–PRESS RELEASE–

– TRADING UPDATE –

OPERATING RESULT OF € 32-37 MILLION AND NET RESULT OF € 17-22 MILLION EXPECTED IN H1 2009 (BOTH EXCLUDING NON-RECURRING ITEMS)

STRONG FOCUS ON CASH AND DEBT REDUCTION

ADDITIONAL COST SAVINGS IMPLEMENTED

Headlines:

- **Volume** down 23% in first four months of 2009, mainly due to automotive sector, lower construction volumes in Europe and reduced demand for copper communication cable.
- **EBITDA, excluding non-recurring items[1],** of € 60-65 million expected for H1 2009 (H1 2008: € 102.9 million).
- **Operating result, excluding non-recurring items[1],** of € 32-37 million expected for H1 2009 (H1 2008: € 75.7 million).
- **Net income for the period, excluding non-recurring items[1],** of € 17-22 million expected for H1 2009 (H1 2008: € 49.3 million).
- **Exceptionally difficult market conditions** in Q4 2008 continued into Q1 2009, with consequences for all market segments in which Draka is active. The signs so far in Q2 2009 point to a stabilisation in market conditions.
- **Cost-saving programmes** that have already been implemented are on track. New measures have been announced, targeted mainly on the Communications Group. Total cost savings now estimated at € 50 million from 2010 onwards, with about € 30 million already being realised in 2009 of which approximately € 20 million in H2 2009.
- **Operating working capital** as a percentage of revenue expected within target bandwidth of 16–18% (H1 2008: 17.8%).
- **Net debt** at least € 25 million lower compared with year-end 2008, due to positive cash flow trend and sale of Draka's OPGW operations.

Amsterdam, 19 May 2009 – This trading update for the first half of 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, in advance of the publication of the first-half figures on Thursday, 13 August 2009 (before start of trading).

Commenting on the projected results for the first half of 2009, Sandy Lyons, Chairman and CEO of Draka Holding N.V, said: *'Given the significant fall in demand in many of Draka's end-user markets, we are pleased that the forecasts indicate positive net income in the first half of 2009. This is due in part to the comprehensive cost-saving measures we have implemented since the summer of 2008.*

Although there are signs of market conditions starting to stabilise on a low level in the second quarter of this year, Draka will continue to focus on further streamlining its production capacity and tailoring it to the market's needs. We are therefore taking additional steps to reduce costs further and speed up the cost-saving programmes already in progress. Further action is also being taken to optimise Draka's organisation, maintain capital discipline and reduce the debt position. These actions will ensure we maintain our focus on our customers and provide them with the products they require and the service they deserve.'

[1] Gross non-recurring items in H1 2009 estimated at approximately € 15 million negative. Non-recurring items in H1 2008 amounted to € 5 million negative.

Draka group

Forecast H1 2009 results
Draka is expecting an operating result for H1 2009 of € 32-37 million (H1 2008: € 75.7 million) and net income of € 17-22 million (H1 2008: € 49.3 million), both excluding non-recurring items. Including non-recurring items, Draka is expecting an operating result of € 17-22 million (H1 2008: € 70.7 million) and net income of € 7-12 million (H1 2008: € 51.5 million).

Non-recurring items
The non-recurring items relate to a total provision of € 25-30 million in 2009 for implementing and tightening the focus of Triple S projects and other cost-saving measures. Of this, some € 5 million relates to projects initiated in the summer of 2008 and the remaining € 20-25 million to new projects.

Additional cost-saving measures
In the light of the difficult market conditions, it was decided in Q1 2009 to speed up the current Triple S projects and take additional cost-saving measures. The new measures are being implemented across the organisation, but focus in particular on the Communications Group, the Europe division within the Energy & Infrastructure Group and on the Wire & Cable Assemblies activities (closure of plant in Oudenbosch, Netherlands) within the Industry & Specialty Group. Including the measures announced earlier, the total reduction in staffing levels will amount to some 15%, or approximately 1,500 employees.

The projected annual cost savings will be close to € 50 million and will be realised in full in 2010. Draka expects to realise the bulk of the savings, amounting to around € 30 million, in 2009 of which about € 20 million will be realised in the second half year. In February of this year, the savings were estimated at € 40 million in 2010, of which some € 25 million would be realised in 2009.

Developments in H1 2009
The conditions in the first months of 2009 were similar to those in Q4 2008. The effects of the steep downturn in the global economy continued to be felt in all parts of the business, with a strong decline in demand especially for automotive, construction-related products and copper communication cable. The relatively cold winter in Europe was an additional adverse factor which impacted chiefly on the construction and communication sectors. In contrast, Draka's activities in the oil and gas sector and elevator cables were resilient and there was growth in the construction sector in the Asia-Pacific region. In the Communications Group, the optical fiber segment performed relatively well, declining no more than the 10% previously forecast by Draka.
There are encouraging signs that, in general, market conditions have stabilised since April of this year.

Total volume is expected to decline substantially in H1 2009 compared to H1 2008. This will translate into lower capacity utilisation at Draka's plants, which will impact on profitability. Results will also be adversely affected by the increasingly competitive market conditions. These negative factors will be compensated to some extent by further improvements in the product mix and several cost-saving programmes. The cost-reduction and optimisation programmes are expected to contribute around € 10 million in H1 2009.

Working capital and cash flow
After a substantial fall in Q4 2008, the copper price made a recovery of over 65% in the first four months of 2009. Although this, together with the usual seasonal pattern of higher operating working capital in the first half-year, in general means an increase in working capital, the expectation is that the operating working capital in absolute terms will be slightly lower compared with year-end 2008 (€ 390.4 million). The operating working capital as a percentage of revenue is expected to improve and to be within the target bandwidth of 16–18%, compared with 17.8% in H1 2008.

Draka expects to generate a substantially higher positive cash flow from operations in H1 2009 than in H1 2008 (€ 1.4 million positive). The expected lower profit will have an adverse effect on Draka's cash flow, but this will be more than offset by the anticipated slight decline of operating working capital (outflow of € 68.2 million in H1 2008).

The projected positive cash flow and the proceeds of sale of the OPGW operations to AFL Telecommunications will reduce net debt by at least € 25 million compared with year-end 2008 (€ 498 million, excluding finance leases). Barring unforeseen circumstances, Draka expects to comply with all bank covenant limits as at 30 June 2009.

Energy & Infrastructure

Profile

The Energy & Infrastructure Group (E&I) generates about 38% (€ 1.0 billion in 2008) of Draka's total revenue with low-voltage and medium-voltage cable products ranging from installation and instrumentation cable to fire-resistant and halogen-free cable.

E&I comprises the *Europe* and *Asia-Pacific* divisions. *The Europe* division is the larger, accounting for 85-90% of the group's revenue. In terms of applications, about 30% of the revenue is related to housing construction, about 40% to industrial/commercial construction and the remaining 30% to infrastructure.

Developments

On the European construction market, E&I has experienced a strong fall in demand, continuing the trend of Q4 2008. The lower level of activity in the construction sector is largely due to the economic downturn, the adverse effects of which were compounded by the relatively cold winter in Europe. Housing construction is particularly hit hard, with the infrastructure and commercial construction segments declining less profoundly. In Europe, the sharpest falls are in Spain, Finland and Estonia, while the Benelux is performing comparatively well.

Asia also felt the effects of the global economic downturn. In the markets served by Draka in that region, demand remains at a satisfactory level in the infrastructure segment and industrial and commercial projects (shopping centres, hospitals, schools etc.) and Draka achieved limited volume growth in Asia in the first months of this year.

Draka continues to respond actively to the changing market conditions. Its strategy continues to focus as before on improving the product mix, with the emphasis on halogen-free and fire-resistant cable and products for special applications such as renewable energy. Draka is proceeding with its policy of matching production capacity to the market's changing needs. The closure of the Llanelli plant in the UK was completed in the early months of 2009.

Results forecast

E&I expects to report a strong (20–30%) fall in volume in H1 2009, which will translate into a sharply (>45%) lower operating result, excluding non-recurring items, compared with the same period last year (€ 42.8 million). The anticipated decline in results is caused by the lower volumes resulting in lower capacity utilisation at the production plants. These negative factors will be offset to some extent by further improvements in the product mix and additional production optimisation measures, which will help to maintain the operating margin at a relatively high level.

Industry & Specialty

Profile
The Industry & Specialty Group, which generates around 35% (€ 960 million in 2008) of Draka's total revenues, comprises four divisions that supply (customer-specific) cable to original equipment manufacturers (OEMs), many of which operate on a global scale.

The *Industrial* division, which generates some 35% of the group's revenue, supplies cable and related products for oil and gas platforms, ships, machinery and equipment, the mining industry and renewable energy applications such as wind power and solar energy. The *Automotive & Aviation* division, which generates about 35% of the group's revenues, is the world leader among independent suppliers of advanced cables for the automotive sector and supplies around 50% of Airbus' cable requirement. The *Elevator Products* division, which generates 10–15% of the group's revenues, supplies cable and accessories for the elevator industry. The *Cableteq USA* division, which also contributes 10–15%, supplies cable for the defence industry, infrastructure applications and irrigation systems.

Developments
Among the Industry & Specialty Group divisions, Automotive & Aviation reports the sharpest fall in volume, reflecting the significant production cutbacks made by car manufacturers worldwide. The reduction in volume factored in the closure of the plant in Vigo (Spain). The closure was finalised at the beginning of this year. The aviation business (cables for Airbus) performs better, with demand markedly higher than in the same period in 2008.

The Cableteq USA, Elevator Products and Industrial divisions are performing relatively well, with total demand showing a limited decline on the same period in 2008. Although Cableteq USA is affected by the downturn in the US economy, it is able to limit the decline in demand with its well diversified portfolio focusing on niche markets. Elevator Products' volume holds up well, helped by the continuing strong growth opportunities in China. Among the Industrial division's activities, oil and gas turned in the best performance. The investment project in submarine cable is on schedule and will be completed this year.

In the light of the difficulties faced by the Wire & Cable Assemblies activities due to the lower level of investment in capital equipment, it has been decided to close the plant in Oudenbosch (Netherlands).

Projected result
The Industry & Specialty Group expects to report strongly (20-30%) lower volume in H1 2009, mainly due to the automotive segment of the Automotive & Aviation division. The group's operating result, excluding non-recurring items, will be considerably down (30-45%) on the € 31.7 million figure for H1 2008, but the operating margin will be maintained at a relatively high level.

The lower projected volume will mean lower capacity utilisation at the plants, which will adversely affect profit. Meanwhile, the market is becoming increasingly competitive. The rigorous cost-reduction measures Draka has taken will help, but will not be sufficient to compensate fully for the negative factors.

Communications

Profile
The Communications Group, which accounts for some 27% (around € 720 million in 2008) of Draka's revenues, supplies optical fiber, cable and communication infrastructure solutions. Europe accounts for the bulk of its sales (around 80% of revenues), with the remaining 20% split more or less equally between the US and Asia.

It consists of four divisions. *Telecom Solutions* generates around 40% of the group's revenues, supplying optical fiber and copper cable solutions and connectivity for broadband infrastructures. *Multimedia and Specials* accounts for some 35% of the group's revenues, supplying communications cable solutions for local area networks, mobile networks, infrastructure, industry and multimedia applications. *Americas* supplies optical fiber cable solutions for telecom networks in America. *Optical Fiber* develops and produces optical fiber products for internal usage and for third parties on a global scale.

Developments
Within the telecommunication cable market, the optical fiber segment performs in line with Draka's expectations, with volume down around 10% mainly due to lower demand in Europe and North America. The Asian market continues to grow, driven by investment in networks in China. Despite the weaker demand, optical fiber prices (in US$) remain stable. Competition is still intense on the cable market and selling prices are under pressure.

Higher exports of optical fiber to Draka's joint ventures in China provides only partial compensation for the effects on the Communications Group of the lower demand in Europe, driven by some delays in releasing projects by several major European telecom operators. In North America, Draka is preparing itself to respond to the stimulus initiatives. Draka is maintaining its share of both the European and US markets. Demand for copper telecommunication cable in Europe continues the steep downward trend of H2 2008, but Draka retained its market share in Europe.

The substantial downturn in European construction activity is also impacting on demand for data communication cable, which will show a strong decline compared with the high level of H1 2008. Draka maintains its market share which is supported by high bandwidth product innovation in this segment.

Demand for mobile network cable shows a downward trend in Western Europe as investments come under scrutiny. Whilst compensated for by continuing stability in demand in Asia the overall effect is still negative.

In response to the falling demand across many of the segments within the communication cable market, all cost, efficiency and flexibility improvement programmes continue to be upgraded and extended. With the result that the cost improvement run rate will continue to increase month by month through to year end 2009.

Results projection
Draka Communications expects to report a significant (12-20%) fall in volume in H1 2009. The negative effect of the economic downturn in demand for communication cable has been compounded by the cold winter in Europe. The operating result, excluding non-recurring items, will be slightly positive (H1 2008: € 10.7 million). The cost savings will not be sufficient to compensate for the lower volumes and their adverse effects on capacity utilisation at Draka's plants. The cost savings will continue to ramp up through the second half of 2009.

Draka

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2009 financial calendar (provisional)	
Publication of 2009 half-year figures	**Thursday, 13 August 2009 (before start of trading)**
Publication of 2009 second-half trading update	**Thursday, 12 November 2009 (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 9,800 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.