Draka Holding N.V.

Financial Report

for the first half year 2005

The figures in this report are based on International Financial Reporting Standards (IFRS). The comparative 2004 financial information has been restated in accordance with IFRS, except for the implications of the standards on financial instruments (IAS 32 / 39), that have only been adopted as of 1 January 2005.

Condensed consolidated income statement
(unaudited)

x € million	Six months ended June 30	
	2005	**2004**
Revenue	897.9	789.9
Cost of Sales	(870.3)	(769.8)
Operating result	**27.6**	**20.1**
Net financing costs	(17.0)	(16.7)
Income from associates	(1.0)	-
Result before tax	**9.6**	**3.4**
Income tax benefit	2.5	0.4
Result for the period	**12.1**	**3.8**
Result for the period attributable to:		
Equity holders of the parent	16.4	3.7
Minority interest	(4.3)	0.1
Total	12.1	3.8
Basic earnings per share (EUR)	0.48	(0.04)
Diluted earnings per share (EUR)	0.48	(0.04)

Condensed consolidated balance sheet

(unaudited)

x € million	30 June 2005	31 December 2004	30 June 2004
Assets			
Non-current assets			
Intangible assets	101.0	86.2	20.8
Property, plant and equipment	560.3	559.5	495.8
Investments accounted for using the equity method	78.2	78.6	80.1
Deferred tax assets	46.9	49.0	49.1
Financial non-current assets	35.1	22.5	20.8
Total non-current assets	**821.5**	**795.8**	**666.6**
Current assets			
Inventories	369.8	367.8	338.8
Trade debtors	407.8	348.1	322.5
Income tax receivable	12.6	9.3	4.4
Other current receivables	84.4	74.1	48.6
Cash and banks	14.1	13.7	5.8
Total current assets	**888.7**	**813.0**	**720.1**
Total assets	**1,710.2**	**1,608.8**	**1,386.7**
Equity			
Shareholders equity			
Share capital paid and called up	17.9	22.3	14.0
Share premium reserve	237.3	361.7	221.6
Other reserves	85.0	69.5	86.0
Net income current year	16.4	(9.0)	3.7
Total equity attributable to equity holders of the parent	**356.6**	**444.5**	**325.3**
Minority Interest	**149.4**	**158.0**	**6.6**
Total equity	**506.0**	**602.5**	**331.9**
Liabilities			
Non-current liabilities			
Provisions	72.4	90.6	15.3
Provision for employee benefits	88.0	90.0	77.0
Provision for deferred taxation	36.6	35.3	40.6
Cumulative preference shares	128.9	-	-
Subordinated loans	127.4	143.8	156.3
Other non-current liabilities	36.5	148.1	202.6
Total non-current liabilities	**489.8**	**507.8**	**491.8**
Current liabilities			
Suppliers and trade creditors	250.2	232.6	243.4
Income tax payable	5.4	8.0	6.9
Current portion loans payable	21.5	24.7	73.0
Other current liabilities	437.3	233.2	239.7
Total current liabilities	**714.4**	**498.5**	**563.0**
Total liabilities	**1,204.2**	**1,006.3**	**1,054.8**
Total equity and liabilities	**1,710.2**	**1,608.8**	**1,386.7**

Condensed consolidated statement of cash flows

(unaudited)

x € million	Six months ended 30 June 2005	Six months ended 30 June 2004
Operating result	27.6	20.1
Depreciation, amortisation and (reversal of) impairment losses	26.5	28.1
Operating profit before changes in working capital and provisions	**54.1**	**48.2**
Non recurring items	(15.4)	2.1
Changes in working capital	(26.6)	(33.8)
Cash flow from operations	**12.1**	**16.5**
Net financing costs	(17.5)	(20.3)
Income tax (expense) benefit	3.0	1.3
Application of provisions	(24.6)	(2.7)
Other	(0.6)	(5.5)
Operating cash flow	**(27.6)**	**(10.7)**
Dividends received	0.5	1.1
Proceeds from sale of property, plant & equipment	0.3	4.0
Disposal of subsidiary, net of cash disposed of	23.0	0.0
Acquisition of subsidiary, net of cash acquired	(1.4)	(1.6)
Acquisition of property, plant & equipment	(14.6)	(9.6)
Cash flow from investment activities	**7.8**	**(6.1)**
Dividends paid	(9.3)	(9.5)
Issue of equity	0.0	0.0
Movements in other bank loans	29.6	26.6
Cash flow from financing activities	**20.3**	**17.1**
Net cash flow	**0.5**	**0.3**
Cash and cash equivalents at 1 January	13.6	5.5
Cash and cash equivalents	**14.1**	**5.8**

Consolidated statement of the changes in equity
(unaudited)

x € million

	Share capital paid and called up	Share premium reserve	Other reserves: Translation reserve	Other reserves: Other * reserves	Attributable to equity holders of the parent	Minority interest	Total equity
Balance at 31 December 2004	22.3	361.7	(5.5)	66.0	444.5	158.0	602.5
Changes in accounting policy (IAS 32/39)	(4.4)	(124.4)		14.6	(114.2)		(114.2)
Restated balance at 1 January 2005	17.9	237.3	(5.5)	80.6	330.3	158.0	488.3
Changes in equity for the six months ended 30 June 2005							
Cash flow hedges							
Transferred to initial carrying amount of hedged items				(1.0)	(1.0)		(1.0)
Exchange differences on translating foreign operations			10.9		10.9	(4.3)	6.6
Result for the period				16.4	16.4	(4.3)	12.1
Total recognised income and expense for the period	0.0	0.0	10.9	15.4	26.3	(8.6)	17.7
Balance at 30 June 2005	17.9	237.3	5.4	96.0	356.6	149.4	506.0

x € million

	Share capital paid and called up	Share premium reserve	Other reserves: Translation reserve	Other reserves: Other reserves	Attributable to equity holders of the parent	Minority interest	Total equity
Balance at 31 December 2003	14.0	221.6		84.6	320.2	5.0	325.2
Changes in accounting policy (IAS 32/39)							
Restated balance at 1 January 2004	14.0	221.6	0.0	84.6	320.2	5.0	325.2
Exchange differences on translating foreign operations			1.4		1.4	1.5	2.9
Result for the period				3.7	3.7	0.1	3.8
Total recognised income and expense for the period	0.0	0.0	1.4	3.7	5.1	1.6	6.7
Balance at 30 June 2004	14.0	221.6	1.4	88.3	325.3	6.6	331.9

** Under IFRS, the market value of the Interest Rate Swaps must be shown on the balance sheet. As of 1 January 2005, this results in a reduction of the shareholders' equity by € 2.0 mln. This amount is included in the Other reserves and can be classified as a hedge reserve. As of June 2005 the hedge reserve amounts to € 3 mln.*

Notes to the consolidated interim financial statements

General
The financial report for the first half year 2005 of Draka Holding N.V. ('The Company') comprise the Company and its subsidiaries and the Company's interest in associates and jointly controlled entities. The consolidated interim financial statements have been prepared by the Board of Management and were authorized for issuance on 30 August 2005. The consolidated interim financial statements have not been audited.

Statement of compliance
The financial report has been prepared in accordance with IAS 34 'Interim Financial reporting'. The figures in this report are based on International Financial Reporting Standards (IFRS).

First time adoption
Due to the introduction of IFRS as per January 1st 2005 the Company has adjusted its accounting principles accordingly. The impact of these changes has been stipulated in the IFRS Transition Note.

This financial report for the first half year 2005 should be read in conjunction with the IFRS Transition Note which has been issued August 30th 2005.

Segment reporting

Segment information is presented in respect of the Company's business segments.
The format of the business segments is based on the Company's management and internal reporting structure. The Company defines a segment as a group in its report.

x € million	Comteq		Cableteq		Not allocated to segments		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004
Revenue	233.1	167.6	664.8	622.3			897.9	789.9
Operating result excluding non recurring items	(8.7)	2.5	28.5	24.5	(7.6)	(4.8)	12.2	22.2
Restructuring charges				(3.2)				(3.2)
Result from sale of real estate						1.1		1.1
Result from divestments	(2.4)		17.8				15.4	
Operating result	(11.1)	2.5	46.3	21.3	(7.6)	(3.7)	27.6	20.1
Net financing costs							(17.0)	(16.7)
Income from associates							(1.0)	0.0
Income tax benefit							2.5	0.4
Result for the period							12.1	3.8

Acquisitions of subsidiaries

In April, the Company's subsidiary Singapore Cable Manufacturers Pte Ltd ("SCM") incorporated Draka Cableteq Australia Pty Ltd ("DCA"). DCA acquired the assets and activities of Breffny Engineering Pty Ltd ("Breffny") for an amount of € 1.0 million and a shareholding of 30% in DCA, leaving SCM a shareholding of 70%.The annual turnover of Breffny amounts to approximately € 3 million.

Divestments

In March, the Company completed the sale of its subsidiary NKF Electronics B.V. to Optelecom Inc. (USA) for € 20 mln with a book profit of € 14.1 mln. NKF Electronics develops, manufactures and sells high-grade video network equipment for traffic management and safety & security systems. The company, which employs 75 people, generates annual turnover of around € 15 mln.

In March, Draka Holding N.V. announces that Draka Comteq B.V., in which Draka Holding N.V. has a stake of 50.1%, has closed the sale of its electronic cable and copper data communication cable activities in the USA to General Cable (USA) for € 5.5 mln, with a book loss of € 2.4 mln. This transaction was previously announced on 30 November 2004. The activities sold are based in Franklin, Massachusetts, and have a strong technical and manufacturing capabilities in electronic cables, as well as high-end data products. These activities generate sales of approximately € 23 mln.

In April, the Company completed the sale of its subsidiary NK Networks & Services GmbH to Vinci S.a (France) for € 8.7 mln with a book profit of € 3.7 mln. System integrator NK Networks & Services GmbH designs, delivers and maintains complex LAN/WAN networking infrastructures in Germany. The company, which employs 132 people, generates annual turnover of around € 47 mln. The sale of NK Networks & Services was initiated by its management and has their full support.

Income taxes
Income taxes are impacted by utilization of non-valued tax losses carry forward and exempt income relates to the profit of the sale of NKF Electronics B.V., which is not taxable.

Dividend
During the first half year of 2005 € 9.3 mln dividend on preference shares was paid out for the 2004 financial year.

Subsequent events
On July 14th 2005, the Company acquired 29.9% of Oakwell Engineering Ltd. for an amount of € 4.4 mln. The company is based in Singapore and listed and quoted on the SGX-ST Dealing and Automated Quotation System. Oakwell's principal activities are engineering, trading and contracting services and has established itself as a leader in supply to marine, oil and gas industries in Asia and China, generating an annual turnover of around € 39 mln.

Amsterdam, 30 August 2005

Board of Management