–Press release–
Amsterdam, 25 February 2009

2008 FULL-YEAR FIGURES

OPERATING RESULT € 133.1 MILLION AND NET RESULT € 83.5 MILLION (BOTH EXCLUDING NON-RECURRING ITEMS[1]), IN LINE WITH EARLIER FORECASTS

COMPREHENSIVE MEASURES IN PLACE TO MANAGE PROFITABILITY AND SECURE FINANCIAL POSITION

(€ million, unless stated otherwise)	2008	2007	Δ%
Revenue	**2,706.8**	2,816.2	**(4)**
EBITDA, excluding non-recurring items	**189.6**	198.2	**(4)**
Operating result, excluding non-recurring items	**133.1**	145.7	**(9)**
Operating result	**86.4**	145.7	**(41)**
Result for year, excluding non-recurring items	**83.5**	85.3	**(2)**
Result for year	**69.3**	93.0	**(25)**
Non-recurring items			
- Provision for Triple S projects	(25.6)	-	
- Write-down of inventory to net realisable value	(21.1)	-	
Total gross non-recurring items	**(46.7)**	-	
- Book profit on repurchase of convertible bonds	12.6	-	
- Tax gain and tax effect on non-recurring items	27.9	7.7	
- Inventory revaluation at associate OCI	(8.0)	-	
Total net non-recurring items	**(14.2)**	7.7	
EPS, excluding non-recurring items (€)[1,2]	**2.18**	2.25	**(3)**
Proposed dividend per ordinary share (€)	**-**	0.68	
Cash flow from operating activities	**97.6**	65.2	**50**

- **Revenue in 2008 down 3.9% driven by lower volume and lower copper prices.**
- **Operating result in 2008, excluding non-recurring items, € 133.1 million (–8.6%); decrease mainly due to lower volumes, price pressure and exchange effects.**
- **Result for period, excluding non-recurring items, € 83.5 million (–2%); EPS € 2.18. Proposal not to distribute dividend on ordinary shares for 2008.**
- **Operating working capital improved further to 14.4% of revenue (2007: 16.1%). Cash flow from operating activities up 50% to € 97.6 million.**
- **Comprehensive programme to cut costs and secure financial position. Cost savings of around € 25 million in 2009, € 15 million more than previously indicated. Further reduction in working capital and investments of around 50% of amortisation and depreciation.**

Commenting on the figures, Sandy Lyons, Chairman and CEO of Draka Holding N.V., said: '*Against the background of the significantly worse market conditions in the fourth quarter, we are pleased that the result has turned out in line with our earlier forecasts. However, the current economic turbulence means that the outlook is more uncertain than ever. The downturn in some end-user markets is likely to be steeper than predicted. In this challenging market climate, we shall continue to focus on pursuing our strategic objectives, which include cost reduction and capital discipline.*'

[1] Gross non-recurring items were € 46.7 million negative and net non-recurring items were € 14.2 million negative in 2008. Net non-recurring items in 2007 were € 7.7 million positive.
[2] Per ordinary share after preference dividend of € 5.4 million.

2008 highlights

- **Revenue** in 2008 was down 3.9% compared with 2007, at € 2,706.8 million, reflecting the sharp fall in the price of copper in the second half of the year (effect on revenue –1.9%), lower volume (–1.7%) and adverse exchange-rate effects (–2.4%). Acquisitions and consolidations added 2.1%.

- The **operating result, excluding non-recurring items,** was down 8.6% at € 133.1 million, due to the lower volume, which translated into lower capacity utilisation, a more difficult price environment and adverse exchange-rate effects. Cost savings of € 10 million were not sufficient to compensate fully for this downturn. At constant exchange rates, the operating result excluding non-recurring items was € 140.9 million (–3.3%).

- The **operating margin** contracted a little to 4.9%, compared with 5.2% in 2007. The Industry & Specialty Group's margin improved to 6.2% (2007: 5.7%), but margins in the Energy & Infrastructure and Communications Groups fell to 6.8% (7.4%) and 2.8% (3.0%), respectively.

- Including **gross non-recurring items**, the operating result was 40.7% lower at € 86.4 million. The non-recurring items were the provision for Triple S projects (€ 25.6 million) and the write-down of inventory to net realisable value (€ 21.1 million) to reflect the sharp fall in the copper price in the second half of 2008.

- The **Triple S projects** announced in 2008 related to the closure of the Automotive & Aviation division's plant in Vigo (Spain) and the Europe division's plant in Llanelli (UK). Various projects were also undertaken to raise efficiency in the Communications Group.

- **Further cost-saving measures** were implemented in the second half of 2008 in response to the deteriorating market conditions, including a moratorium on recruitment and investment since the summer of 2008 and reductions in staffing levels in all operating activities. As a consequence of these measures and the Triple S projects, the number of employees will be reduced by 1,150 or 10.5% of the total. The cost savings are expected to total € 25 million in 2009, which is € 15 million higher than previously forecast.

- The **result for the year excluding non-recurring items** was 2.1% lower at € 83.5 million, equating to earnings per share of € 2.18 (–3.1%).

- It is proposed not to distribute a **dividend on ordinary shares** for 2008.

- The **result for the year, including non-recurring items,** was 25.5% lower at € 69.3 million. The net non-recurring item, amounting to € 14.2 million negative, was the product of the two non-recurring charges referred to above (€ 35.0 million net), the book profit (€ 12.6 million) realised by Draka on the repurchase of part (74.2%) of the outstanding convertible bond loan, tax income (€ 16.2 million) and the negative effect of the inventory revaluation (€ 8.0 million) at Draka's associate Oman Cables Industry in Oman.

- The **operating working capital** decreased significantly to 14.4% of revenue (2007: 16.1%). Cash flow from operating activities rose sharply to € 97.6 million (2007: € 65.2 million).

- **Net debt** fell to € 498 million, down € 54 million compared with 2007. The covenant ratio net debt / EBITDA was 2.75, below the maximum of 3.5.

- **Outlook for 2009:** given the global economic downturn and its impact on industrial activity, volume on the global cable market is expected to show a marked fall. The prices of the main raw materials (copper and polymers) will remain volatile. Draka will continue to focus on cutting costs and reducing its debt position by exercising capital discipline and maximising free cash flow.

Cost reduction and capital discipline

The global economic downturn which gained pace in the second half of 2008 had repercussions for the cable industry. Draka responded effectively at an early stage to the decline in market demand, by further reducing the cost base and maximising the free cash flow.

Cost reduction

Triple S programme
New projects were announced by Draka in the summer of 2008 as part of the Triple S (Stop, Swap and Share) programme which the company has been running for several years in its sustained drive to further reduce its cost base. They related to the closure of the Energy & Infrastructure Europe division's copper wire plant in Llanelli (UK) and the Automotive & Aviation division's cable factory in Vigo (Spain) and optimisation of the latter division's plant in Wuppertal (Germany). Efficiency-raising measures were developed within the Communications group with the aim of reducing the overhead at various plants in Europe. These measures were implemented in the second half of last year and will be completed in the first half of 2009. Triple S is an ongoing programme at Draka, aimed at achieving and/or maintaining cost leadership in all segments in which the company is active.

Additional measures
Draka has taken additional steps to match capacity throughout the company to the market conditions. They include:

- a global moratorium on recruitment since July 2008;
- a significant reduction in the use of temporary staff;
- shorter working hours in some European countries;
- a reduction in the number of permanent staff in connection with the cut-back in shift working.

Consequences for human resources
As a result of the measures referred to above, the number of employees was reduced by around 600 in the second half of 2008 (5.5% of Draka's total workforce in mid-2008). Because most of the programmes run into 2009, the number of employees is expected to fall by a further 550 in the first half of 2009, taking the total reduction to 1,150, or 10.5% of Draka's total workforce.

Projected cost savings
Annual cost savings of around € 40 million are expected, which will be realised in full in 2010. The bulk of the savings – some € 25 million, or € 15 million more than previously forecast – will be achieved in 2009.

Maximising free cash flow

Working capital
Cash flow from operating working capital amounted to € 60 million in 2008. Thanks to the actions taken, including negotiating longer payment terms with its main raw material suppliers and reducing inventory levels, Draka expects to reduce working capital by around € 50 million in 2009, assuming no change in market conditions and excluding operational performance.

Investments
The moratorium on investment that Draka imposed in July 2008 will continue in 2009, which means that only essential investments will be undertaken. The exception is the special submarine cable investment project, which will be continued because the outlook for that cable segment is still good. As a result of these measures, investments amounted to only € 59 million in 2008, which was € 11 million less than had been envisaged at the beginning of the year. The total investment budget for 2009 is approximately € 28 million, around 50% of the amortisation and depreciation.

Annual results 2008

General
The worldwide financial crisis which manifested itself in 2008 inevitably had repercussions for the global cable market. After growth of around 2% in the first half of 2008, the second half saw world demand for cable fall at least 3% (in volume terms, based on constant exchange rates and copper prices), so cable market volume showed a marginal decline over the year. The growth was driven entirely by emerging markets. The North American market recorded negative growth of around 8%, while demand in Western Europe fell around 3%. At product level, two segments contributed to the growth of the cable market, namely energy cable and optical fiber cable.

Revenue
Draka's revenues in 2008 totalled € 2,706.8 million, down 3.9% compared with 2007. Revenues were adversely affected by exchange-rate movements and the sharp fall in the copper price in the last six months of 2008. Acquisitions and consolidations, on the other hand, added 2.1 percentage points to revenues. The acquisitions were DeBiase Lift Components s.r.l. (Italy) and Nantong Zhongyao Mechanic Electric Co, Ltd (China), which had been acquired in 2007 and made a full year's contribution in 2008. Draka's interests in China, Draka Comteq SDGI Co Ltd (55%) and Yangtze Optical Fibre and Cable Co Ltd (53.1%), were fully consolidated following the acquisition of a 100% interest in Draka Comteq B.V. in December 2007.

On a like-for-like basis, excluding acquisitions, consolidations and exchange-rate effects, revenues were down 3.6%. This was due not only to lower volume (1.7 percentage points), but also to a lower average copper price (1.9 percentage points). The fall in the copper price had a negative effect because of the delay in passing on changes in raw material prices in the price of the cable products. The effect of exchange-rate movements was 2.4 percentage points negative, mainly reflecting the weakness of the US dollar and UK pound against the euro.

(€ million)	**2008**	**2007**	**H2 2008**	**H2 2007**
Revenue				
Energy & Infrastructure	1,024.0	1,107.5	464.4	541.6
Industry & Specialty	960.0	1,000.7	463.3	501.7
Communications	722.8	708.0	372.6	356.6
Draka total	2,706.8	2,816.2	1,300.3	1,399.9
Operating result[1]				
Energy & Infrastructure	69.5	82.2	26.7	42.3
Industry & Specialty	59.2	56.9	27.5	28.1
Communications	20.5	21.3	9.8	12.0
Unallocated	(16.1)	(14.7)	(6.6)	(7.2)
Draka total	133.1	145.7	57.4	75.2

[1] Excluding non-recurring items. In 2008 there was a total non-recurring charge of € 46.7 million. No non-recurring items were reported in 2007.

Operating result
On a like-for-like basis – excluding non-recurring items – the operating result was 8.6% lower at € 133.1 million, compared with € 145.7 million in 2007. The operating result, including non-recurring items, in 2008 amounted to € 86.4 million, down 40.7% compared with 2007 (€ 145.7 million). The operating result includes a non-recurring charge of € 46.7 million. This relates to a provision of € 25.6 million for Triple S projects within Draka's three Business Groups, necessitated by two plant

closures, measures to reduce overheads, and a charge of € 21.1 million in respect of writing-down inventory to the net realisable value to reflect the sharp fall in the copper price in the second half of the year. No non-recurring items were recognised in 2007.

Operating margin

The operating margin – the operating result as a percentage of revenues – was slightly lower at 4.9% (2007: 5.2%). The margin was adversely affected by the reduction in volume, which translated into lower capacity utilisation at Draka's plants, more difficult pricing environment due to the rapidly deteriorating market conditions in the second half of 2008 and adverse exchange-rate effects. Positive factors, including a further improvement in the product mix and the effects of the Triple S and other efficiency improvement programmes, helped to moderate the negative factors but were not sufficient to offset them completely.

Other financial items

Net finance expense amounted to € 37.5 million in 2008, substantially lower compared with 2007 (€ 45.6 million). This item includes a book profit of € 12.6 million on Draka's bid for the € 100 million 4% convertible bond loan. Excluding this book profit, net finance expense amounted to € 50.1 million, an increase of 9.9% compared with 2007. The acquisition, for € 209 million, of the remaining 49.9% interest in Draka Comteq at the end of 2007 accounted for all of this increase.

The taxation item amounted to € 9.3 million positive. This includes the tax effect on non-recurring items (Triple S projects and inventory revaluation) of € 11.7 million and a tax income of € 16.2 million. This income was partly the result of an agreement reached by Draka and the Dutch tax authorities on several open issues relating to the 2004 financial year. The acquisition of a 100% interest in Draka Comteq also gave rise to a tax loss carry-forward. Adjusted for the above items, taxation amounted to € 18.6 million and the effective tax rate was 22.4% (2007: 29.3%).

The share in the profit of equity-accounted investees amounted to € 12.4 million (2007: € 15.5 million). The result was adversely affected by inventory revaluation at Draka's associate Oman Cables Industry in Oman. Excluding this revaluation, the share in the profit of equity-accounted investees would have been € 20.4 million.

Result for the year

The result for the year attributable to shareholders was € 69.3 million, down 25.5% compared with 2007 (€ 93.0 million). Excluding non-recurring items, the result was € 83.5 million, a decrease of 2.1% compared to 2007.

Basic earnings per share

After appropriation of the preference dividend (€ 5.4 million), basic earnings per ordinary share amounted to € 1.78, compared with € 2.46 in 2007. Excluding non-recurring items, basic earnings per ordinary share amounted to € 2.18, compared with € 2.25 in 2007. As at year-end 2008, there were 40,617,160 ordinary shares in issue. This represents an increase of 5,046,151 compared with 2007, which was due to the conversion of part (74.2%) of the convertible bond loan. The average number of ordinary shares in issue was 35,791,616.

Dividend proposal

It is proposed that no dividend on ordinary shares be paid in respect of 2008. In these difficult market conditions, Draka's focus is on maintaining a strong liquidity position. Capital discipline and the proposal to forego this year's dividend are consistent with this policy.

Energy & Infrastructure

Profile
The Energy & Infrastructure Group (E&I) accounts for approximately 38% (or € 1.0 billion in 2008) 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 E&I Group has two divisions -- *Europe* and *Asia Pacific* -- the largest of which is *Europe*, which accounts for approximately 85-90% of the E&I 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.

Highlights

- Sharp downturn in the housing market in the second half, with the market weakening in several Scandinavian countries as it had in Spain and the United Kingdom.
- Slowdown in commercial and industrial activity, especially in the fourth quarter.
- Contracting market demand exacerbated by a sharp fall in the copper price, causing customers to lower their inventory levels.
- Lower volume in 2008, in line with the market trend, but market share retained.
- Further cost-saving measures announced and implemented, including the closure of the copper wire plant in Llanelli (UK), which are expected to bring benefits in 2009.
- Focus still on new segments in the industrial, infrastructure and renewable energy markets.

Financial result

(€ million, unless stated otherwise)	**2008**	**2007**	**H2 2008**	**H2 2007**
Revenue	1,024.0	1,107.5	464.4	541.6
Operating result[1]	69.5	82.2	26.7	42.3
Operating margin (%)	6.8	7.4	5.7	7.8

[1] Excluding non-recurring items. There was a non-recurring charge of € 23.1 million in 2008. This related to the closure of the factory in Llanelli (UK) for € 9.4 million and a write down of inventory to net realisable value (€ 13.7 million). No non-recurring items were reported in 2007.

Draka Energy & Infrastructure Group revenue in 2008 was 7.5% lower at € 1,024.0 million. Of this decrease, 2.2% can be attributed to the reduction in volume. The remaining 5.3% reflects movements in the copper price (1.8%) and exchange-rate effects (3.5%).

The operating result, excluding non-recurring items, in 2008 was down 15.5% at € 69.5 million, due to lower capacity utilisation at Draka’s plants and slightly lower market prices. These adverse effects were offset to some extent by a further improvement in the product mix and additional production optimisation exercises, which helped to maintain the operating margin at a relatively good level. The fall in the price of polymers and other raw materials did not occur until the fourth quarter and came too late to compensate.

Analysis by division

Europe
The markets were relatively strong during the first 6 months of the year but suffered a sudden decline in the last quarter. The market slowdown in Southern Europe steepened further, particularly in Spain which continued to suffer the effects of overcapacity in the residential market, with a decline as high as 75%. This was joined by the collapse in the property market in the UK (-50%) and an economic downturn in the Nordic countries (-10 to -15%). However, the downturn in the UK has so far been largely compensated by industrial, infrastructural and commercial projects, and partial compensation in infrastructural and commercial projects has also been achieved in Spain.

Eastern Europe is less strongly affected by the downturn since growth there remained positive in the low single-digit range. Opportunities are also seen in the oil and (petro-) chemical industries, especially in the Middle East. This is at present the sector showing the strongest growth in projects, currently at double-digit level, and the outlook remains positive. The division aims to further strengthen its position in these markets to compensate for some of the decline in Europe. Overall, the lower volumes resulting from the economic downturn lead to increased pressure on prices.

Against the background of the market conditions outlined above, the *Europe* division's result was satisfactory. Despite the downturn in the second half of the year, the operating margin came close to the record set in 2007.

Asia-Pacific
After a strong first 9 months, Asian markets saw a sudden downturn in the last quarter, with many developers experiencing market slowdown. Governments have announced that they will push forward with major infrastructural projects to boost the economy.

Allowing for the completion of a major project in 2007 and the adverse exchange effects, the *Asia-Pacific* division's result was down slightly compared with 2007.

Industry & Specialty

Profile
The Industry & Specialty Group (I&S) accounts for approximately 35% (or € 960 million in 2008) of Draka's total revenue and is made up of four divisions supplying (client specific) cable to numerous original equipment manufacturers (OEMs), many with worldwide operations.

The four divisions are: *Industrial*, accounting for approximately 35% of the I&S 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 I&S 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 I&S Group's revenue and supplies cable and accessories for the elevator industry; and, finally, *Cableteq USA*, also accounting for around 10-15% of the I&S Group' s revenue, which supplies cable to the defence industry, for infrastructure applications and for irrigation systems.

Highlights

- Solid performance by Industry & Specialty Group, with operating result and profit margin again higher.
- Profit growth driven by strong performance of the Industrial and Elevator Products divisions; sharp fall in demand reported by Automotive & Aviation in the second half of the year.
- Automotive & Aviation restructures its operations in the face of historically bad market conditions, including closure of plant in Vigo (Spain).
- Good result by Industrial, thanks to strong growth in renewable energy sector.
- Elevator Products derives maximum benefit from its 'Extended Factory' business model.
- Cableteq USA's result built on strong position in market niches.

Financial result

(€ million, unless stated otherwise)	2008	2007	H2 2008	H2 2007
Revenue	960.0	1,000.7	463.3	501.7
Operating result[1]	59.2	56.9	27.5	28.1
Operating margin (%)	6.2	5.7	5.9	5.6

[1] Excluding non-recurring items. There was a non-recurring charge of € 20.3 million in 2008. This related to the closure of Automotive & Aviation's factory in Vigo (Spain) and optimisation in Wuppertal (Germany), in total € 14.1 million, and a write down of inventory to net realisable value (€ 6.2 million). No non-recurring items were reported in 2007.

Revenue of Draka's Industry & Specialty Group turned out at € 960.0 million in 2008, down 4.1% compared with 2007. As with the Energy & Infrastructure Group, revenues were adversely affected by exchange-rate movements (–1.9%). Volume was 1.1% lower and the movement in the copper price had a 2.9% negative effect on revenues. The two acquisitions, DeBiase Lift Components s.r.l. (Italy) and Nantong Zhongyao Mechanic Electric Co, Ltd (China), added 1.8% to revenues.

Despite the lower volume and adverse exchange-rate effect, the operating result excluding non-recurring items was 4.0% higher at € 59.2 million. The excellent performance by the Industrial division and the improved results posted by Elevator Products more than compensated for the disappointing results from Automotive & Aviation. Significant improvements to the product mix resulted in a higher operating margin. Cost savings from the restructuring exercise at Automotive & Aviation had only a modest effect in 2008 and are expected to accrue mainly in 2009.

Draka

Analysis by division

Industrial

Business in the division was strong in all areas during most of the year with well over 10% growth in most segments. There was a significant slowdown in the last quarter, mostly in the OEM segment and among wholesalers. The marine, oil & gas business also showed a slight slowdown, with fewer new projects. The wind power market continued its strong growth at around 40% year on year, although this segment too slowed down somewhat towards year-end. The alternative energy market already accounts for around one-third of the division's sales and as global market leader the division has the clear goal of continuing its strong growth in this segment.
Strong current growth drivers are the markets in Asia (marine, oil & gas and renewables) and the USA (wind energy).

The *Industrial* division's result improved sharply, reflecting excellent performance in the renewable energy, mining and materials handling segments. The results in the oil and gas sector also picked up in 2008 after a flat first half.

Automotive & Aviation

After a limited decline in the first six months of the year, the second half of 2008 saw a sharp downturn in the automotive industry. Overall, demand was down by around 20-30% in the last six months, with all manufacturers announcing extensive end-of-year production breaks. Growth has also declined or fallen to zero in the emerging markets. Eastern Europe remained positive.
The good performance by the aviation business (cables for Airbus) helped to compensate for the declining automotive sales. Airbus is maintaining its capacity at the same level in 2009.

The *Automotive & Aviation* division's results were disappointing, dropping sharply compared with 2007. The major negative factors were the significantly lower volumes and the adverse exchange-rate movements (especially the US$/€ rate).

Cableteq USA

With its broad product and customer base, including a number of strong growth segments, *Cableteq USA* has a good level of resistance to the present economic downturn. The strongest of the division's niche markets is irrigation, which is driven by crop prices and growing biofuel demand. The utility market continues to grow with increasing numbers of wind farm and infrastructural projects and work on improvement of the power grid.
Cableteq USA's niche strategy proved its worth in 2008, matching the excellent result in local currency achieved in 2007.

Elevator Products

2008 was a successful year for *Elevator Products* with record sales and operating results. Although downturns in the global construction markets will have an impact, the division has focused on entering new product markets in the elevator and escalator industry to insulate them from the effect.
Elevator Products' market share declined somewhat, by their own design, because of the enlargement of the market served by introducing additional products such as operating panels and electronics from its companies in China. The positive effect of this development is that it creates opportunities for the division by adding extra products in these new niches. In 2008, 54% of product supplied was non-cable and this figure is expected to increase further to 57% in 2009.

Communications

Profile
The Communications Group, which accounts for around 27% of Draka's revenue (around € 720 million in 2008), 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: *Optical Fiber Cable Solutions*, accounting for around 35% of the Communications Group's revenue, which supplies optical fibre cable solutions for broadband infrastructures and multimedia applications; *Copper Cable Solutions*, accounting for around 43% of the Communications Group's revenue, which supplies copper cable solutions for telecommunications infrastructures and multimedia applications; *Americas*, which supplies optical fiber and fiber cable solutions for telecommunications networks in America; 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.

Highlights
- 10% growth in world optical fiber market to 130–135 million kilometres, largely due to rapid growth in Fiber To The Home (FTTH) projects in Europe.
- Sharp fall in demand for copper telecommunication cable in Europe in the second half of the year.
- Substantially lower operating result in second half of 2008 reflecting sustained pressure on selling prices in all market segments and lower copper telecommunication cable volume.
- Positive effects of Triple S and other cost-reduction programmes not enough to fully compensate the negative pressures on volumes and prices.
- Action taken to reduce overheads, resulting in a lower cost base in 2009.

Financial result

(€ million, unless stated otherwise)	2008	2007	H2 2008	H2 2007
Revenue	722.8	708.0	372.6	356.6
Operating result[1]	20.5	21.3	9.8	12.0
Operating margin (%)	2.8	3.0	2.6	3.4

[1] Excluding non-recurring items. There was a non-recurring charge of € 3.3 million in 2008, relating to various projects to raise efficiency in the Communications Group (€ 2.1 million) and a write down of inventory to net realisable value (€ 1.2 million). No non-recurring items were reported in 2007.

Revenues of Draka Communications Group amounted to € 722.8 million in 2008, an increase of 2.1% compared with 2007. The increase was due entirely to the consolidation of Draka's interests in China, Draka Comteq SDGI Co Ltd (55%) and Yangtze Optical Fibre and Cable Co Ltd (53.1%), following the acquisition of a 100% interest in Draka Comteq B.V. in December 2007. Excluding consolidation effects, revenues were 3.7% lower. The adverse effect on revenues of movements in the copper price and exchange rates was 0.7% and 1.2%, respectively. Volume was down 1.8%. The growth in optical fiber and optical fiber cable volume was offset by the fall in demand for copper telecommunication and data communication cable.

The operating result, excluding non-recurring items, was 3.8% lower at € 20.5 million (2007: € 21.3 million), reflecting the accelerating decline in demand for copper telecommunication cables, the pressure on cable prices and the effect of the weaker US$/€ exchange rate on Draka's European optical fiber activities. Cost savings of approximately € 10 million generated by the Triple S and other programmes were not sufficient to fully compensate for the lower result.

Analysis by market segment

Telecommunications

The decline in demand for copper cable is increasing, driven by the high price of copper. Fiber has become more competitive since early 2008 for cost reasons, and operators are accelerating the roll-out of fiber in their telecom networks. Fiber sales showed a healthy growth of around 10% overall. The main driver is the roll-out of FTTH, for example among all the major operators in Western Europe, which is strongly driving demand for fiber. Some market share was lost because of deliberate efforts to maintain price levels.

Sales for FTTH projects were also strong in the USA to both the established telecom operators and a host of smaller operators. Market share was gained in the USA in a market which grew at around 5% in volume terms. Strong demand also continued in Asia driven mainly by China with a growth of around 10%.

Draka Communications Group result was down slightly in 2008, due to the steep rise in material costs, the sustained pressure on selling prices and falling sales in the copper cable segment. The cost savings that had been achieved and the volume growth in the optical fiber cable activities were not sufficient to compensate fully for the negative factor.

Data communications

A key development in data communication is the current transition to 10 GB networks in data centres and office applications. This represents an opportunity to deliver added value in both fiber and copper cable products. At present, the product mix in the market is around 80% copper and 20% fiber in a market which declined slightly in 2008. Draka Communications Group is strongly positioned in these cables and their fiber-based equivalents in which it made further gains in market share during 2008.

Draka Communications Group posted a slight increase in result in the data communication cable segment, mainly driven by efficiency gains at the production plants.

Mobile networks

Demand in 2008 continued at approximately the same level as in the preceding year with a slight increase in growth in the Asia Pacific and Middle East regions. Shipments in Europe declined somewhat with some local expansion projects although most operators' networks have now been completed. Pressure on prices continues to be strong, particularly in the low-end segment, as Chinese suppliers expand and drive prices down.

Draka Communications Group successfully defended its market share in this segment, but the result was depressed by growing price competition.

Optical fiber

In line with the projections, the optical fiber market grew by around 10% in 2008, mainly reflecting the rising demand in Europe and Asia and rapid growth in emerging economies such as Brazil, India and Russia. Market share in optical fiber was gained globally, but especially in the USA and Asia. Some share was given up in Europe because of the increased price pressure in dollars. Pricing is mostly flat with no signs of production shortage.

In this segment, the 2008 result of the Draka Communications Group showed little change on 2007. The positive effects of the volume growth were cancelled out by the negative effect of the US dollar's weakness against the euro, because the reference prices for optical fiber are quoted in US$.

Draka

Financial position

Cash flow and operating working capital
Cash flow from operating activities in 2008 amounted to € 97.6 million, an increase of 49.7% on 2007 (€ 65.2 million). Cash flow per share was € 2.73, compared with € 1.83 in 2007. The higher cash flow can be attributed mainly to the improvement in operating working capital.

Operating working capital decreased by € 60.1 million in 2008, as against an increase of € 34.0 million in 2007. The decrease was due to two factors: the reduction in volume and the fall in the copper price passed on to end-customers. As a consequence, operating working capital fell to a record low of 14.4% of revenues (2007: 16.1%), better than the target of stabilising the operating working capital ratio at 16–18% in 2008.

Draka continues to focus closely on managing and, where possible, further reducing its operating working capital. Especially in times of difficult market conditions, it is one of the most effective levers available to management. Draka has established a strong track record in this field in recent years and intends to put its experience and expertise to good use in the coming period.

Investments and acquisitions
Net investments in intangible assets and property, plant and equipment amounted to € 58.6 million, below the expected level of around € 70 million. Regular maintenance and replacement investments (€ 44.0 million) accounted for some 75% of the total. The remaining 25% (some € 14.6 million) related to two special investment projects within the Industrial division, designed to advance Draka's share of the fast-growing market for cable for renewable-energy applications (wind turbines and solar power).

Draka spent € 1.6 million in 2008 on the acquisition of DeBiase Lift Components s.r.l. (Italy), which had been announced in 2007 and was finalised on 10 January 2008.

There were no disposals of material size in 2008.

Balance sheet and financing
The balance sheet total as at year-end 2008 was € 1,657.2 million, a decrease of 5.4% compared with year-end 2007. This was due entirely to the decrease of over € 100 million in current assets (mainly inventories and trade receivables), reflecting the lower volumes and the sharp fall in the copper price in the second half of the year.

Shareholders' equity as at year-end 2008 amounted to € 440.4 million. The increase of 10.0% compared with 31 December 2007 was due mainly to the addition of the result for the year attributable to shareholders and the conversion of 74.2% of the outstanding convertible bond loan into shares. Negative factors were the changes in fair value of copper and interest-rate derivatives, currency translation effects (UK pound and Norwegian krone) and the dividend distribution.

Reflecting the lower balance sheet total and higher shareholders' equity, the solvency ratio (shareholders' equity as a percentage of balance sheet total) rose to 26.6% compared with 22.9% as at year-end 2007. The guarantee capital (consisting of shareholders' equity, the provision for deferred tax liabilities and the long-term portion of the subordinated loans) amounted to € 489.9 million, or 29.6% of the total invested capital (year-end 2007: 29.9%).

Net interest-bearing debt (including the subordinated convertible bond loan carried at nominal value) was reduced by € 54.1 million last year to € 498.4 million (2007: € 552.5 million). The free cash flow and the conversion of 74.2% of the outstanding convertible bond loan into shares accounted for most of the decrease. This improved net gearing (total net interest-bearing debt as a percentage of shareholders' equity), which fell to 113.2% (2007: 138.0%).

On 8 December 2008, Draka announced a combined bid of cash and shares for the € 100 million 4% convertible subordinated bond loan 2010 of which € 99.9 million was outstanding. The price offered was a payment of € 300 in cash and 67.98 ordinary shares for every € 1,000 of principal of the convertible bonds. Bondholders representing € 74,189,000 (or 74.2%) of the convertible bond loan accepted the bid. The remaining € 25,716,000 of bonds for which the bid was not accepted remains outstanding. As a result of this transaction, Draka has lowered its net debt by € 51.9 million.

Prospects and objectives for 2009

Prospects
Based on the latest expected economic developments, the global industrial activity will continue to contract in 2009. Because the world cable market is affected by the level of industrial activity, a marked contraction may be expected in that market.

The prices of the raw materials (copper, aluminium and polymers) used by the cable industry are expected to remain highly volatile in 2009, added to which there is likely to be pressure on selling prices in some cable market segments.

In the light of these developments, it will be Draka's policy in 2009 to adjust capacity where necessary to match these difficult market conditions. Draka will continue to pursue its strategy of cutting costs, reducing the debt position and grasping suitable opportunities for growth. Draka will not reduce its investments in innovation, the foundation for future growth.

Objectives
In line with Draka's strategic focus, the following objectives have been formulated for 2009:

- Further reinforcement of the **sales and marketing organisations**, focussing on the special-purpose cable activities, with the aim of stimulating organic growth.
- Continued investments in **innovation**, not confined solely to the introduction of new or innovative products, but aimed at the entire proposition Draka offers its clients.
- Continuation of programmes aimed at **increasing productivity in Draka's production facilities**, lower overheads and synergy gains in central services (purchasing, ICT, insurance etc.).
- Faster implementation and completion of **Triple S projects and other measures** to adapt the organisation to the new market conditions. These measures, which are being implemented within all three Groups, are expected to yield annual cost savings of some € 40 million in 2010. For 2009, Draka expects to achieve cost savings of around € 25 million.
- Maximising **free cash flow** by focusing constantly on operating working capital (a ratio of 16–18%) and holding investment down to approximately € 28 million, or around 50% of amortisation and depreciation (€ 55 million). The free cash flow will be invested in organic growth and/or in further reducing the interest-bearing debt.

NOTE FOR EDITORS: for more information, please contact:

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Financial calendar 2009 (provisional)	
General Meeting of Shareholders, Hilton Amsterdam	**Monday, 20 April 2009, starting at 14:30h**
Publication of trading update for the first half of 2009	**Tuesday, 19 May 2009 (before start of trading)**
Publication of 2009 half-year figures	**Thursday, 13 August 2009 (before start of trading)**
Publication of trading update for the second half of 2009	**Thursday, 12 November 2009 (before start of trading)**

Company profile

Draka Holding N.V. ('Draka') is active worldwide in the development, production and sale of cable and cable systems. Draka's activities are divided into three Groups: Energy & Infrastructure, Industry & Specialty and Communications.

Within these three Groups, the activities have been split up into divisions. Energy & Infrastructure consists of the divisions Europe en Asia-Pacific; Industry & Specialty consists of the Automotive & Aviation, Elevator Products, Cableteq USA and Industrial divisions, while the Communications Group is divided in the divisions Optical Fiber Cable Solutions, Copper Cable Solutions, Americas and Optical Fiber.

Draka has 68 operating companies in 30 countries throughout Europe, North and South America, Asia and Australia. Worldwide the Draka companies have some 10,050 employees. The head office of Draka Holding N.V. is established in Amsterdam. In 2008, Draka generated revenue of € 2.7 billion and a result for the year of € 83.5 million (excluding non-recurring items).

Draka Holding N.V. ordinary shares and subordinated convertible bonds are listed on Euronext Amsterdam. The Company was included in the Next150 index in 2001 and the AMX-index (Amsterdam Midkap index) since 4 March 2008. Options on Draka shares have also been traded on the Euronext Amsterdam Derivative Markets since 8 July 2002.

For more information about Draka Holding N.V. visit our website: www.draka.com

Appendix

The financial information included in the appendix is extracted from the company's financial statements 2008. These financial statements were authorised for issue on 24 February 2009. The financial statements have been audited and an unqualified auditor's report has been issued. The annual report is yet to be approved in the Annual General Meeting of Shareholders at 20 April 2009 and will be published approximately 3 weeks in advance.

Consolidated statement of income

For the year ended 31 December *In millions of euro*	**2008**	**2007**
Revenue	2,706.8	2,816.2
Cost of sales	(2,458.2)	(2,526.3)
Gross profit	**248.6**	**289.9**
Selling and distribution expenses	(141.8)	(150.1)
Other income and expenses	(20.4)	5.9
Operating result	**86.4**	**145.7**
Finance income	15.3	12.9
Finance expense	(52.8)	(58.5)
Net finance expense	**(37.5)**	**(45.6)**
Share of profit of equity accounted investees (net of income tax)	12.4	15.5
Result before income tax	**61.3**	**115.6**
Income tax benefit / (expense)	9.3	(21.6)
Result for the year	**70.6**	**94.0**
Attributable to:		
Equity holders of the company	69.3	93.0
Minority interests	1.3	1.0
Result for the year	**70.6**	**94.0**
Basic earnings per share (euro)	1.78	2.46
Diluted earnings per share (euro)	1.61	2.19

Consolidated balance sheet

As at 31 December

In millions of euro	2008	2007
Assets		
Non-current assets		
Property, plant and equipment	530.5	538.0
Intangible assets	113.3	101.0
Investments in equity accounted investees	86.2	87.0
Deferred tax assets	57.6	46.3
Other non-current financial assets	22.9	24.9
Total non-current assets	**810.5**	**797.2**
Current assets		
Inventories	363.4	441.0
Trade and other receivables	394.5	468.8
Income tax receivable	2.7	4.8
Held for sale assets	18.2	-
Cash and cash equivalents	67.9	39.4
Total current assets	**846.7**	**954.0**
Total assets	**1,657.2**	**1,751.2**
Equity		
Shareholders' equity		
Share capital	22.8	20.4
Share premium	360.9	311.4
Retained earnings	108.8	84.5
Other reserves	(52.1)	(15.8)
Total equity attributable to equity holders of the company	**440.4**	**400.5**
Minority interests	25.4	**12.8**
Total equity	**465.8**	**413.3**
Liabilities		
Non-current liabilities		
Interest-bearing loans and borrowings	543.0	527.3
Provision for employee benefits	81.9	93.3
Other provisions	16.2	23.8
Deferred tax liabilities	25.2	31.1
Total non-current liabilities	**666.3**	**675.5**
Current liabilities		
Bank overdrafts	8.2	34.9
Interest-bearing loans and borrowings	37.5	49.4
Trade and other payables	451.6	535.7
Income tax payable	7.6	29.9
Held for sale liabilities	9.6	-
Other provisions	10.6	12.5
Total current liabilities	**525.1**	**662.4**
Total liabilities	**1,191.4**	**1,337.9**
Total equity and liabilities	**1,657.2**	**1,751.2**

Consolidated statement of cash flows

For the year ended 31 December

In millions of euro	2008	2007
Result for the year	70.6	94.0
Depreciation	51.3	48.2
Amortisation	5.2	4.3
Impairments	5.0	-
Finance income	(15.3)	(12.9)
Finance expense	52.8	58.5
Share of profit of equity accounted investees	(12.4)	(15.5)
Equity-settled share based payments	2.2	1.5
Income tax (benefit) / expense	(9.3)	21.6
	150.1	**199.7**
Changes in inventories	71.2	(7.3)
Changes in trade receivables	89.2	(11.9)
Changes in trade payables	(100.3)	(14.8)
Changes in other working capital	(43.8)	(14.9)
Changes in provisions	12.1	(2.0)
Other	1.5	-
	180.0	**148.8**
Interest paid	(39.2)	(41.8)
Income tax paid	(18.3)	(10.4)
Application of provisions	(24.9)	(31.4)
Net cash from operating activities	**97.6**	**65.2**
Dividends received	6.7	21.7
Proceeds from sale of property, plant and equipment	3.5	2.3
Cash from consolidation of entities, previous years classified as equity accounted investees	2.9	-
Acquisition of minority interest	-	(209.0)
Acquisition of subsidiaries and associates, net of cash acquired	(1.6)	(0.8)
Acquisition of intangible assets	(7.8)	(7.3)
Acquisition of property, plant and equipment	(50.8)	(64.2)
Net cash used in investing activities	**(47.1)**	**(257.3)**
Dividends paid (ordinary and preference shares)	(29.6)	(14.6)
Conversion of convertible subordinated bond notes	(22.3)	-
Convertible subordinated bond redeemed	-	(95.2)
Subordinated loan redeemed	-	(77.5)
Movement in multicurrency facility	87.9	365.0
Shares acquired under long-term incentive plans	(1.2)	(4.3)
Shares delivered under long-term incentive plans	0.7	1.3
Movements in other bank loans	(22.0)	13.0
Net cash from financing activities	**13.5**	**187.7**
Net increase / (decrease) in cash and cash equivalents	**64.0**	**(4.4)**
Cash and cash equivalents at 1 January (net of bank overdrafts)	4.5	10.1
Exchange rate fluctuations on cash and cash equivalents	(8.8)	(1.2)
Cash and cash equivalents at 31 December (net of bank overdrafts)	**59.7**	**4.5**

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Consolidated statement of changes in total equity

As at 31 December

In millions of euro	Share capital	Share premium	Translation reserve	Hedging reserve	Reserve for treasury shares	Preference shares dividend reserve	Retained earnings	**Share-holders' equity**	Minority Interests	**Total equity**
Balance as at 31 December 2006	**20.4**	**311.4**	**(5.1)**	**(4.2)**	**-**	**1.4**	**103.0**	**426.9**	**12.2**	**439.1**
Foreign exchange translation differences	-	-	(13.1)	-	-	-	-	(13.1)	(0.8)	(13.9)
Effective portion of fair value changes of cash flow hedges (net of income tax)	-	-	-	1.2	-	-	-	1.2	-	1.2
Total income and expenses recognised directly in equity	**-**	**-**	**(13.1)**	**1.2**	**-**	**-**	**-**	**(11.9)**	**(0.8)**	**(12.7)**
Result for the year	-	-	-	-	-	5.4	87.6	93.0	1.0	94.0
Total recognised income and expense	**-**	**-**	**(13.1)**	**1.2**	**-**	**5.4**	**87.6**	**81.1**	**0.2**	**81.3**
Share-based payments	-	-	-	-	-	-	1.5	1.5	-	1.5
Shares aquired under long-term incentive plans	-	-	-	-	(4.3)	-	-	(4.3)	-	(4.3)
Shares delivered under long-term incentive plans	-	-	-	-	4.3	-	(3.0)	1.3	-	1.3
Dividends paid	-	-	-	-	-	(1.4)	(13.2)	(14.6)	-	(14.6)
Waiver of put option on minority interest	-	-	-	-	-	-	-	-	131.9	131.9
Effect of acquisition minority interest	-	-	-	-	-	-	(90.3)	(90.3)	(131.9)	(222.2)
Effect of acquisitions and divestments	-	-	-	-	-	-	-	-	0.4	0.4
First time adoption IFRIC 14	-	-	-	-	-	-	(1.1)	(1.1)	-	(1.1)
Total direct changes in equity	**-**	**-**	**-**	**-**	**-**	**(1.4)**	**(106.1)**	**(107.5)**	**0.4**	**(107.1)**
Balance as at 31 December 2007	**20.4**	**311.4**	**(18.2)**	**(3.0)**	**-**	**5.4**	**84.5**	**400.5**	**12.8**	**413.3**
Balance as at 31 December 2007	**20.4**	**311.4**	**(18.2)**	**(3.0)**	**-**	**5.4**	**84.5**	**400.5**	**12.8**	**413.3**
Foreign exchange translation differences	-	-	(11.4)	-	-	-	-	(11.4)	1.4	(10.0)
Effective portion of fair value changes of cash flow hedges (net of income tax)	-	-	-	(24.8)	-	-	-	(24.8)	-	(24.8)
Total income and expenses recognised directly in equity	**-**	**-**	**(11.4)**	**(24.8)**	**-**	**-**	**-**	**(36.2)**	**1.4**	**(34.8)**
Result for the year	-	-	-	-	-	5.4	63.9	69.3	1.3	70.6
Total recognised income and expense	**-**	**-**	**(11.4)**	**(24.8)**	**-**	**5.4**	**63.9**	**33.1**	**2.7**	**35.8**
Conversion of convertible subordinated bond notes	2.4	49.5	-	-	-	-	(17.2)	34.7	-	34.7
Share-based payments	-	-	-	-	-	-	2.2	2.2	-	2.2
Shares aquired under long-term incentive plans	-	-	-	-	(1.2)	-	-	(1.2)	-	(1.2)
Shares delivered under long-term incentive plans	-	-	-	-	1.1	-	(0.4)	0.7	-	0.7
Dividends paid	-	-	-	-	-	(5.4)	(24.2)	(29.6)	-	(29.6)
Consolidation of entities, previous years classified as equity accounted investees	-	-	-	-	-	-	-	-	9.9	9.9
Total direct changes in equity	**2.4**	**49.5**	**-**	**-**	**(0.1)**	**(5.4)**	**(39.6)**	**6.8**	**9.9**	**16.7**
Balance as at 31 December 2008	**22.8**	**360.9**	**(29.6)**	**(27.8)**	**(0.1)**	**5.4**	**108.8**	**440.4**	**25.4**	**465.8**

Draka

Segment reporting

In millions of euro	Energy & Infrastructure 2008	Energy & Infrastructure 2007	Industry & Specialty 2008	Industry & Specialty 2007	Communications 2008	Communications 2007	Not allocated to segments / eliminations 2008	Not allocated to segments / eliminations 2007	Consolidated 2008	Consolidated 2007
Revenue from external customers	1,024.0	1,107.5	960.0	1,000.7	722.8	708.0	-	-	2,706.8	2,816.2
Intersegment transactions	95.9	123.7	7.4	23.5	54.0	68.2	(157.3)	(215.4)	-	-
Revenue	**1,119.9**	**1,231.2**	**967.4**	**1,024.2**	**776.8**	**776.2**	**(157.3)**	**(215.4)**	**2,706.8**	**2,816.2**
Operating result (excluding non-recurring items)	69.5	82.2	59.2	56.9	20.5	21.3	(16.1)	(14.7)	133.1	145.7
Non-recurring items	(23.1)	-	(20.3)	-	(3.3)	-	-	-	(46.7)	-
Operating result	**46.4**	**82.2**	**38.9**	**56.9**	**17.2**	**21.3**	**(16.1)**	**(14.7)**	**86.4**	**145.7**
Net finance expense									(37.5)	(45.6)
Share of profit of equity accounted investees									12.4	15.5
Income tax benefit / (expense)									9.3	(21.6)
Result for the year									**70.6**	**94.0**
Capital expenditure	14.9	23.9	25.4	20.5	17.2	26.5	1.1	0.6	58.6	71.5
Depreciation and amortisation	18.5	18.9	15.8	16.0	21.6	17.2	0.6	0.4	56.5	52.5
Impairments	2.1	-	2.9	-	-	-	-	-	5.0	-
Segment operating liabilities	180.3	242.6	215.9	234.0	225.2	435.9	(61.1)	(247.2)	560.3	665.3
Segment assets	573.2	679.1	686.7	655.0	558.9	516.7	(247.8)	(186.6)	1,571.0	1,664.2
Investments in equity accounted investees	15.0	14.4	17.9	13.8	53.3	58.8	-	-	86.2	87.0
Total assets	**588.2**	**693.5**	**704.6**	**668.8**	**612.2**	**575.5**	**(247.8)**	**(186.6)**	**1,657.2**	**1,751.2**