Draka

30 August 2005

Draka's first half-year results 2005*

*The figures in this document are not audited, nor reviewed

Draka

Agenda

- Summary
- Building future growth
- Financial Results 1H 2005 / IFRS
- Results per Group
- Financial position
- Outlook 2005

Draka

- Organic revenue growth 8%, driven by Draka Cableteq
- Net income € 1.0 million (1H04: € 1.2 million), excl. exceptionals
- New strategic focus towards specialties, selected geographical markets; Targeted operating margin: 5% by 2007 (1.2% in 2004)
- Stop, Swap and Best Practices-project in Draka Cableteq will reduce costs by € 15 million from 2006 onwards
- Refinancing package, funding Draka through 2009: € 350 million syndicated credit facility & € 100m subordinated convertible bond
- Barring unforeseen circumstances, (based on current copper prices and currency exchange rates and excluding non-recurring items) operating margin is expected to improve in 2H05 compared to 1H05

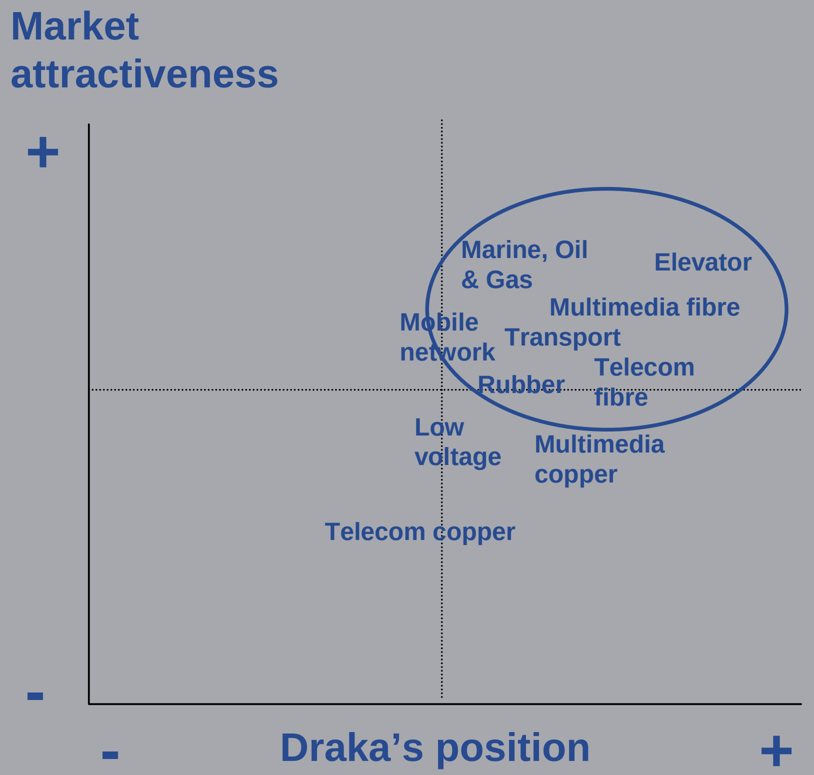
Draka

Building future growth

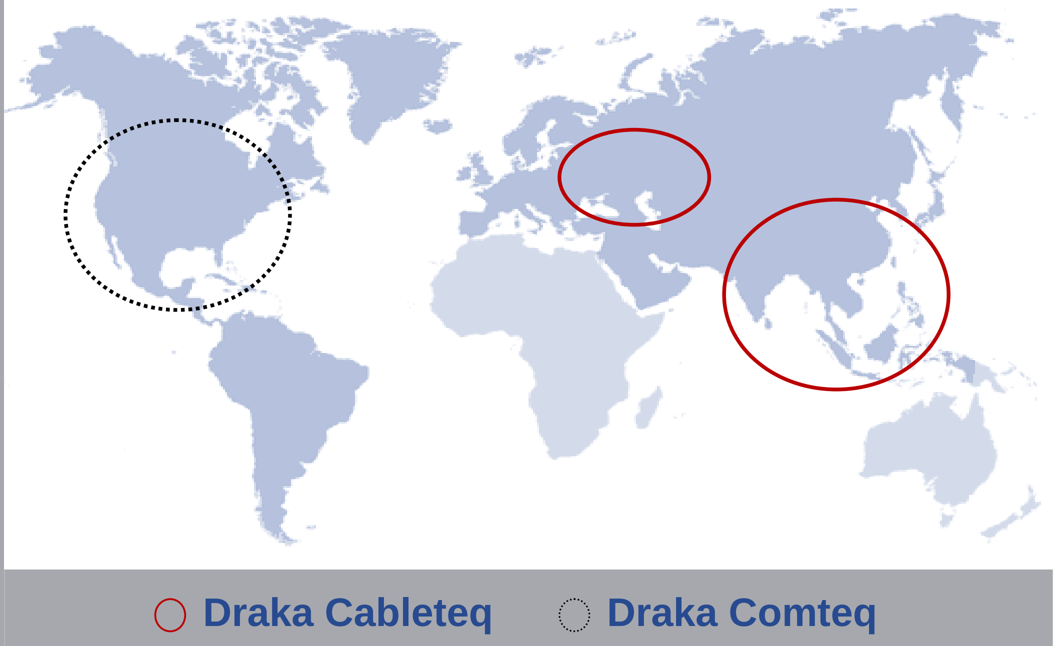
Building future growth

- Strategic update
- Strenghtening Draka's organisation
- € 450 million refinancing package

Draka's new strategic focus is to expand its position in selected markets, consisting of specialty cable segments and identified geographical areas



Selected geographical growth areas



- Strategic focus on core competences
- Consolidate position in existing markets and expand in selected markets, organically and by add-on acquisitions
- Execution of this strategy should increase Draka's revenues share in these markets from currently c.40% towards 50% in medium term
- Draka continues to optimise its organisation
  - Draka Cableteq ▸ improve profitability LV Europe, expand in Asia and E-Europe
  - Draka Comteq ▸ restore profitability and look for opportunities in US

Aimed at:		2004		2005		2007
	Revenue	€ 1,684m	→	c.€ 1,800m	→	c.€ 1,800m*
	OP margin	1.2%		>1.4%		~5%

*Based on current copper prices and portfolio of activities

Strenghtening Draka's organisation

- **Draka will continue to strengthen its organisation[1] with focus on profitability and reducing capital employed**
- **New organisational structure creates the conditions for both focused market approach and strong efficiency drive**
  - **Draka Cableteq launches Stop, Swap and Best practices-project that should result in annual cost saving of around € 15 million from 2006 onwards**
  - **Draka Comteq will finalise its integration programme in 2005 which aims to lower cost base by € 19 million in 2005**
- **Reducing capital employed by lowering operating NWC; dedicated task force installed in 2Q05 with target to reduce operating NWC to 27% at EOY05 (June 2005: 29.4%)**

[1]Cost incurred in optimising its organisation will be covered by divestments and/or additional cash inflows

Draka

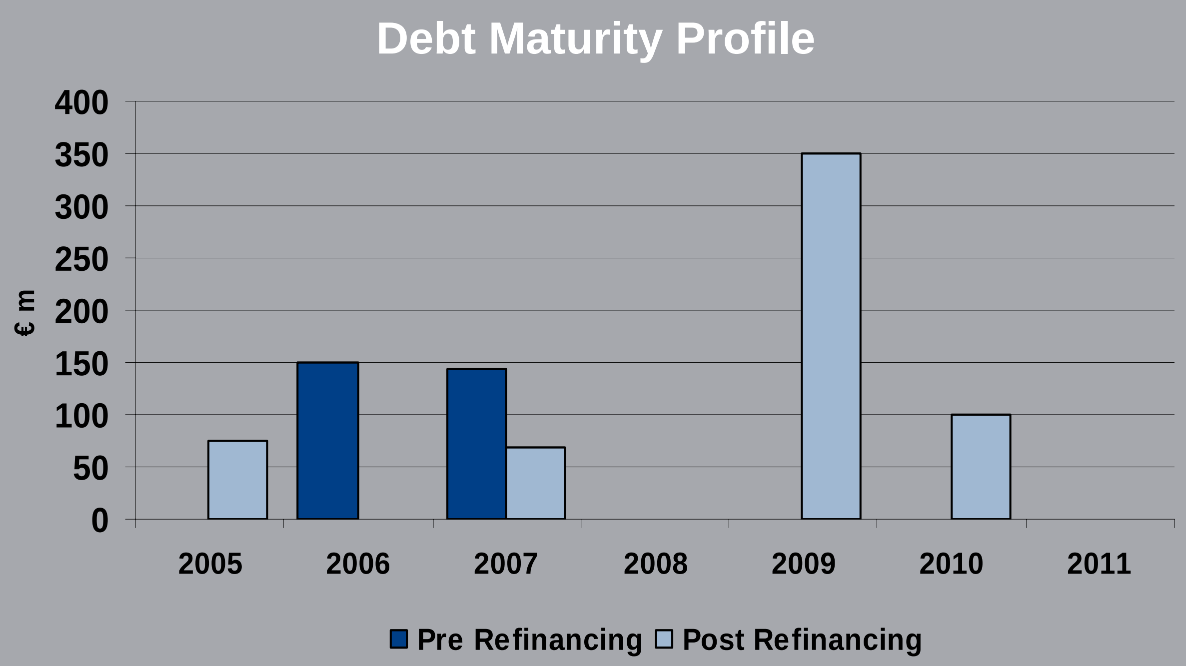
Comprehensive € 450 million Refinancing Package to achieve following objectives:

- Secure financing structure through 2009, allowing Draka to focus on executing its strategic review
- Draka improves and extends its debt maturity profile
- Taking advantage of current favourable market conditions with attractive funding rates

Flint Beheer BV, Draka's main shareholder, supports Refinancing Package by committing to:

- Participate in new convertible bond issue for an amount of € 46 million at final terms
- Tender its existing holdings of the 5% 2007 Bonds (c.€ 46 million)

Refinancing



€ 450 million Refinancing Package of:

1) € 100 million 5-year subordinated convertible bonds
- Coupon range between 4% and 4.75%
- Premium range between 20% and 25%
- EGM on 19/9 for shareholder authorisation

2) € 350 million syndicated facility
- Fully underwritten by 4 banks
- Syndication expected to close mid-October
- Tenor of 3 years with option to extend 1 year

3) Tender offer for existing € 144 million 5% subordinated convertible bonds due 2007
- Aimed at reducing outstanding amount by € 75 million

The net proceeds of the Refinancing Package will be used to:

- Repay and cancel existing € 150 million syndicated credit facility maturing in March 2006
- Repay and cancel existing bilateral credit facilities at subsidiary level
- Buy back up to € 75 million and refinance remainder of € 144 million subordinated convertible bonds

Financial results 1H 2005

First presentation of figures under IFRS; No major P&L impact, balance sheet mainly impacted by recognition pension plan and reclassification of fin. prefs

- In this presentation, all figures are presented under IFRS[1]
- For Draka, the most important changes resulting from IFRS are:
  - Recognition of provisions relating to defined benefit pension plans and other employee benefits (decrease of equity as per 31/12/2004 of € 43.1m)
  - Reclassification of preference shares to debt (decrease of equity as per 1/1/2005 of €129.5m) – however guarantee capital not impacted
  - Joint ventures are accounted per 1/1/2005 using the equity method instead of the proportionate method
  - P&L impact limited
  - Detailed information can be found in the transition note; see our website www.draka.com
- In this presentation, 2H 2004 information has been added to reflect the consolidation of Alcatel's activities as per 2H 2004

[1]Unaudited, not reviewed

Key figures

(x €m)	1H 2005	1H 2005[1]	1H 2004[1]	2H 2004[1]
Revenues	897.9	897.9	789.9	894.4
EBITDA	54.1	38.7	50.3	33.0
EBITDA-margin	*6.0%*	*4.3%*	*6.4%*	*3.7%*
EBIT	27.6	12.2	22.2	(1.3)
EBIT-margin	*3.1%*	*1.4%*	*2.8%*	*(0.1)%*
Net result	16.4	1.0	5.8	0.5
EPS (€)[2]	0.48	0.03	0.06	(0.12)
Operating cash flow	(27.6)	(27.6)	(10.7)	(2.8)

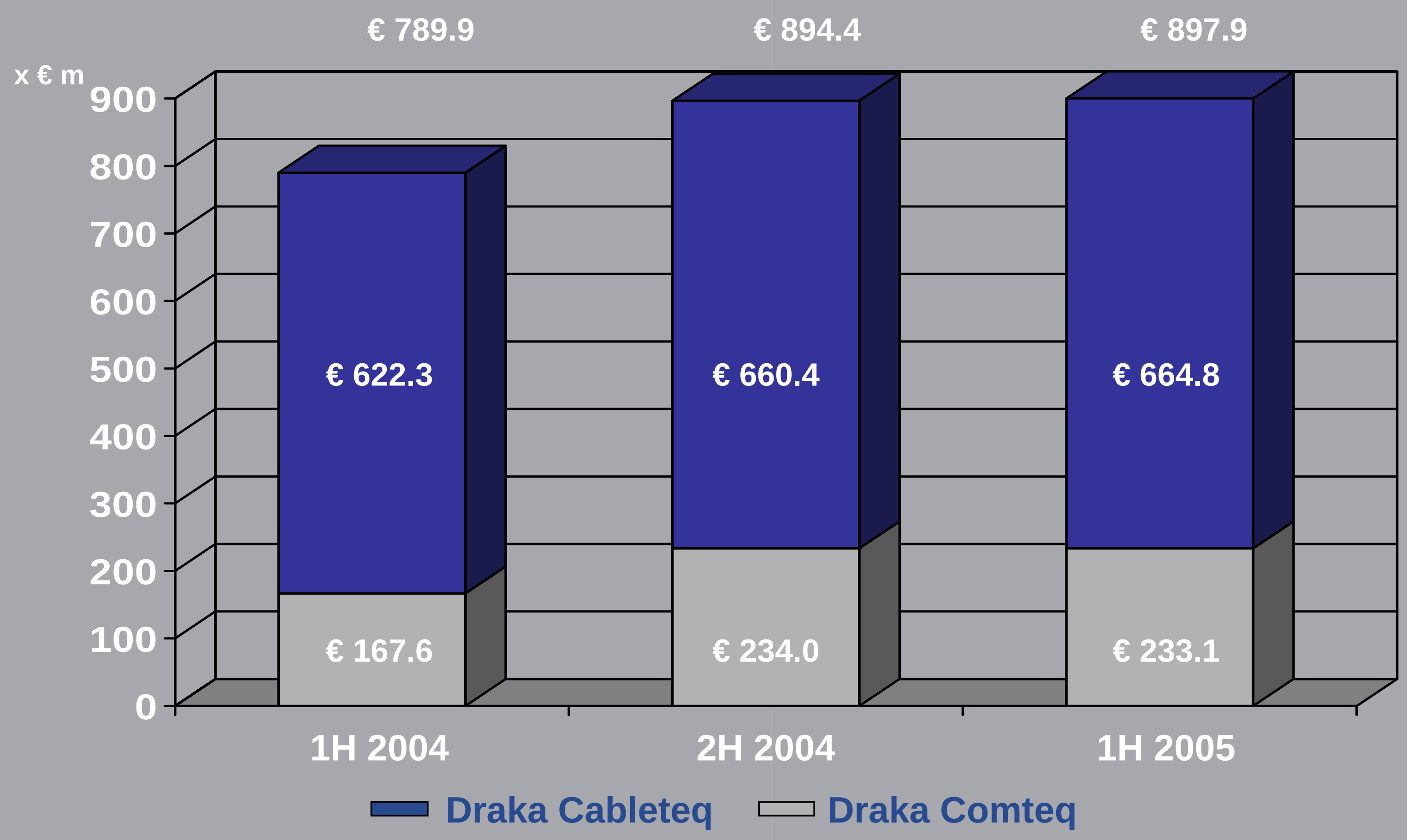
[1] Excluding non-recurring items of € 15.4m positive in 1H 2005, € 2.1m negative in 1H 2004 and € 23.1m negative in 2H 2004
[2] Per ordinary share after a reserve for preference dividend (€ 4.6m)

	Sales			EBIT		
(x €m)	1H05	1H04	2H04	1H05[1]	1H04[1]	2H04[1]
Draka Cableteq	664.8	622.3	660.4	28.5	24.5	21.0
Draka Comteq	233.1	167.6	234.0	(8.7)	2.5	(18.7)
Others	-	-	-	(7.6)	(4.8)	(3.6)
Total	897.9	789.9	894.4	12.2	22.2	(1.3)

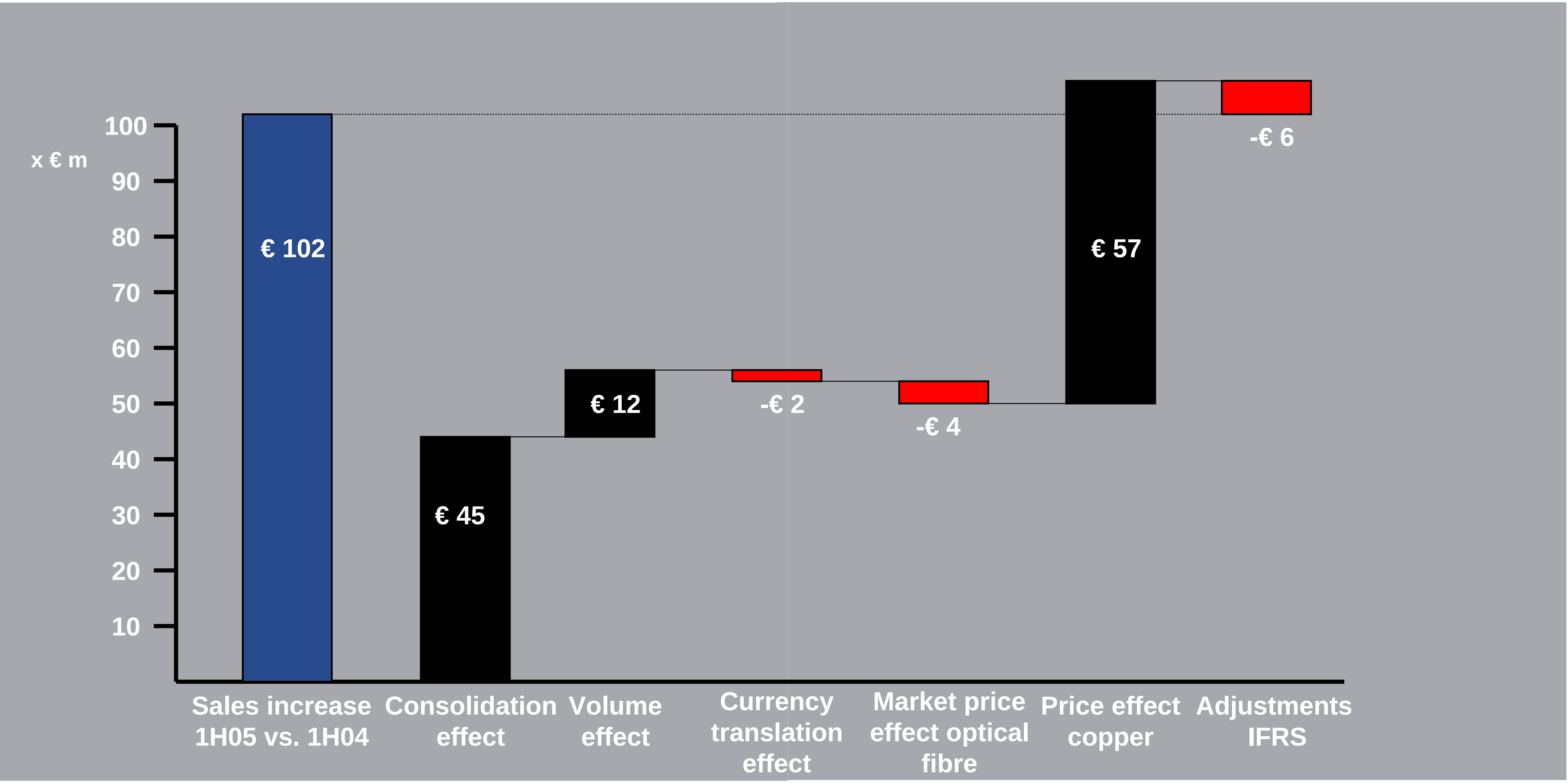
[1] Excluding non-recurring items of € 15.4m positive in 1H 2005, € 2.1m negative in 1H 2004 and € 23.1m in 2H 2004

- Revenue growth 13.7%: organic growth 8.0% & consolidation effects 5.7%
- EBIT depressed by sustained price and margin pressure at Draka Comteq and increase in Holding costs; substantial improvement compared with 2H 2004

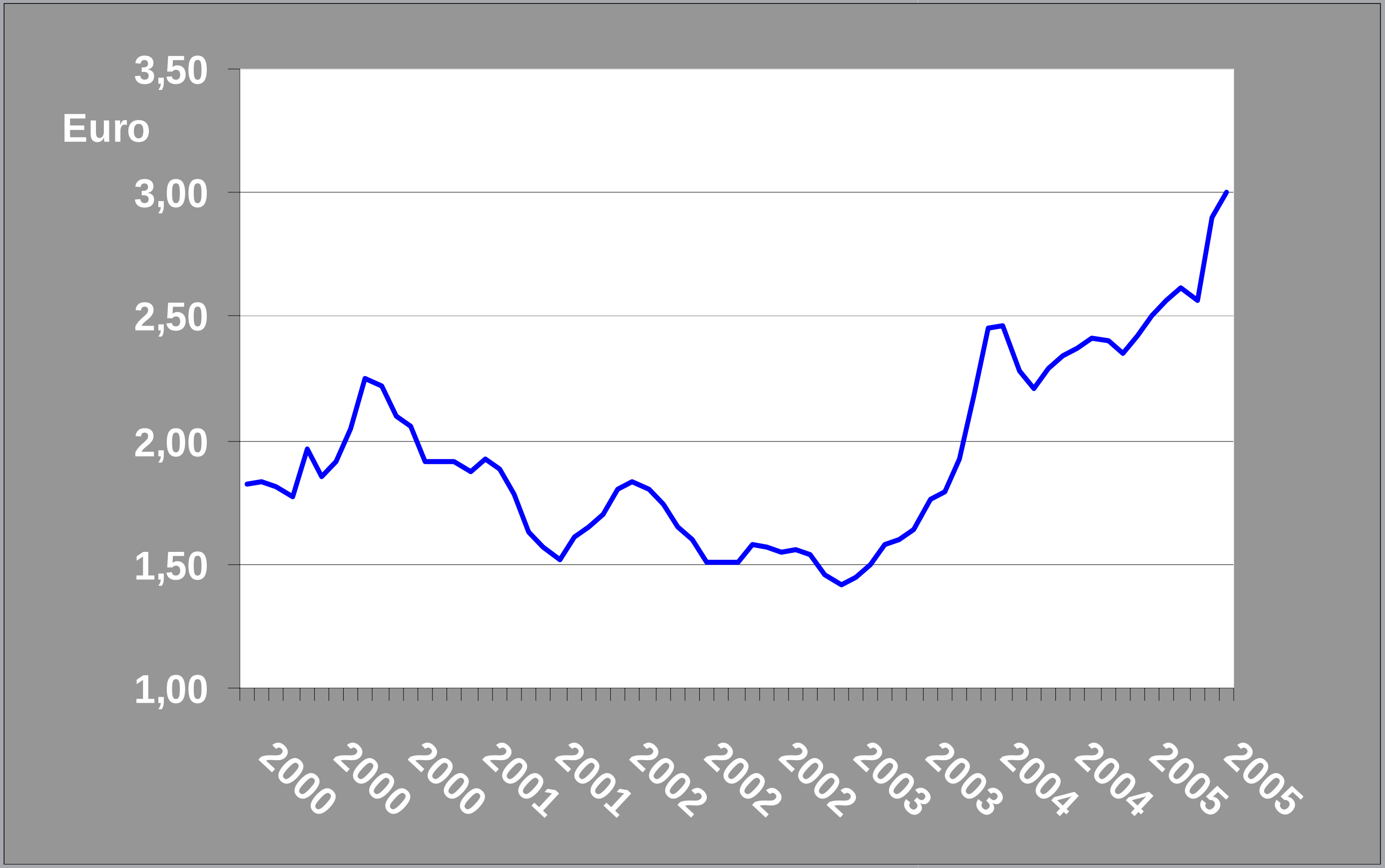
Revenue development



Revenue analysis 1H 2005 vs. 1H 2004

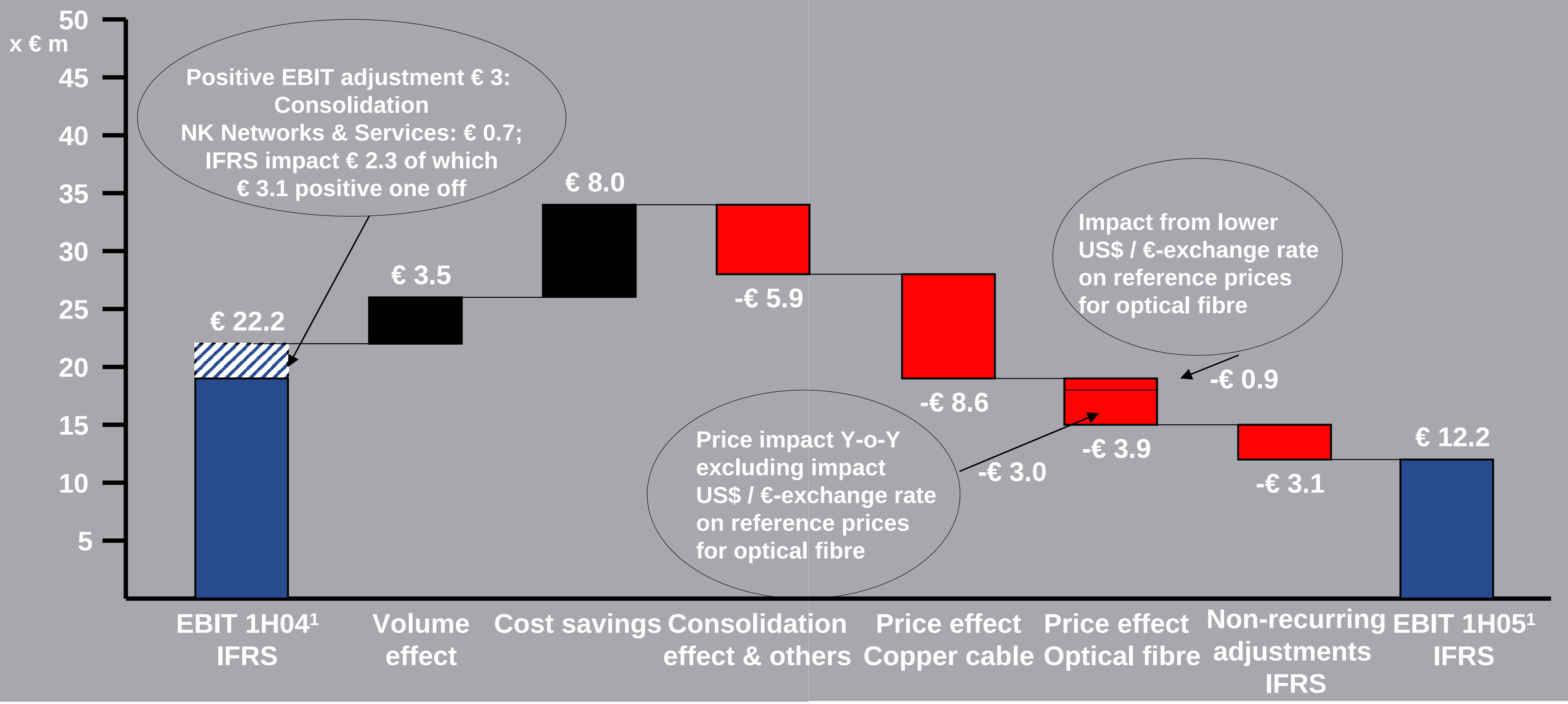


Copper price development 2000-2005



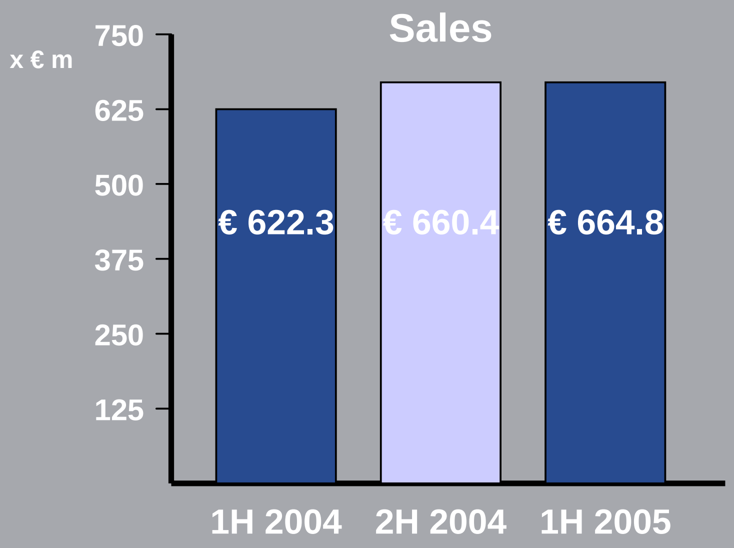
Average copper price in 2004: € 2.30
Average copper price YTD 2005: € 2.65
Copper price 26 August: € 3.13

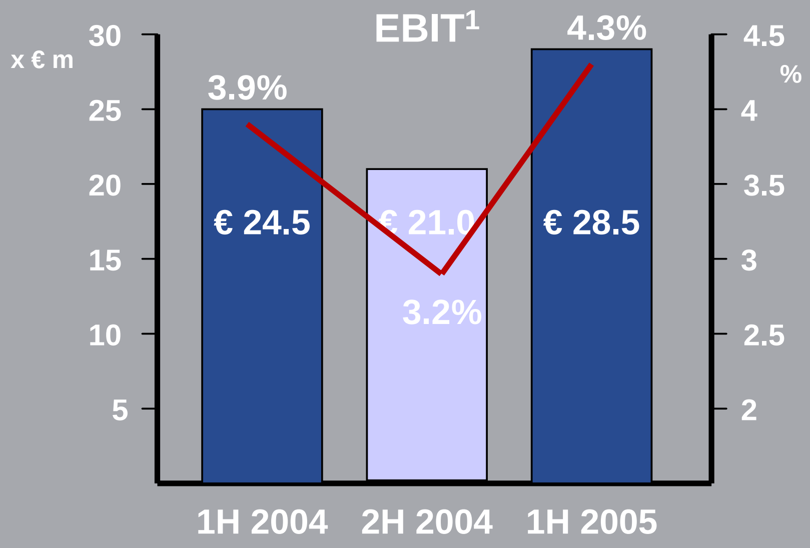
EBIT analysis 1H 2005 vs. 1H 2004



[1]Excluding non-recurring income of € 15.4 in 1H 2005 and a non-recurring charge of € 2.1 in 1H 2004

Results per Group

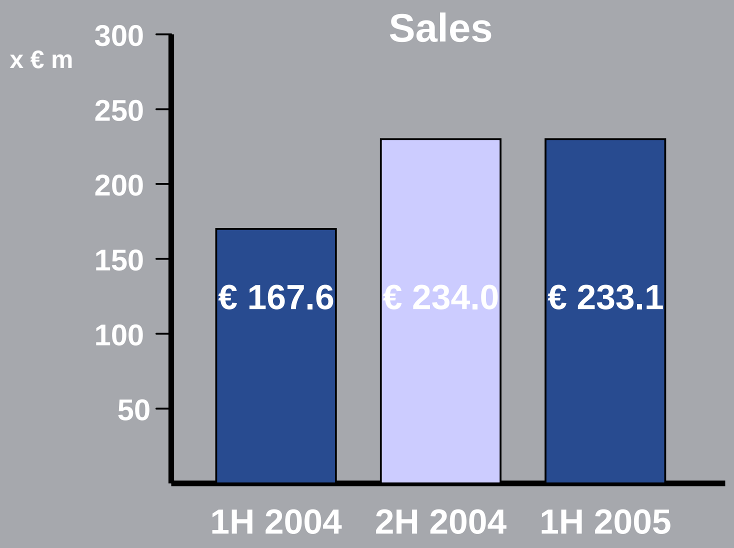


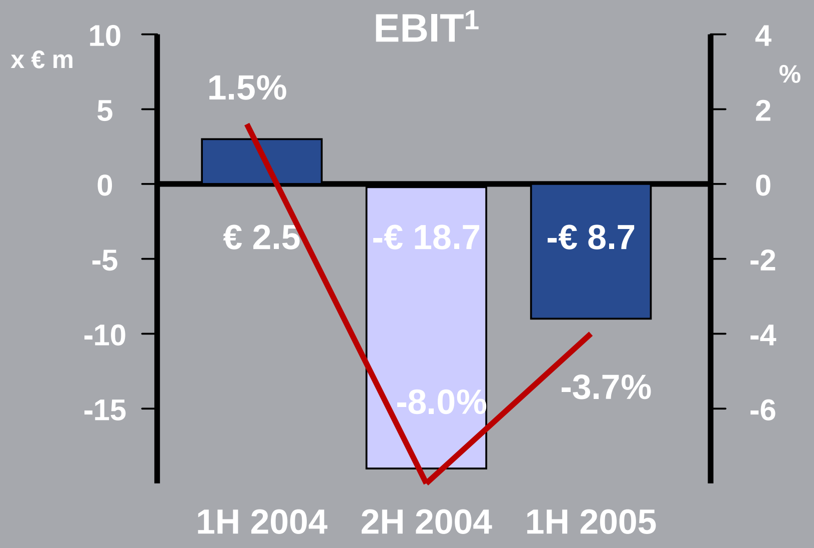


[1] Excluding non-recurring items

- Organic revenue growth 11.7%
- Strong underlying EBIT growth of 26.1% (excluding IFRS impact)
- Better product mix, lower cost base and first benefits from fundamental change contributed to higher profitability in 1H 2005

- Demand for special-purpose cable outperformed low-voltage cable segment
- Almost all divisions contributed to growth
- Continuing increase in raw materials managed well, although margin pressure remained
- Benefits from fundamental change in Draka's organisational structure already contributed to profitability in 1H 2005
- Draka Cableteq expands its activities considerably in the fast growing Chinese market by starting up production in 2H 2005 in its new factory in Suzhou





[1] Excluding non-recurring items

- Organic revenue growth minus 0.6%
- EBIT depressed by lower selling prices, exchange rate effects and higher raw material prices; Substantial improved compared to 2H04
- Cost base lowered by € 7 million, including industrial synergies

Draka Comteq – Main topics

- Demand for optical fibre telecommunication cable grew by 11% in 1H 2005, driven by FTTH-projects in the US and Europe
- Draka Comteq maintained its market share in Europe and China and improved its share in the US
- Draka Comteq restarted production at its facility in Claremont, North Carolina in anticipation of continuing growth in the US
- Integration programme (annual savings € 19 million) on track
- Continuing discussions are held with YOFC's co-shareholders vis-à-vis obtaining a majority stake in YOFC; alternative solutions are being discussed to enable the transfer of technology and equipment. As already indicated in Draka's trading statement (15 June 2005), Draka Comteq now expects that the industrial synergies in 2005 will not reach the forecasted € 20 million[1], but amount to € 6 million, all of which are attributable to its European operations.

[1]Including 100% of synergies expected in YOFC at the time

Financial position

- Operating cash flow, excl. non-recurring items and application of provisions improved to minus € 3 million (1H 2004: minus € 8m)
- Operating NWC increased to 29.4% (1H 2004: 28.0%), as a result of a further increase in copper price and consolidation of Alcatel’s optical fibre activities (1 July 2004)
- Shareholder’s equity declined 19.8%, mainly due to reclassification of preference shares (IAS 32/39)
- Net interest bearing debt increased by € 56 million (pref. shares excluded) resulting from an increase in working capital

Draka

Cash flow statement

(x €m)	1H 2005	1H 2004	FY 2004
EBIT[1]	12	22	21
Depreciation	27	28	62
Working capital	(27)	(34)	(43)
Others (interest, tax, provisions)	(40)	(27)	(53)
Operating cash flow	(28)	(11)	(13)
Dividend	(9)	(9)	(9)
CF from Investments	8	(6)	(22)
Free cash flow	(29)	(26)	(44)
CF from Financing	30	27	22
Net cash flow	1	1	(22)

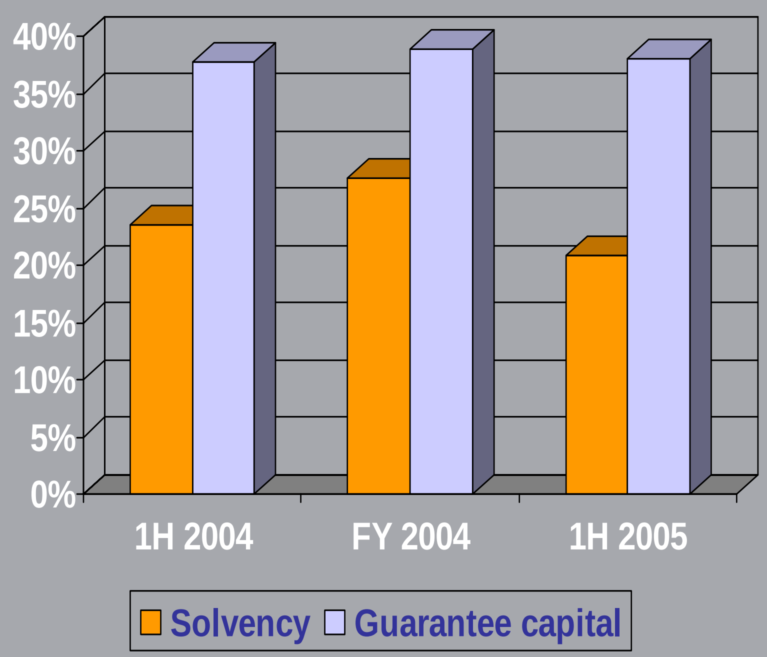
[1] Excluding non-recurring items of € 15.4m positive in 1H 2005, € 2.1m negative in 1H 2004 and € 25.2m negative in 2004

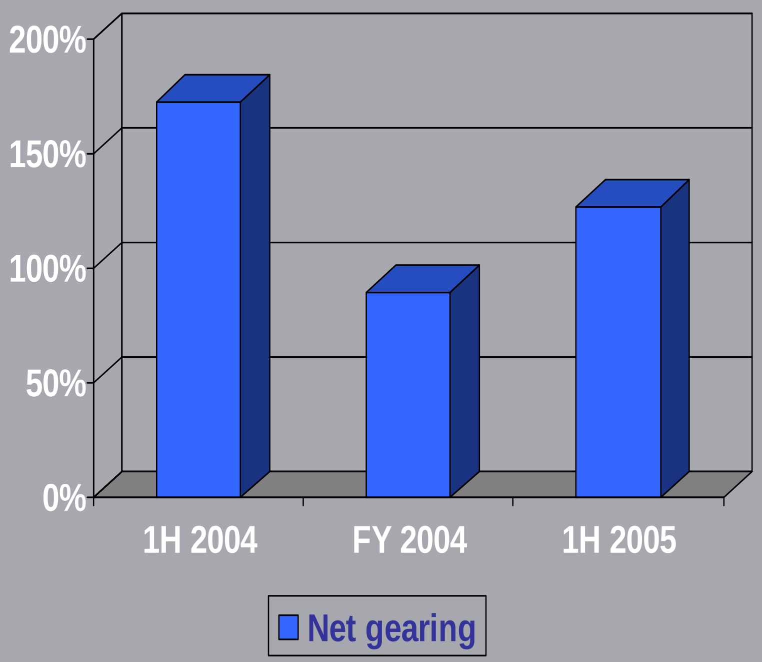
Investments & depreciation

(x €m)		1H 2005	1H 2004
Draka Cableteq	- Investments	13	9
	- Depreciation	18	20
Draka Comteq	- Investments	2	1
	- Depreciation	9	8
Total	- Investments	15	10
	- Depreciation	27	28

Investments remains below depreciation level

Balance sheet ratios

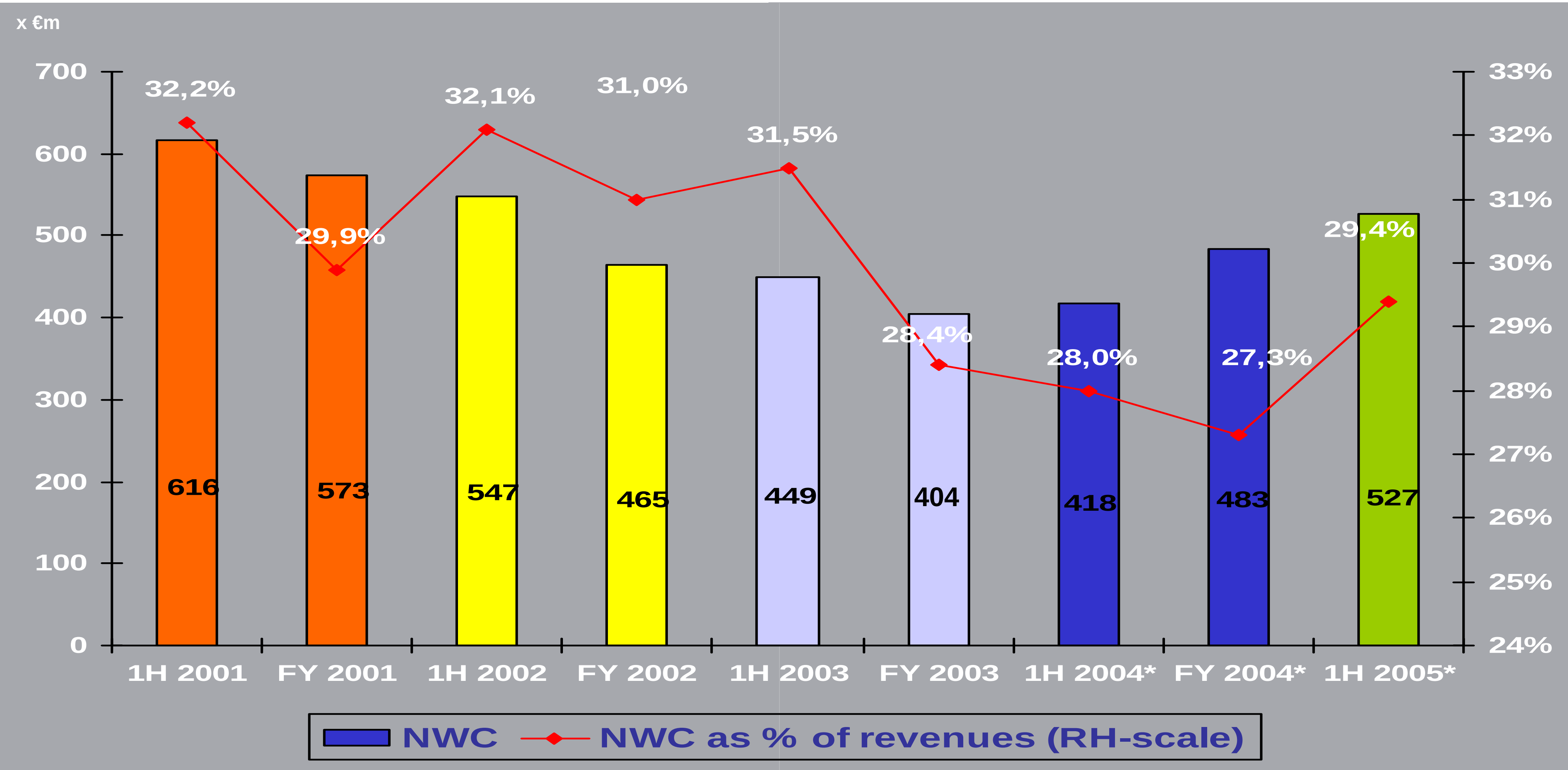




Deterioration of solvency and net gearing in 1H 2005 due to reclassification of preference shares (IAS 32/39)

Draka

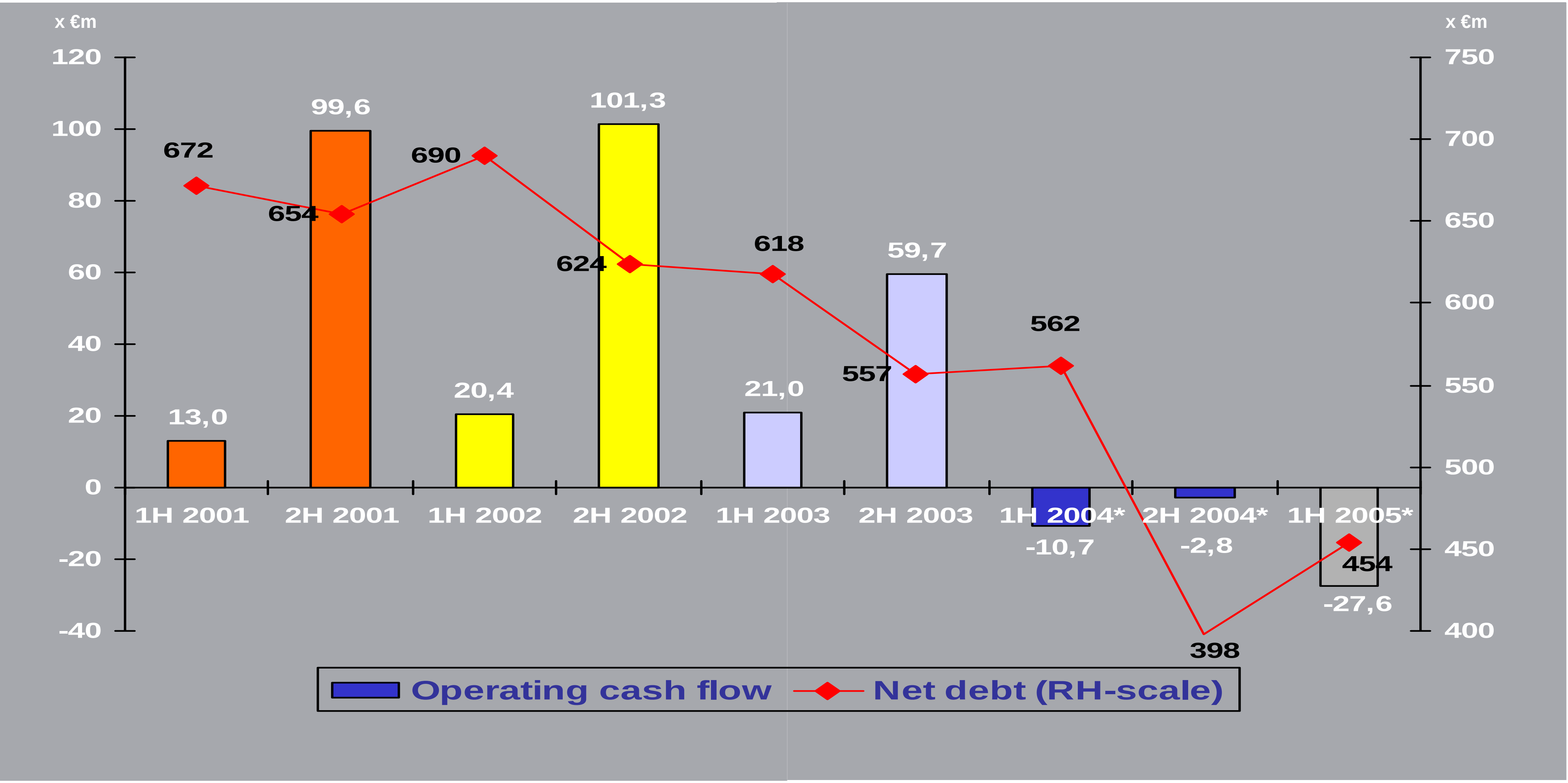
Operating working capital



* Adjusted to IFRS

Draka

Operating cash flow & net debt



Outlook for 2005

- Market conditions anticipated to be broadly in line with first half of 2005; specialty cable segment expected to outperform
- Some volume growth expected, driven by specialty cable segments and its activities in SE-Asia
- Start production in new factory in China (Suzhou)
- Special management focus to address the continuing rise in raw material prices
- Priority to strenghten the organisation by optimising its operations and intensifying sales and marketing efforts

- Market developments expected to be similar in 2H 2005 compared to 1H 2005
- Demand for Draka Comteq's fibre optic cable products is expected to grow in 2H 2005 at a rate similar to 1H 2005
- Fibre pricing expected to remain stable
- Capacity constraints in multimedia products will be alleviated through internal capacity expansion programs
- Restructuring activities initiated in 2004 completed; full impact expected in 2H 2005 (additional € 14m, excl. Industrial synergies)

- In line with revised strategic focus, Draka will intensify sales efforts in specialty cable segments and selected geographical markets
- Draka continues to strengthen its organisation, resulting in lowering the cost base by € 19m in 2005 (Draka Comteq, excl. Industrial synergies) and € 15m in 2006 (Draka Cableteq)
- Forecast of positive free cash flow for 2005 (excl. except. & application of provisions), driven by reduction in operating NWC to 27% of revenues (EOY04: 27.4%) and keeping investments below the level of amortisation/depreciation
- Barring unforeseen circumstances, (based on current copper prices and currency exchange rates and excluding non-recurring items) operating margin is expected to improve in 2H05 compared to 1H05

Q & A

Legends

General

This document is not a prospectus and is being furnished to you solely for your information and may not be reproduced, redistributed or made available in whole or in part to any other person for any purpose. This document does not constitute investment advice nor an offer to sell, or a solicitation of an offer to purchase any securities.

This press release is only directed at persons outside the United Kingdom or persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")) or within Article 42 or Article 43 of the Order, or other persons to whom it may lawfully be communicated in accordance with the Order. In the case of investment professionals, this notice is directed at persons having professional experience in matters relating to investments and the investments and investment activity to which it relates will be engaged in only with such persons; persons who do not have professional experience in matters relating to investments should not rely on it.

The Convertible Bonds

THIS DOCUMENT IS DIRECTED EXCLUSIVELY AT MARKET PROFESSIONALS AND INSTITUTIONAL INVESTORS. THIS DOCUMENT IS FOR INFORMATION PURPOSES ONLY AND IS NOT TO BE RELIED UPON IN SUBSTITUTION FOR THE EXERCISE OF INDEPENDENT JUDGEMENT. THE DECISION TO PURCHASE ANY OF THE SECURITIES SHOULD ONLY BE MADE ON THE BASIS OF THE PROSPECTUS ISSUED BY DRAKA HOLDING N.V. IN CONNECTION WITH SUCH OFFERING. THE PROSPECTUS WILL BE AVAILABLE FREE OF CHARGE FROM THE SOLE GLOBAL CO-ORDINATOR (ABN AMRO ROTHSCHILD) PRIOR TO SETTLEMENT. THE SOLE GLOBAL CO-ORDINATOR ACCEPTS NO LIABILITY ARISING FROM THE USE OF NOR MAKES ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS DOCUMENT OR THE PROSPECTUS. THE INFORMATION CONTAINED HEREIN IS SUBJECT TO CHANGE WITHOUT NOTICE.

Each person receiving this document should consult his professional adviser to ascertain the suitability of the bonds as an investment. For the avoidance of doubt, neither Draka Holding N.V. nor the Sole Global Co-ordinator make any representation or warranty that they intend to accept or be bound to any of the terms herein nor shall Draka Holding N.V. or the Sole Global Co-ordinator be obliged to enter into any further discussions or negotiations pursuant thereto. Any discussions, negotiations or other communications that may be entered into whether in connection with the terms set out herein or otherwise, shall be conducted subject to contract.

Each prospective investor should proceed on the assumption that it must bear the economic risk of an investment in the securities for an indefinite period. Neither Draka Holding N.V. nor the Sole Global Co-ordinator make any representation as to (i) the suitability of the bonds for any particular investor, (ii) the appropriate accounting treatment and potential tax consequences of investing in the bonds or (iii) the future performance of the bonds either in absolute terms or relative to competing investments.

In connection with the offering, each of the Sole Global Co-ordinator or their affiliates and agents may, for their own account, enter into asset swaps, credit derivatives or other derivative transactions relating to the bonds and/or the underlying depositary receipts at the same time as the offer and sale of the bonds or in secondary market transactions. The Sole Global Co-ordinator or their affiliates and agents may from time to time hold long or short positions in or buy and sell such bonds or derivatives or the underlying Shares. No disclosure will be made of any such positions, unless obliged according to applicable laws. The amount of any such purchases will be determined at the time of pricing of the bonds and will be subject to total demand received and final allocations.

In addition, if and to the extent that this announcement is communicated in, or the offer of the securities to which it relates is made in, any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive") before the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Member State in accordance with the Prospectus Directive (or which has been approved by a competent authority in another Member State and notified to the competent authority in that Member State in accordance with the Prospectus Directive), this announcement and the offer are only addressed to and directed at persons in that Member State who are qualified investors within the meaning of the Prospectus Directive (or who are other persons to whom the offer may lawfully be addressed) and must not be acted on or relied on by other persons in that Member State.

THE BONDS AND THE ORDINARY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT 1933, AS AMENDED (THE "SECURITIES ACT") AND THE BONDS WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT. NEITHER THIS DOCUMENT NOR ANY COPY OF IT IS FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES. THIS DOCUMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES OR ELSEWHERE. THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THEY ARE REGISTERED OR EXEMPT FROM REGISTRATION.

NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN, TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN OR INTO CANADA, AUSTRALIA OR JAPAN. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF CANADIAN, AUSTRALIAN OR JAPANESE SECURITIES LAWS.

In The Netherlands the Bonds will only be offered to professional market parties within the meaning of Section 1a(3) of the Exemption Regulation of the Netherlands Security Market Supervision Act 1995, as amended (Vrijstellingsregeling Wet Toezicht Effectenverkeer 1995).