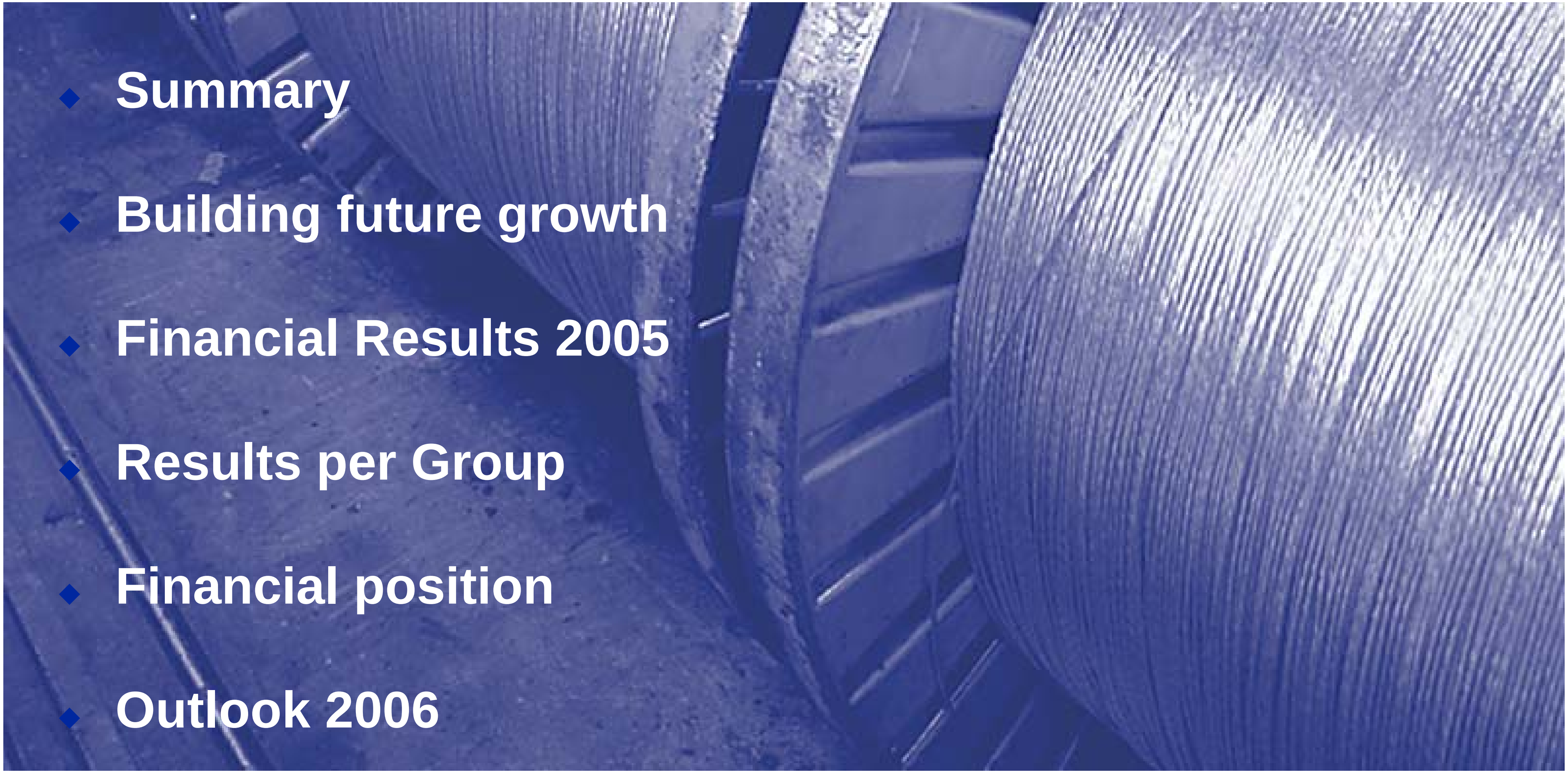
Draka's full year results 2005

Agenda



- Summary
- Building future growth
- Financial Results 2005
- Results per Group
- Financial position
- Outlook 2006

Summary

- Organic revenue growth 12%, driven by Draka Cableteq and growth at Draka Comteq in 2H 2005
- EBIT excl. exceptionals rose 80% to € 37.6 million; main progress in 2H 2005 with EBIT of € 25.4 million vs. € -1.3 million in 2H 2004
- Operating working capital substantially reduced to 21.3% of revenues (2004: 27.3%)
- Net interest bearing debt (excl. preference shares) reduced by € 96 million, driven by strong operating cash flow of € 98 million
- Outlook for 2006: volume growth on global cable market anticipated. Progress is expected to be made towards achieving Draka's strategic objectives for 2007

Building future growth

Building future growth

Strategy

- Focus on core competences
- Expand in selected markets (specialty cable & emerging markets)
- Consolidate position in mature markets

Optimisation

- Draka Cableteq: Launch of Stop, Swap & Share project
- Draka Comteq: finalising integration programme

Targets

- EBIT margin of 5% in 2007
- Lower NWC to 27% at EOY 2005 and 20-22% in 2007 to reduce capital employed

Finance

- Launch of comprehensive €450 million refinancing package:
- Securing financing structure until 2009
- Improving debt maturity profile

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Building future growth → Progress in 2005

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- **Strategy**
  - Divested three companies of which two non-cable companies
  - Expanded position in China; opened offices in Australia and Indonesia
  - Acquired stake of 29.9% in Oakwell Engineering Ltd. strengthening position of Marine, Oil & Gas division in Far East
- **Optimisation**
  - Integration programme Draka Comteq finalised
  - Stop, Swap & Share project in Draka Cableteq well on track and expected to be finalised in 1H 2006
  - Continuing focus on possible cost reductions

...Figures

- Targets

	2004A	2005E	2005A	2H 2005A	2007E
Revenue	€ 1,684m	c.€ 1,800m	€ 1,879m	€ 981m	c.€ 1,800m*
OP margin	1.2%	>1.4%	2.0%	2.6%	~5%
NWC as % of sales	27.3%	~27%	21.3%	21.3%	~20-22%

  - Well on track to achieve 5% EBIT target in 2007*, or around € 90 million
  - Operating working capital improved significantly to 21.3% in 2005

→ Target set for 2007 already achieved; main focus now on improving the mix

- Finance
  - Successful issue of € 100 million convertible bond
  - Syndicated credit facility (€ 350 million) syndicated in the market
  - Short term debt accounts for only 16% of total net interest-bearing debt

*Based on copper prices of 30 August 2005 and portfolio of activities

Financial results 2005

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Key figures

(x €m)	2005[1]	2004[1]	2H 2005[1]	2H 2004[1]
Revenue	1,878.7	1,684.3	980.8	894.4
EBITDA	95.7	80.9	57.0	33.0
EBITDA-margin	*5.1%*	*4.8%*	*5.8%*	*3.7%*
EBIT	37.6	20.9	25.4	(1.3)
EBIT-margin	*2.0%*	*1.2%*	*2.6%*	*(0.1)%*
Net result	6.5	6.3	5.5	0.5
EPS (€)[2]	0.18	(0.11)	0.15	(0.15)
Operating cash flow	97.6	(12.7)	125.2	(2.0)

[1] Excluding non-recurring items of € 7.1m negative in 2005 and € 25.2m negative in 2004 (2H 2005: € 23m negative; 2H 2004: € 23.1m negative)
[2] Per ordinary share after a reserve for preference dividend of € 9.2m in 2004 and € 4.6m in 2H 2004

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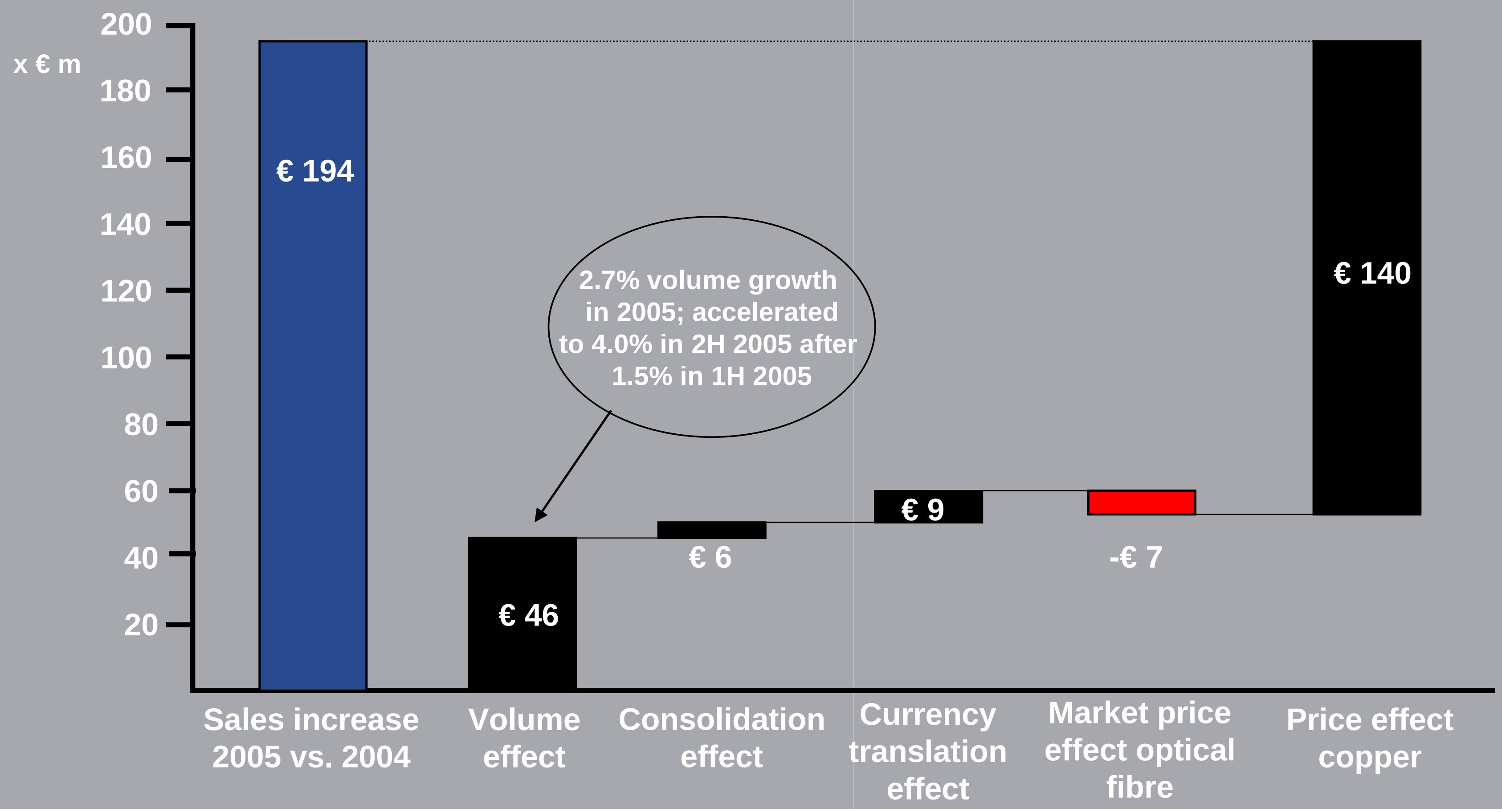
Revenue & EBIT

	Revenue				EBIT			
(x €m)	2005	2004	2H05	2H04	2005[1]	2004[1]	2H05[1]	2H04[1]
Draka Cableteq	1,380	1,283	715.1	660.4	57.7	45.5	29.2	21.0
Draka Comteq	499	402	265.7	234.0	(7.6)	(16.2)	1.1	(18.7)
Others	-	-	-	-	(12.5)	(8.4)	(4.9)	(3.6)
Total	1,879	1,684	980.8	894.4	37.6	20.9	25.4	(1.3)

[1] Excluding non-recurring items of € 7.1m negative in 2005 and € 25.2m negative in 2004 (2H 2005: € 23m negative; 2H 2004: € 23.1m negative)

- Revenue growth 11.5%: organic growth 11.2% & consolidation impact 0.3%
- EBIT increased 80% by sustained focus on cost control and positive contribution made by the overhauled organisational structure

Revenue analysis 2005 vs. 2004



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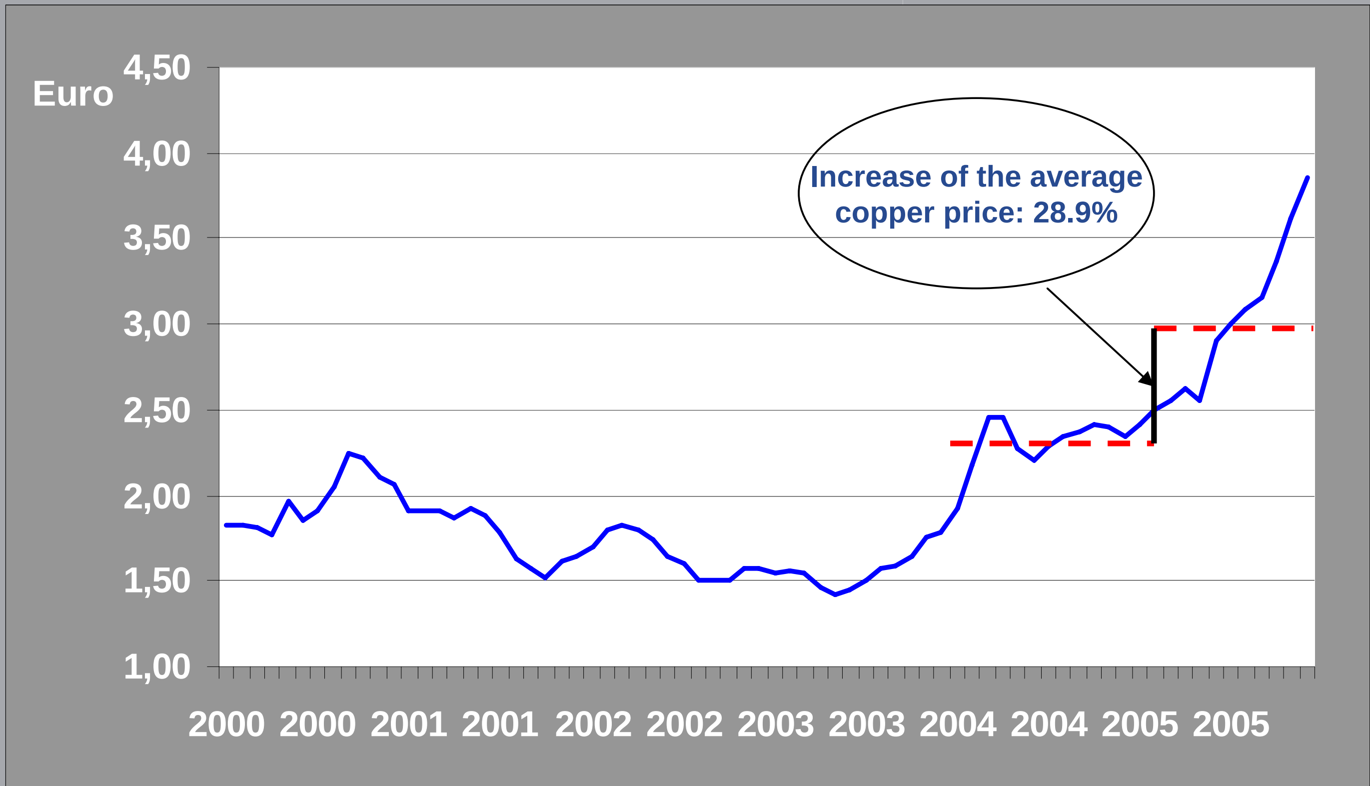
Copper price development 2000-2005

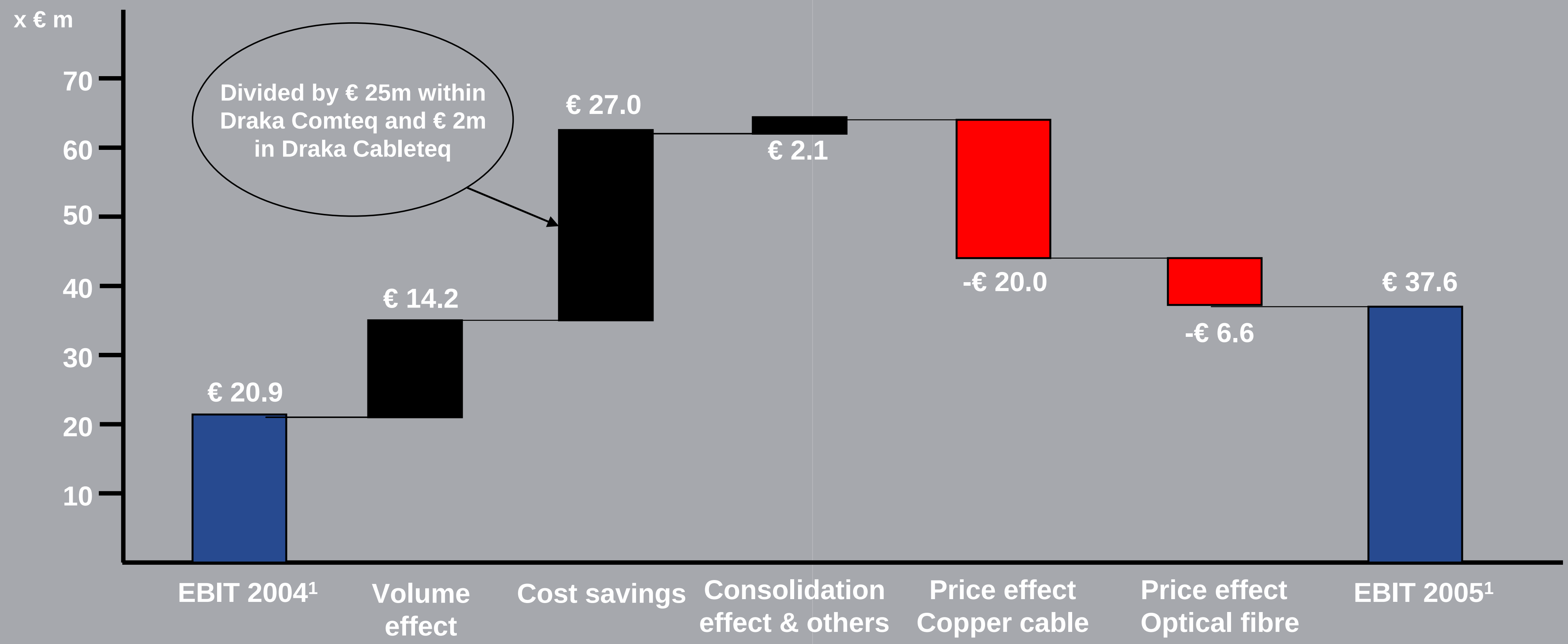


Average copper price in 2005: € 2.97

Average copper price in 2004: € 2.30

Copper price 8 March: € 4.03

EBIT analysis 2005 vs. 2004



[1]Excluding non-recurring items of € 7.1m negative in 2005 and € 25.2m negative in 2004

Results per Group

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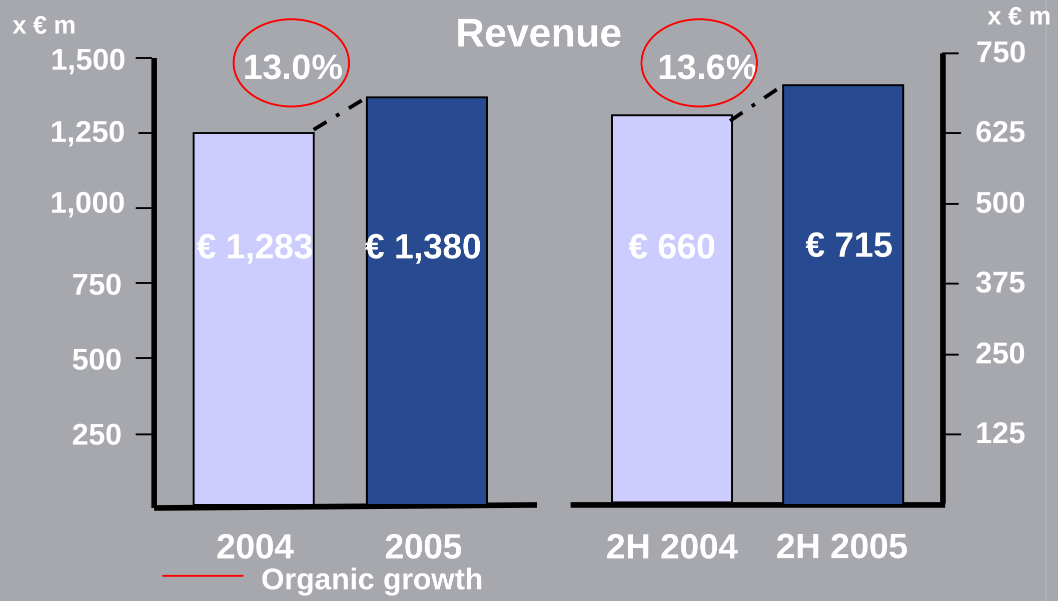

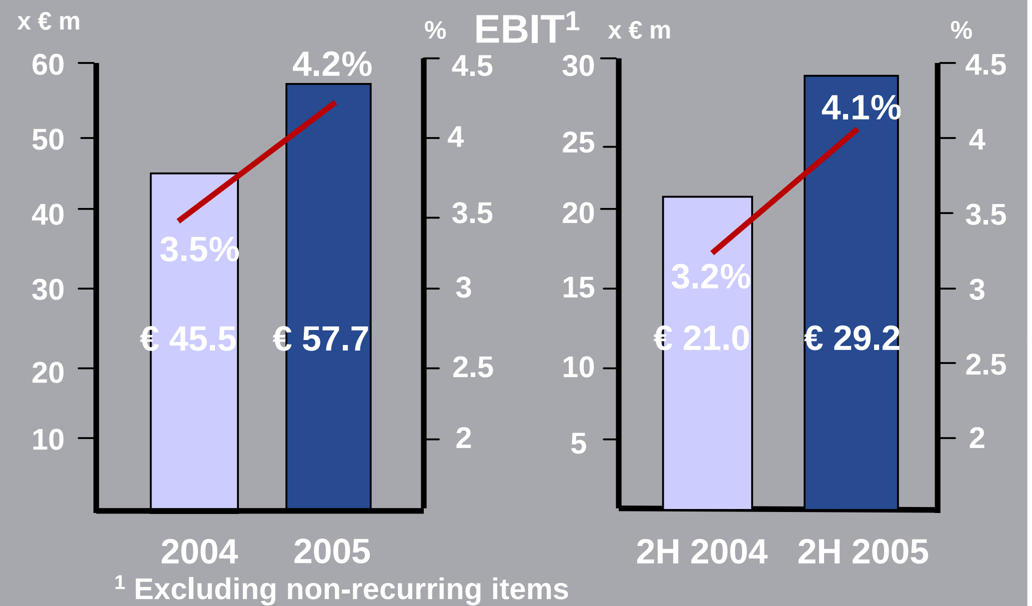

[1] Excluding non-recurring items

- **Organic revenue growth 13.0% in 2005**
- **EBIT growth accelerated to 39.0% in 2H 2005 (1H 2005: 16.3%)**
- **Better product mix, cost control and positive contribution from fundamental change more than offset negative impact of ongoing margin squeeze due to higher raw material prices**

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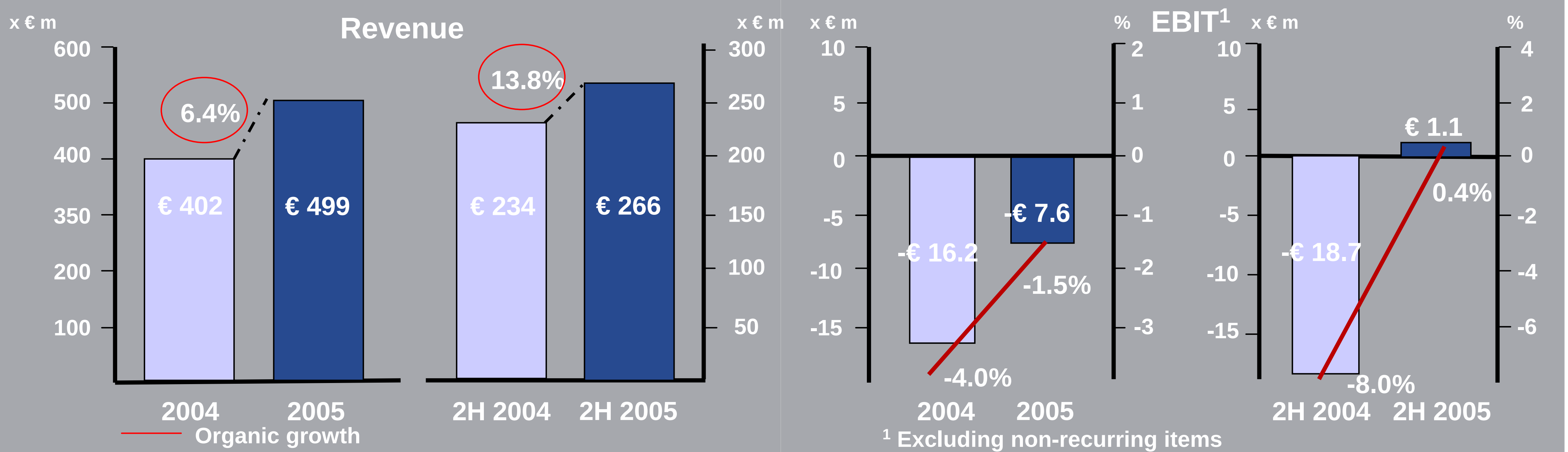
Draka Cableteq – Main topics

- Special-purpose cable segment main growth driver, but market circumstances in low-voltage cable improved in 2H 2005
- Geographical presence expanded, focussing on emerging markets and specialty cable segments
- Rise in raw material prices accelerated again in 2H 2005; resulting pressure on margins reduced by higher management attention
- Fundamental change in Draka's organisational structure contributed to profitability and gained momentum in 2H 2005
- Stop, Swap & Share project on schedule. Annual cost savings of c.€ 15 million expected to be achieved from 2006 onwards

Draka



- Organic growth 6.4% in 2005, fully achieved in 2H 2005 (13.8%)
- EBIT positive in 2H 2005 (€ 1.1 million) after 12 months of losses
- Volume growth and integration programme drove improvement in results; lower average selling prices and higher raw material prices (copper and polymers) continued to depress results

Draka Comteq – Main topics

- Communication cable market experienced healthy growth in 2005; optical fibre segment showed strongest performance (+ c.12-13%)
- Draka Comteq maintained its position of market leader in Europe and China and became no. 3 in the US
- After restarting part of the optical fibre production in Claremont, North Carolina, Draka Comteq expanded and further optimised its organisation in North America making it possible to respond more effectively to local customer requirements
- Integration programme finalised and industrial synergies realised (excl. YOFC); this supported results in 2005 by € 19 million and € 6 million respectively

Financial position

Main topics

- Operating cash flow substantially improved to € 98 million (2004: minus € 13m) driven by sharp increase in operating result and reduction in operating working capital (€ 83 million)
- Operating NWC lowered to 21.3% (2004: 27.3%); partly due to positive contribution by dedicated task force set up in 2Q 2005
- Shareholder's equity declined 19%, mainly due to reclassification of preference shares (IAS 32/39)
- Net interest-bearing debt (excl. preference shares) sharply lowered to € 286 million (€ 96 million reduction) driven by strong free cash flow

Cash flow statement

(x €m)	FY 2005	FY 2004	2H 2005	2H 2004
EBIT[1]	38	21	26	(1)
Depreciation	58	60	31	32
Working capital	55	(51)	82	(17)
Others (interest, tax, provisions)	(53)	(43)	(13)	(16)
Operating cash flow	98	(13)	126	(2)
Dividend	(9)	(10)	-	(1)
CF from Investments	(20)	8	(28)	14
Free cash flow	69	(14)	98	12
CF from Financing	(88)	15	(118)	(12)
Net cash flow	(19)	1	(20)	0

[1] Excluding non-recurring items of € 7.1m negative in 2005 (€ 25.2m negative in 2004); € 23.0m negative in 2H 2005 (€ 23.1m negative in 2H 2004)

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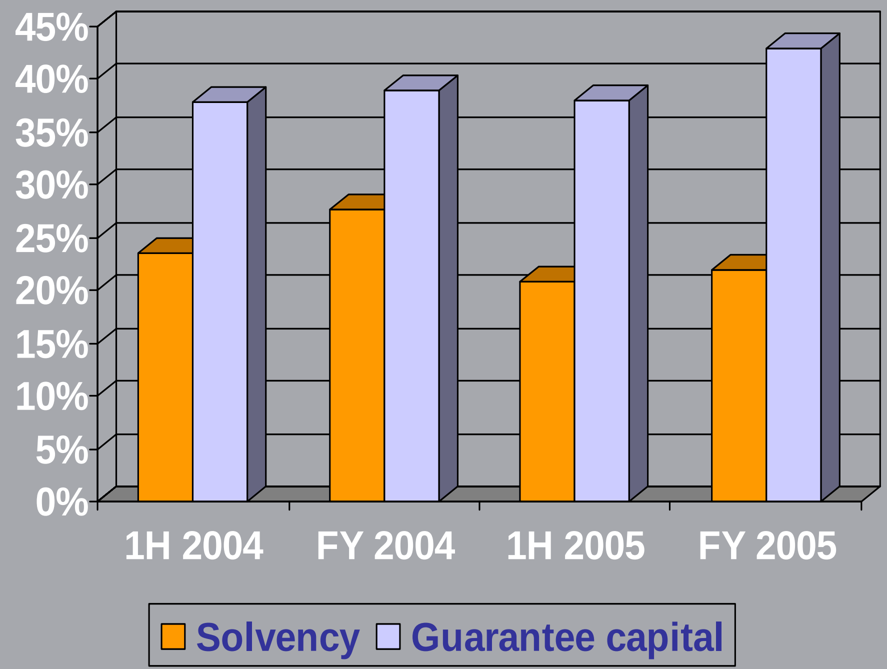
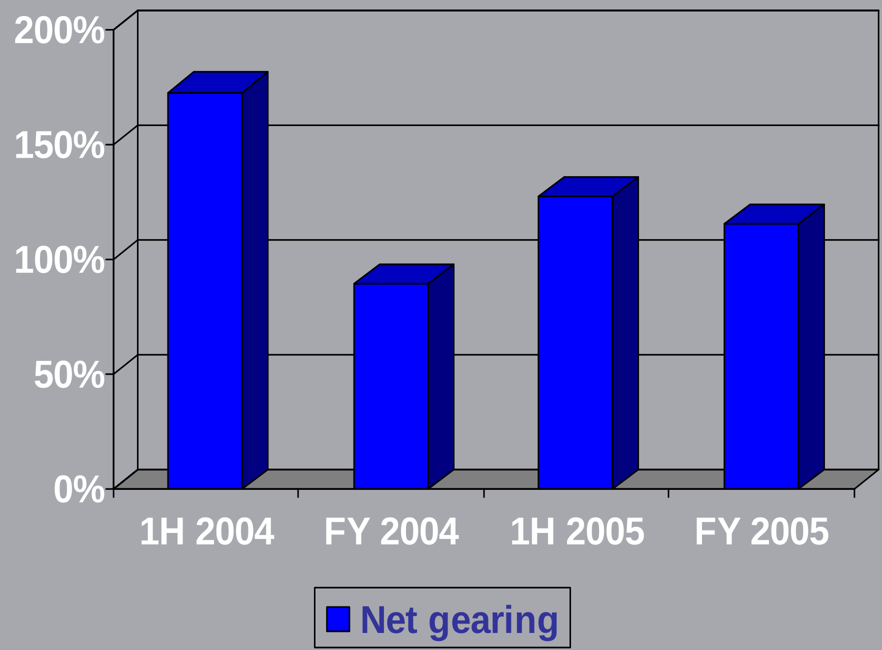
Investments & depreciation

(x €m)		2005	2004
Draka Cableteq	- Investments	36	22
	- Depreciation	43	40
Draka Comteq	- Investments	13	5
	- Depreciation	15	20
Total	- Investments	49	27
	- Depreciation	58	60

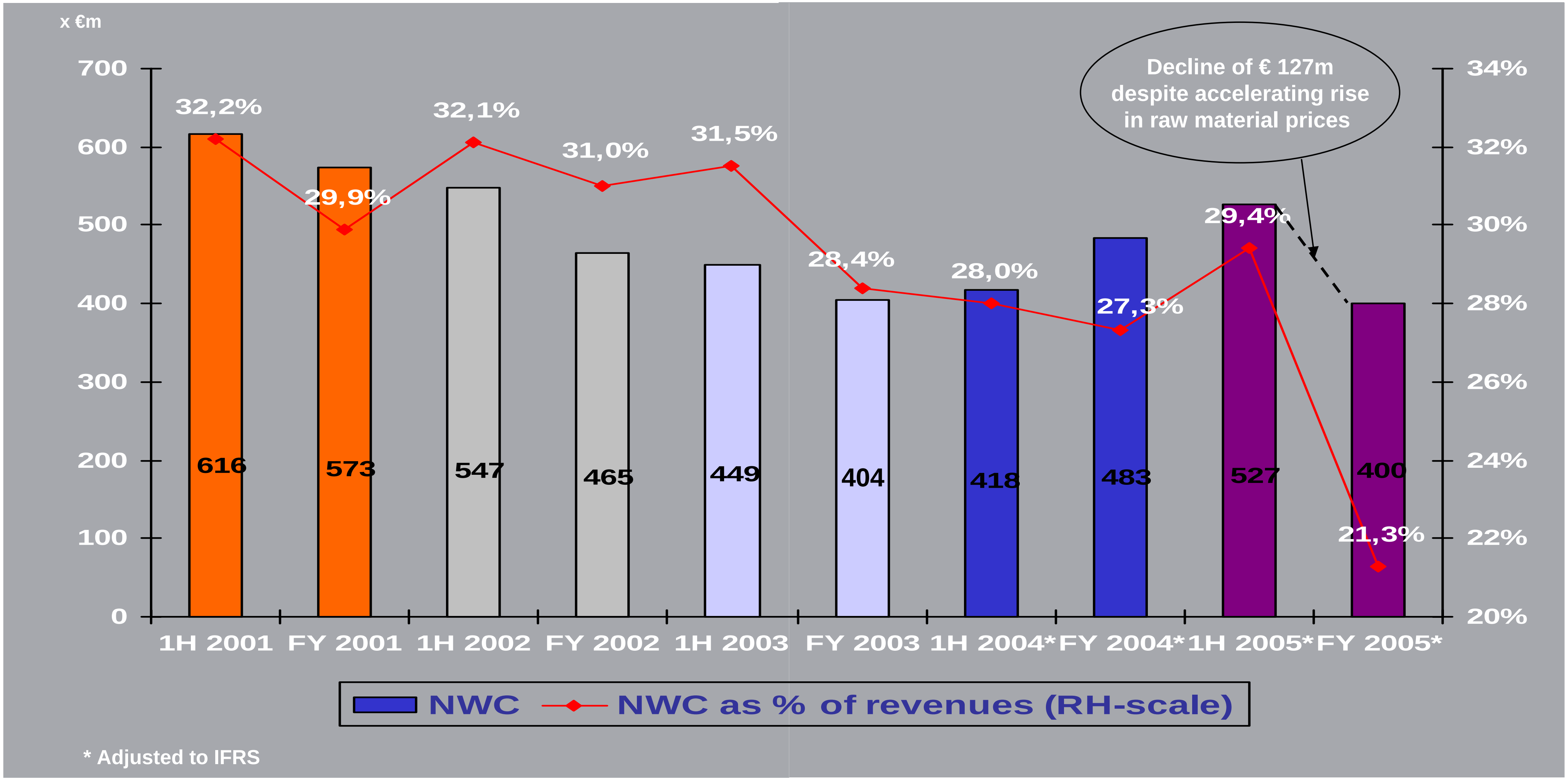
Balance sheet ratios



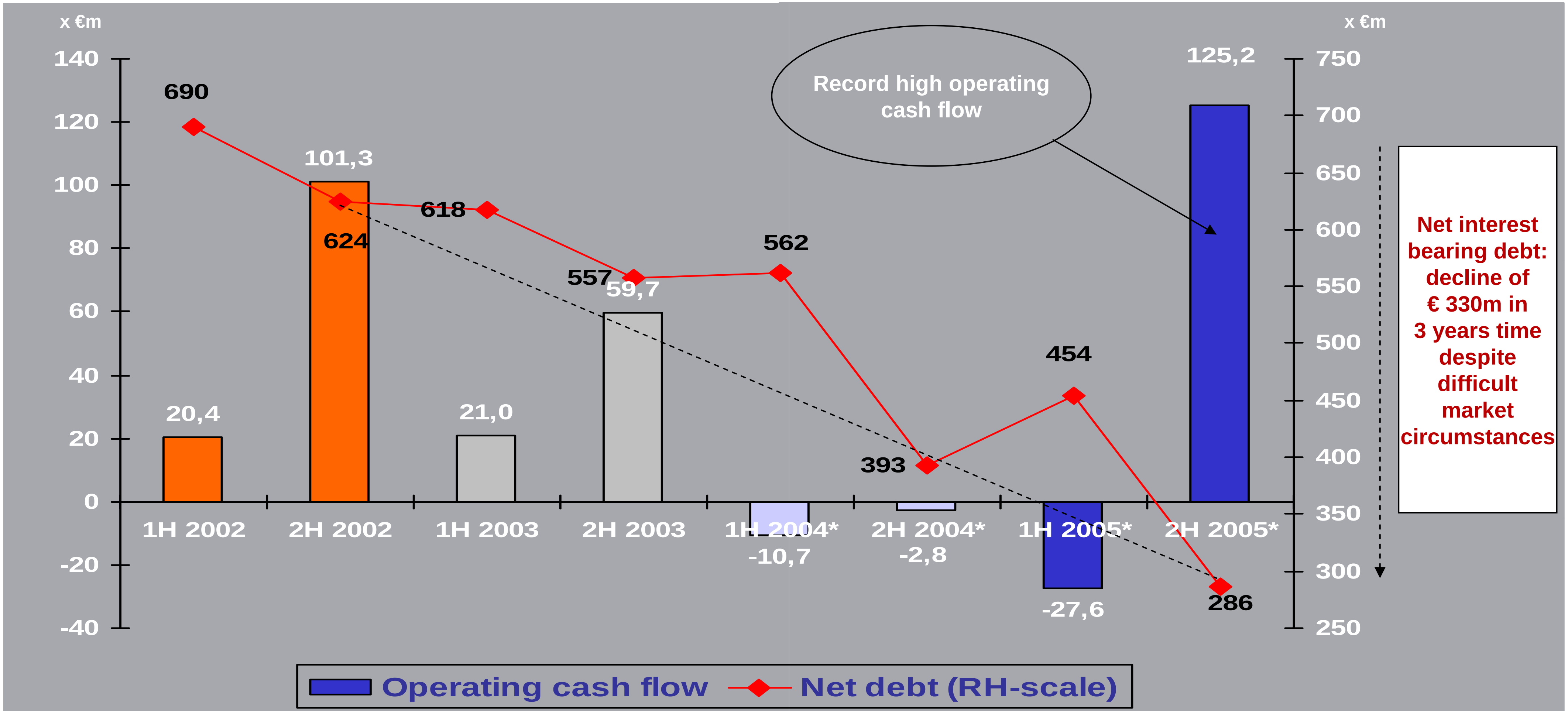


- Solvency & net gearing deteriorated in 2005 due to reclassification preference shares
- Guarantee capital improved thanks to refinancing project finalised in 2H 2005

Operating working capital



Operating cash flow & Net interest-bearing debt



*Adjusted to IFRS

Net debt: all figures excluding preference shares

Outlook for 2006

- Market conditions in Western-Europe anticipated to improve
- Volume growth expected; Continuing good performance in specialty segments, while low-voltage segment is improving
- Continued management focus to address the volatile raw material prices
- Stop, Swap & Share project, started in 2H 2005, well on track. Expected to be finalised in 1H 2006. Annual cost savings of € 15 million expected as from 2006 onwards

- Growth of the global communication cable market expected to be in line with 2005
- Fibre market growth of c.10% and stable copper cable market expected
- Draka Comteq expects to exceed market growth, thereby strengthening its market position
- Fibre pricing expected to remain stable

- Draka well positioned organisationally to benefit in full from further market recovery. Progress is expected to be made towards achieving Draka's strategic objectives for 2007
- Objectives for 2006 in accordance with Draka’s new strategic focus ‘Building future growth’:
  - Further strengthening of marketing organisations with emphasis on special-purpose cable segment with the aim of stimulating organic growth
  - Continuation of policy to strengthen Draka’s organisation
  - Ongoing investment in R&D: emphasis on introduction of new innovative products
  - Continuation of programmes aimed at greater focus at production facilities
  - Stabilising operating working capital ratio at current level
  - Achievement of optimum free cash flow. Investments expected of c.€ 45 million, around 80% of depreciation

Q & A