–PRESS RELEASE–

– TRADING UPDATE –

DRAKA EXPECTS AN OPERATING RESULT IN THE RANGE OF € 130-135 MILLION AND A NET RESULT OF SOME € 80-85 MILLION FOR 2008 (BOTH BEFORE EXCEPTIONALS)

FOCUS ON FURTHER REDUCTION OF COST BASE AND MAXIMISING CASH FLOW

- **Operating result excluding non-recurring items[1] expected to be approximately € 130-135 million in 2008 compared with € 145.7 million in 2007**
- **Result for the year excluding non-recurring items[2] expected to be some € 80-85 million as against € 85.3 million in 2007**
- **Progress in 2nd half 2008 hampered by effects of financial turmoil; impact particularly noticeable on automotive and construction-related businesses. Increasing demand in optical fiber cable is offset by decline in copper telecom cable. Draka's industrial-market activities still performing as strongly as ever**
- **Triple S programmes announced earlier this year, which will cost € 30 million, are on track; cost savings estimated at around € 15 million from 2010 onwards, with as much as € 10 million saved in 2009**
- **Operating working capital as a percentage of revenues expected of 16-18% (2007:16.1%)**
- **Reduction of net debt of at least € 50 million relative to 1st half 2008, supported by positive cash flow**

Amsterdam, 14 November 2008 – This trading update for 2008 has been published by Draka Holding N.V., one of the world's leading cable manufacturers for low-voltage cable, cable for OEMs and communication cable, in advance of the publication of the results for the year on Wednesday, 25 February 2009 (before the start of trading).

Commenting on the results expected for 2008, Sandy Lyons, Chairman and CEO of Draka Holding N.V., said, *'Considering the seriousness of the situation in the financial markets, the consequences of which we have felt in the second half of 2008, we believe Draka has performed relatively well.*

As we look ahead, we will closely monitor the potential for continued deterioration in the world economy and we are prepared for any further near term contractions. As we address these shifting market conditions our focus is on our customers, our cost position, and our cash position. To this end, we will remain dedicated to our customer partnerships, continue to optimize our organization, and pursue reductions in our operating costs and working capital.

Our priority is on strengthening our financial position to ensure we remain in a leading position both during and following the current cycle. Given our clear strategic objectives, the strong foundation of the company, our commitment to our customers, and our sound operational base, we remain confident in Draka's position and future development.'

[1] The gross non-recurring items in 2008 will amount to around € 25 million negative. No non-recurring items were reported in 2007.
[2] The net non-recurring items in 2008 will amount to around € 12.8 million negative. In 2007, the figure was € 7.7 million positive.

Draka group

Forecast result
Draka expects to achieve an operating result of approximately € 130-135 million in 2008 (2007: € 145.7 million) and a result for the year of some € 80-85 million (2007: € 85.3 million), both excluding non-recurring items. Including non-recurring items, the operating result is expected to come in at around € 105-110 million with a result for the year of around € 67-72 million.

Non-recurring items
The non-recurring items concern a provision of approximately € 25 million for the cost-saving measures announced earlier this year. These measures relate to the Energy & Infrastructure Europe division, in which Draka intends to close the plant in Llanelli (UK), and the Automotive & Aviation division, in which the plant in Vigo (Spain) will be closed. There will also be further optimisation of this division's plant in Wuppertal (Germany). Finally, in the Communications Group, various efficiency measures will be implemented in the European plants to further reduce the cost base.
In addition to the provision of approximately € 25 million, a net tax gain of € 6.2 million, recognised in the first half of 2008, will also affect the exceptionals. The only non-recurring item in 2007 was a net tax gain of € 7.7 million.

Developments
The forecasted decline in the operating result in 2008 is attributable to the developments in the second half of the year, with the downturn in the global economy affecting Draka's automotive and construction-related activities. Draka's activities for the industrial and manufacturing sectors, such as oil and gas, renewable energy and elevators, continue to perform as well as ever. Moreover, demand for optical fiber cable remains healthy within the Communication Group. Overall, volume in 2008 is expected to show a modest decline. The sharp fall in the price of copper during the second half of the year will have a limited adverse effect on results, owing to adjustments in market prices. Furthermore, higher prices of other raw materials (mainly polymers) will result in margin pressure. Finally, unfavourable currency movements (particularly of the US dollar and sterling) relative to the euro are expected to have a negative impact of around 5% on Draka's operating result.

Cost savings
Mitigating the above adverse effects, a further improvement in the product mix and various cost control programmes will have a positive effect on results. The contribution made by these cost-saving and optimisation programmes in 2008 is expected to be about € 10 million, which is in line with Draka's previous indications. These savings are entirely down to the Stop, Swap and Share (Triple S) programme within the Communications Group (Cable Solutions EMEA division).
The new programmes announced earlier this year are on track to achieve savings of approximately € 10 million in 2009.

Energy & Infrastructure

Profile
The Energy & Infrastructure Group accounts for approximately 39% (or € 1.1 billion in 2007) of Draka's total revenue, with a product portfolio comprising low-voltage and medium-voltage cable, ranging from installation cable to instrumentation cable, fire-resistant cable and halogen-free cable.

The Group has three divisions -- Europe, Australasia and Greater China -- the largest of which is Europe, which accounts for approximately 85-90% of the Group's revenue. Analysed by application, approximately 30% of sales relates to housing construction and approximately 40% to construction of industrial/commercial buildings, with the remaining 30% relating to infrastructure.

Developments
The markets in which Energy & Infrastructure is active in Europe showed a further weakening in the second half of 2008, with the exception of infrastructure and industrial installations. A substantial drop in demand was seen in Spain and the United Kingdom in particular, mainly in the housing market. In the other parts of Europe where Draka is active, such as Scandinavia and the Benelux countries, market conditions declined (< 5%) compared with the first half of 2008.

In the infrastructure and industrial markets, the situation is more encouraging, with demand for cable continuing to grow in the majority of European countries.

Draka is responding actively to the changing market conditions. Firstly, the strategy is aimed at further improving the product mix, with ongoing promotional campaigns for halogen-free cable and fire-resistant cable as well as a focus on special applications in, for example, installations for renewable energy. Efforts are also being made to secure a greater share of the infrastructure and industrial markets. Finally, production capacity will be tailored if necessary to changes in the market. This will involve reducing the temporary labour content in the workforce and cutting the number of shifts worked in factories.

Asia, too, is feeling the effects of the global economic downturn. Despite this, investment in infrastructure and also in industrial and commercial projects (shopping centres, hospitals, schools etc.) continues at a high level. The Australasia and Greater China divisions are benefiting from these favourable market conditions in the region.

Expected results
Draka Energy & Infrastructure is expected to report a modest (2-4%) volume decline in 2008, with the operating result, excluding non-recurring items, showing a marked decrease (7-12%) compared with 2007. In 2007, Draka Energy & Infrastructure posted revenue of € 1,107.5 million, with an operating result of € 82.2 million.
The forecast downturn in results is due to lower capacity utilisation in the manufacturing facilities and slightly lower market prices. These downside aspects are mitigated by an improvement in the product mix and further production optimisations, enabling the operating margin to be maintained at a relatively high level.

Industry & Specialty

Profile
The Industry & Specialty Group accounts for approximately 36% (or € 1.0 billion in 2007) of Draka's total revenue and is made up of five divisions supplying (client specific) cable to numerous original equipment manufacturers (OEMs), many with worldwide operations.

The five divisions are: Industrial, accounting for approximately 35% of the group's revenue, which supplies cable and accessories for oil platforms, ships, machinery and equipment, the mining industry and renewable energy applications such as wind power and solar energy; Automotive & Aviation, which generates approximately 35% of the group's revenue and ranks number one in the world as an independent supplier of advanced cables for the automotive industry and supplies around 50% of Airbus' cable requirement; Elevator Products, which generates approximately 10-15% of the group's revenue and supplies cable and accessories for the elevator industry; Cableteq USA, also accounting for around 10-15% of the group' s revenue, which supplies cable to the defence industry, for infrastructure applications and for irrigation systems; and, finally, Wire & Cable Assemblies, accounting for less than 5% of the group's revenue, which produces cable harnesses for agricultural machinery and other applications.

Developments
Within the Industry & Specialty Group, the Industrial division continues to perform as well as ever. The significant growth is driven mainly by the renewable energy, mining and materials handling segments in America, India, China and the rest of the Asia-Pacific region. The investment projects in submarine cable and in expanding the cable capacity for wind turbines are proceeding according to plan. The wind turbine cable project will come on stream in the fourth quarter of 2008 and will start contributing to profits from 2009 onwards.

The Automotive & Aviation division is facing a substantial drop in demand as a result of the fact that various car manufacturers around the world recently shut down production for a certain period. Partly as a result of these developments Draka already announced the closure of the plant in Vigo (Spain). Production capacity has also been reduced by introducing short-time working in the various factories. Draka is currently considering what action to take if the current market conditions persist. The aviation activities (cables for Airbus) continue to perform well.

Elevator Products and Cableteq USA are expected to post excellent results. Elevator Products is profiting from the strong growth in China and from the acquisition of DeBiase Lift Components s.r.l. (Italy) at the beginning of 2008. DeBiase has considerably strengthened the position of Elevator Products in Europe and is also contributing to profits. The results of Cableteq USA are benefiting from the good demand from the defence industry and as a result of infrastructure investments. Finally, the Wire & Cable Assemblies division is being adversely affected by the reduced propensity to invest in heavy equipment.

Expected results
The substantial drop in the worldwide car production in the second half of 2008 means that the Automotive & Aviation division will report a significant reduction in volume for 2008 and this will depress volumes for the Industry & Specialty Group as a whole, despite the strong performance of the Industrial and Elevator Products divisions in particular. Draka Industry & Specialty is expected to post a flat volume development and a modest increase (2-4%) in operating result, excluding non-recurring items, compared with 2007. In 2007, Draka Industry & Specialty achieved revenue of € 1,000.7 million and an operating result of € 56.9 million. The sharp drop in the results of Automotive & Aviation and the adverse currency translation effects are expected to be balanced by the excellent results achieved by Industrial and Elevator Products, leading to an overall improvement in product mix and operating margin.

Communications

Profile
The Communications Group, which accounts for around 25% of Draka's revenue (around € 700 million in 2007), specialises in supplying optical fiber, cable and complete solutions for the communications infrastructure market, with sales concentrated in Europe (approximately 80% in terms of revenue) and the remaining 20% roughly equally divided between the USA and Asia.

The four divisions are: Cable Solutions EMEA, accounting for around 75% of the group's revenue, which supplies cable solutions (both copper and optical fiber) for broadband infrastructures and multimedia applications; Cable Solutions Americas, which supplies optical fiber and fiber cable solutions for telecommunications networks in America; Mobile Networks, which supplies complete antenna line products for mobile telephone base stations; and Optical Fiber, which develops and produces optical fiber products for the optical fiber market, which are used both within the Communications Group and sold to third parties.

Developments
The telecommunications cable market continues to be driven by the sustained growth in the optical fiber market. Entirely in line with Draka's expectations, the optical fiber market will have grown by around 9% in 2008. This growth is largely on the back of the strong increase in demand in Europe, USA and in Asia. In this environment, optical fiber prices are stable in US$, with limited upward adjustments in some regions. As regards the cable activities, the market continues to be characterised by intense competition and pressure on selling prices.

Draka Communications continues to benefit from the positive developments in the optical fiber market, achieving volume growth largely thanks to fiber-to-the-home contracts in Europe and US. In view of the good market conditions, the company is continuing its policy of being more selective in the new contracts which it takes on.

In contrast to the optical fiber segment, the falling demand for copper telecommunication cable in Europe is accelerating. Draka is maintaining its position in this market, however.

For data communication cable, demand in the second half of the year is expected to weaken, following modest growth (around 3%) in the first half. The downturn is due to the reduced construction activity. On the positive side, Draka is benefitting from a favourable product mix as demand for 10 gigabit applications is increasing requiring higher end cable products (and margins).

In the field of mobile network cable, demand shows a limited decline. The fall in the Western European market continues and demand in Asia (Indonesia and India) and Eastern Europe shows signs of weakening.

Within the Communications Group, too, efficiency measures have been announced affecting various plants in Europe. These measures are currently being implemented and are aimed at reducing overheads and adjusting production capacity, particularly in the case of copper telecommunication cable, to the current market conditions.

Expected results
Draka Communications is expected to report modest fall in volume (2-4%) in 2008, with the operating result, excluding non-recurring items, showing a significant decrease (12-20%) compared with 2007. Draka Communications achieved revenue of € 708.0 million in 2007, with an operating result of € 21.3 million. The positive effects, such as volume growth in the optical fiber activities and cost savings (approximately € 10 million) will be offset by the accelerated decline in the demand for copper telecommunication cable, the pressure on cable prices and the adverse effects of inventory revaluation and deterioration in the dollar/euro exchange rate for Draka's European optical fiber activities.

Working capital

Following the relative stability of the price of copper in the first half of 2008 compared with the corresponding period in 2007, the second half of the year has been experiencing a significant fall (with the price bottoming out for the time being at € 3,000/mt). This and other factors, in addition to the usual seasonal pattern in which working capital decreases in absolute terms in the second half of the year, have the effect of reducing the absolute level of operating working capital. Because the lower price of copper is also reflected in Draka's revenue, operating working capital as a proportion of revenue is expected to be in the range 16-18%, compared with 16.1% in 2007. The efforts of the special working capital task force will be continued with equal vigour in 2009.