–PRESS RELEASE–

– TRADING UPDATE –

OPERATING RESULT OF € 74–79 MILLION AND NET RESULT OF € 40–45 MILLION EXPECTED IN 2009 (BOTH EXCLUDING NON-RECURRING ITEMS)

SUSTAINED FOCUS ON COST REDUCTIONS AND CASH FLOW GENERATING CAPACITY

- **Volume** down 17.4% in the period July–October 2009, stable relative to H1 2009. Lower volume mainly driven by lower construction volumes in Europe and reduced demand for copper communication cable and elevator cable. Demand in the automotive sector is recovering relative to H1 2009 in response to government measures.
- **EBITDA**[1] of € 134–139 million projected for 2009 (2008: € 202.5 million).
- **Operating result**[1] of € 74–79 million expected for 2009 (2008: € 142.0 million).
- **Result for the year**[1] of € 40–45 million expected (2008: € 83.5 million).
- **Market conditions** in general are stabilising after a difficult H1 2009. Instead of 2009, the effect of government stimulus measures could be felt in 2010, particularly in the renewable energy and infrastructure sectors.
- **Cost-saving programmes** that have already been implemented are on track. Total annual cost savings estimated at € 60 million from 2010 onwards, of which about € 30 million will be realised in 2009.
- **Operating working capital** as a percentage of revenue expected to be 14–15%, below the target bandwidth of 16–18% (2008: 15.0%).
- **Net debt** will be around € 220 million lower compared with year-end 2008 (€ 519 million), due to positive cash flow trend, the recent share issue and partial use of the standby arrangement.

Amsterdam, 12 November 2009 – This trading update for 2009 is issued by Draka Holding N.V., one of the world's leading producers of low-voltage cable, cable for OEMs and communication cable, ahead of the publication of its full-year figures on Monday, 22 February 2010 (before start of trading).

Commenting on the projected results for 2009, Frank Dorjee, CFO of Draka Holding N.V, said: '*The global cable market has faced a significant fall in demand in 2009. The consequences have been mitigated as far as possible by actions we took at an early stage to intensify our focus on customers, costs and cash. Given the circumstances, we expect Draka to post a satisfactory result for 2009, excluding non-recurring items.*

Despite stabilising demand in many of our markets since the second quarter, the economic recovery – and hence the recovery in end-user demand – is fragile. Draka will therefore continue to focus on achieving additional cost savings, by further streamlining the organisation and reducing overhead, and increasing the group's cash flow generating capacity, by maintaining capital discipline. We shall be well placed to derive maximum benefit when Draka's end-user markets recover.'

[1] Excluding non-recurring items. Gross non-recurring items in 2009 are expected to be around € 60 million negative (2008: € 46.7 million negative).

Draka group

Developments in H2 2009

The trend in the second half of 2009 so far has been similar to that in the second quarter of this year. After falling sharply in the fourth quarter of 2008 and the first quarter of 2009, demand for cable has stabilised. This is the picture, however, for the market as a whole: the recovery in the individual end-user markets is fragile and the market conditions are more mixed.

The automotive cable segment has improved compared with the first half of 2009, helped by government incentive schemes to trade in old cars for new. Demand for optical fiber will slightly exceed the high level of 2008, driven largely by rapid growth in the Chinese market. Demand for elevator cable is weaker in the second half compared with the first six months of this year, as the growth in China can not offset a further fall in the US and Europe, mainly because of the late-cycle nature of this cable segment. In the construction-related segment and the copper communication cable market, demand has showed little change compared with the first half of 2009. Government incentive programmes for the renewable energy and construction sectors will not have a noticeable effect on cable demand in 2009.

Forecast 2009 result

Draka expects to report a substantial reduction in volume in 2009, with a slightly slower rate of decline in the second half compared with the first six months of the year (–20.2%). This lower volume translates into lower capacity utilisation at Draka's factories, which is having a negative impact on profitability. Results will also be adversely affected by the increasingly competitive market conditions. These negative effects will be offset partially by further improvements in the product mix and various cost-saving programmes which, together with several optimisation programmes, are expected to yield around € 30 million in 2009 (approximately € 20 million in H2 2009).

Draka expects to achieve for 2009 an operating result of € 74–79 million (2008: € 142.0 million) and a net result of € 40–45 million (2008: € 83.5 million), both excluding non-recurring items. Including non-recurring items, Draka expects an operating result of € 14–19 million (2008: € 95.3 million) and a net result of € 10–15 million negative (2008: € 69.3 million positive).

Non-recurring items

The non-recurring items relate to a total provision of approximately € 60 million in 2009 for implementation and intensification of Triple S projects and other cost-saving measures. Some € 5 million relates to projects that started in the summer of 2008 and the remaining € 55 million concerns projects that were announced in 2009. The cash outflow will be approximately € 50 million.

Status of cost-saving measures

In response to the still-challenging market conditions, Draka recently announced that new projects were to be added to the Triple S cost-saving programme. The measures are being implemented across the entire organisation: the intended closure of the plant in Ystad (Sweden), jointly managed by the Europe division (Energy & Infrastructure Group) and the Industrial division (Industry & Specialty Group), the winding-down of automotive cable production in several countries (Automotive & Aviation division) and the implementation of a range of efficiency measures in the Communications Group. Including the effects of the measures that were previously announced, the workforce will be reduced by around 1,300 in 2009, or about 13% compared with year-end 2008.

The new projects, which are expected to achieve a significant lowering of the cost base in 2010, are proceeding according to plan. Together with the projects already in hand, the total projected annual cost savings will be close to € 60 million and will be realised in full in 2010. Draka expects to realise around € 30 million in 2009, of which about € 20 million will be realised in the second half year. The remaining € 30 million cost savings are expected to be realised in 2010.

Working capital and cash flow
Draka's operating working capital is expected to decrease substantially in absolute terms (by over € 100 million) in 2009 compared with year-end 2008 (€ 425.5 million), driven partly by the actions taken by Draka. Partial use of the standby arrangement (factoring) has also had a positive effect on operating working capital.

Operating working capital as a percentage of revenue is expected to be 14–15%, below the target bandwidth of 16–18% and slightly below the 2008 figure of 15.0%.

Draka expects to generate higher positive cash flow from operating activities in 2009 than in 2008 (€ 110.7 million). Although the lower profit will adversely affect Draka's cash flow, it will be more than compensated by the substantial reduction in operating working capital which is forecast.

Thanks to the positive cash flow forecast, the recent share issue (€ 100 million) and the partial utilisation of the standby arrangement, net debt will reduce by around € 220 million compared with year-end 2008 (€ 519 million). Draka expects to remain well within all bank covenant limits at year-end 2009.

Energy & Infrastructure

Profile
The Energy & Infrastructure Group (E&I) accounts for approximately 1/3 (or € 1.0 billion in 2008) of Draka's total revenue, with a product portfolio comprising low-voltage and medium-voltage cable and 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 larger of which is *Europe*, accounting for approximately 85-90% of the E&I Group's revenue. Analysed by application, 25–30% of the revenue is generated from housing construction, 40-45% from industrial and commercial construction and the remaining 30% from infrastructure.

Developments
Demand on the European construction market stabilised at the comparatively low level achieved in the first half of 2009. In the worst-affected European countries, such as Spain, the United Kingdom, Finland and Estonia, there has been no further deterioration in the second half of 2009. In contrast, the Benelux countries performed relatively well until the summer of 2009, but those markets have since weakened.

The economic downturn is the principal factor in the decline in construction activity in 2009. The effect has been most marked in housing construction, which is under heavy pressure. The decline in the infrastructure and commercial construction segments has also been strong.

Economic growth resumed in Asia in the second half of 2009, following the sharp decline in the first quarter. Since the construction market always follows the general economic trend with some delay, Draka's end-user markets have not yet recovered. This is expected to translate into a significant reduction in volume in the second half, after the limited improvement in the first six months of 2009.

The government measures to stimulate the economy will not have a noticeable impact in either Europe or Asia in 2009. Any beneficial effects flowing from these measures, for example in the infrastructure sector, are not expected to materialise until 2010.

Draka continues to respond actively to the changed market conditions, constantly adjusting production capacity to market demand. Following completion of the closure of the plant in Llanelli (UK) in the early months of 2009, a start was made in October on implementation of the intended closure of the plant in Ystad (Sweden), jointly managed by the Europe division and the Industrial division (Industry & Specialty Group). This project is scheduled for completion in the course of 2010.

Forecast result
The Energy & Infrastructure Group is expected to report a strong fall in volume in 2009 and a sharply lower operating result, excluding non-recurring items, compared with 2008 (€ 69.5 million). The lower result mainly reflects the predicted reduction in volume, which translates into lower capacity utilisation at Draka's factories. These negative factors will be mitigated to some extent by further improvements in the product mix and further production optimisation, which will maintain the operating margin at a relatively high level.

Industry & Specialty

Profile
The Industry & Specialty (I&S) Group accounts for approximately 1/3 (€ 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 15% of the I&S Group's revenue and supplies cable and accessories for the elevator industry; and *Cableteq USA*, also accounting for around 15% of the I&S Group' s revenue, which supplies cable to the defence industry, for infrastructure applications and for irrigation systems.

Developments
Automotive & Aviation was the first division in the Industry & Specialty Group to feel the effects of the economic downturn. The sharp fall in demand for cars which started in the fourth quarter of 2008 triggered a substantial reduction in Draka's volume. Partly for that reason and partly due to government incentives to exchange old cars for new, the decline in the second half of 2009 is expected to be limited. In the aviation business (cables for Airbus), market conditions have been better and demand will be higher than in 2008.

The Cableteq USA, Elevator Products and Industrial divisions are affected later by the changing economic climate. Despite the economic downturn on the US market, Cableteq USA has managed to maintain profit at the level of the first half-year thanks to its diversified portfolio, which is focused on niche activities. The completion of several major projects in the first half of the year is having an adverse effect on the Elevator Products division's relative performance in the second half of 2009 and hence on its result.

As in the first half of the year, the Industrial division is hampered by delays in the start-up of new projects in the renewable energy segment. The oil and gas segment is also weaker than in the first half of 2009. Thanks to cost savings, results are expected to remain close to those in the first half of 2009. Despite the current delays in renewable energy projects, the outlook is still positive, partly because the economic stimulation measures announced by various governments are focused primarily on investments in renewable energy, which are expected to start in 2010. The funding facilities have also improved compared with the first six months of this year, encouraging market participants to start committing to new projects again.

Forecast result
The Industry & Specialty Group is expected to report a strong reduction in volume in 2009. Volumes have been lower in all divisions, but volume in the Automotive & Aviation division will decrease at a slower pace than in the first six months of 2009, due to the positive effect of government measures. The group's operating result, excluding non-recurring items, is expected to decline considerably compared with 2008 (€ 59.2 million).

The significant volume decline and, as a consequence, the lower capacity utilisation at Draka's plants will have a negative effect on profitability. Meanwhile, competition in the market place is intensifying. The rigorous cost-saving measures which have been implemented will help, but will not be sufficient to compensate fully for the negative factors.

Communications

Profile
The Communications Group, which accounts for around 1/3 (around € 845 million in 2008) of Draka's revenue, specialises in supplying optical fiber, cable and complete solutions for the communications infrastructure market, with sales concentrated in Europe (approximately 65% in terms of revenue) and the remaining 35% roughly equally divided between America and Asia.

The four divisions are: *Telecom Solutions*, accounting for around 49% of the Communications Group's revenue, which supplies optical fiber and copper cable solutions and connectivity for broadband infrastructures; *Multimedia & Specials*, accounting for around 29% of the Communications Group's revenue, which supplies communication cable solutions for LANs, mobile networks, infrastructures, industry 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 internal usage and for third parties on a global scale.

Developments
In the telecommunication cable market, the optical fiber segment is performing better than Draka predicted earlier this year. As forecast, demand in Europe and North America is down 10–15%, but the Asian market is growing more strongly than expected. This growth is driven mainly by substantial network investments in China, which is boosting Chinese demand by some 50% compared with a year ago. As a consequence, global demand this year will slightly exceed the record level reached in 2008.

Optical fiber prices (in US dollars) have held firm everywhere except China, where the vigorous growth has exerted upward pressure.

Draka is deriving maximum benefit from the strong developments in China by greatly increased exports of optical fiber to its Chinese joint ventures. As a result, Draka's production capacity is fully utilised.

Competition is still intense on the cable markets in Europe and North America and selling prices are under pressure. Demand for copper telecommunication cable in Europe is sharply lower, due strongly lower investments in Western Europe and the moratorium on investment in Eastern European countries.

Demand for data communication cable is holding steady at the level of the first half of 2009, but is falling well short of the level achieved in the second half of 2008. This contraction of the market reflects the steep reduction in construction activity in Europe.

The various cost-saving measures that were implemented at an accelerated pace in 2009 are on track. The main purpose of these measures, which were recently extended, is to reduce fixed costs (overhead) and direct costs. As well as a substantial contribution to the result in the second half of 2009, this programme is also expected to make a material contribution in 2010.

Forecast result
The Communications Group is expected to report a significant reduction in volume in 2009. The growth expected in the optical fiber segment will not compensate fully for the steep decline in demand for copper communication cable. The operating result, excluding non-recurring items, is expected to show a marked decline compared with 2008 (€ 29.4 million).
Thanks to the substantial cost savings, however, the result in the second half of 2009 will be markedly higher than achieved in the same period of 2008 (€ 14.8 million).

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Cautionary note regarding forward-looking statements
This announcement contains forward-looking statements. Forward-looking statements are statements that are not based on historical fact, including statements about our beliefs and expectations. Any statement in this announcement that expresses or implies our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. Such statements are based on plans, estimates and projections as currently available to the management of Draka. Forward-looking statements therefore speak only as of the date they are made and we assume no obligation to publicly update any of them in the light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of significant factors could therefore cause actual future results to differ materially from those expressed or implied in any forward-looking statement. Such factors include but are not limited to conditions on the markets in Europe, the United States and elsewhere from which we derive a substantial portion of our revenue, potential defaults on the part of borrowers or trading counterparties, the implementation of our restructuring programme including the envisaged reduction in headcount and the reliability of our risk management policies, procedures and methods. For more information on these and other factors, please refer to our annual report. The forward-looking statements contained in this announcement are made as of the date hereof and the companies assume no obligation to update any forward-looking statement contained in this announcement.

2010 financial calendar (provisional)

Publication of 2009 full-year figures	**Monday, 22 February 2010 (before start of trading)**
General Meeting of Shareholders, Hilton Amsterdam	**Tuesday, 20 April 2010, starting at 14:30h**
Publication of trading update for the first half of 2010	**Tuesday, 18 May 2010 (before start of trading)**
Publication of 2010 half-year figures	**Thursday, 19 August 2010 (before start of trading)**
Publication of trading update for the second half of 2010	**Thursday, 11 November 2010 (before start of trading)**

Company profile

Draka Holding N.V. ('Draka') is the holding company of a number of operating companies that are 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 are organised into divisions. Energy & Infrastructure consists of the Europe and Asia-Pacific divisions; Industry & Specialty consists of the Automotive & Aviation, Elevator Products, Cableteq USA and Industrial divisions and the Communications Group comprises the Telecom Solutions, Multimedia and Specials, Americas and Optical Fiber divisions.

Draka has 68 operating companies in 30 countries throughout Europe, North and South America, Asia and Australia. Worldwide, the Draka companies employ some 9,900 people. Draka Holding N.V.'s head office is in Amsterdam. In 2008, Draka reported revenue of € 2.7 billion and net income of € 83.5 million (excluding non-recurring items).

Draka Holding N.V. ordinary shares and subordinated convertible bonds are listed on NYSE Euronext Amsterdam. The company has been included in the Next150 index since 2001 and the AMX index (Amsterdam Midkap index) since 4 March 2008. Options on Draka shares are also traded on the NYSE Euronext Amsterdam Derivative Markets.

More information on Draka Holding N.V. can be found at www.draka.com.