Draka

Press release

Amsterdam, 15 February 2011

2010 FULL-YEAR FIGURES

DEMAND CONTINUES TO RECOVER IN MAIN MARKETS

(€ million, unless stated otherwise)	2010	2009	∆%
Revenues	**2,427.8**	**2,048.3**	**19**
Revenues at constant copper prices	**2,299.5**	**2,167.8**	**6**
EBITDA, excluding non-recurring items[1]	**148.1**	**138.2**	**7**
Operating result, excluding non-recurring items[1]	**85.4**	**75.3**	**13**
Operating result	**28.6**	**8.8**	**225**
Result for the year, excluding non-recurring items[1,2]	**60.5**	**48.3**	**25**
Result for the year[2]	**4.6**	**(18.2)**	**-**
Earnings per share, excluding non-recurring items (€)[1,3]	**1.13**	**1.01**	**12**
Proposed dividend per ordinary share (€)	**-**	**-**	**-**
Cash flow from operating activities	**58.4**	**189.2**	**(69)**

- **Revenues** up 18.5%, mainly due to higher copper prices (+12.4%). Volume growth amounted to 3.5% in 2010; strong improvement in H2 2010 to 8.1% after decline of 0.6% in H1 2010.
- **Volume growth** driven by rising demand for high-end special-purpose cables, optical-fiber telecommunication cables and strong Q4 in low voltage cable.
- **Operating result**, excluding non-recurring items, +13.4% to € 85.4 million. All of this increase was generated in H2 2010 (+49.9%), driven by volume growth and cost savings. All three Draka groups contributed to this improvement.
- **Cost-reduction programmes** resulted in lowering of cost base by around € 30 million.
- **Result for the year**, excluding non-recurring items, € 60.5 million (+25.3%).
- **Non-recurring items** € 56.8 million negative, mainly due to implementation of cost-reduction programmes. This figure also includes non-recurring costs of more than € 7 million in consultancy fees relating to intended offers on Draka.
- **Operating working capital ratio** reduced to historically low 12.9% (2009: 13.7%). Net debt reduced by approximately 4% and, consequently, financial position remained strong.

Comment by Frank Dorjee, Chairman and CEO of Draka Holding N.V.: ”2010 was an eventful year for Draka, a year which saw the start of a process that will culminate in the end of the company’s independence. It was also a year of strong recovery at the operational level, which was reflected in our results from the second quarter onwards. This improvement was due in part to action we had taken, in the form of new growth initiatives and further cost savings. Draka also benefited from sustained recovery in demand on most of the markets we serve, which we expect to continue this year.

In 2011, Draka is embarking on a new phase in its development. The year will see the official launch of the combined Prysmian-Draka group, a new leader in the global cable market and number one in energy and telecom cable and systems. Together, we can achieve things that neither Draka nor Prysmian could do alone, enabling us to deliver an even better service for our customers. I’m confident that Draka is assured of a successful future as part of the new combined group.”

[1] Excluding non-recurring items. Total non-recurring items in 2010 were € 56.8 million negative (or € 55.9 million net) and related mainly to restructuring costs. Non-recurring items in 2009 were € 66.5 million negative.
[2] Attributable to the equity holders of the Company.
[3] Per ordinary share after preference dividend of € 5.4 million.

Draka

2010 in brief

- **Revenues** at current copper prices: € 2,427.8 million, an increase of 18.5% compared with 2009. Volume growth was 3.5% positive, the first volume growth since H1 2008, after a volume decline of 0.6% in H1 2010. Revenues at constant copper prices were 6.1% higher at € 2,299.5 million which was fully due to volume growth and positive exchange-rate effects.

- **Operating result excluding non-recurring items**: up 13.4% at € 85.4 million. The improvement of the underlying results was driven by volume growth and was fully realised in the second half of 2010. In this period the result was 49.9% higher, compared with a 17.1% fall in the first half of 2010. The cost savings of € 30 million yielded by the Triple S programmes also supported the result.

- **Operating margin** at constant copper prices: 3.7%, compared with 3.5% in 2009. Energy & Infrastructure and Industry & Specialty reported lower margins of 3.7% and 4.0%, respectively, compared with 4.2% and 5.0%, respectively, in 2009, but Communications improved its margin to 5.6% (2009: 3.6%). However, all three groups reported a margin improvement in H2 2010 compared with H2 2009.

- **Operating result including non-recurring items**: € 28.6 million compared with € 8.8 million in 2009. The non-recurring items of € 56.8 million negative mainly related to restructuring costs.

- Status of current **Stop, Swap & Share projects and cost-reduction measures**: closure of the plants at Ystad (Sweden) and Årnes (Norway) have been completed. Other measures, including further downsizing of automotive cable production in several countries (Automotive & Aviation) and various efficiency measures within the Communications Group, are finalised as well. The headcount decreased by a further 300 in 2010, a reduction of 3.1% compared with year-end 2009. Cost savings in 2010 amounted to some € 30 million. New projects started in the second half of 2010 with the aim of reducing overhead expenses and implementing operational excellence in Draka's three groups are expected to reach completion in 2011. The savings in 2011 yielded by the cost-reduction programmes that are currently in progress are estimated at about € 10 million.

- **Result for the year, excluding non-recurring items:** € 60.5 million (2009: € 48.3 million) and earnings per share € 1.13 (2009: € 1.01).

- **Result for the period including non-recurring items**: € 4.6 million positive (2009: € 18.2 million negative). The net non-recurring charge of € 55.9 million related mainly to restructuring costs.

- It is proposed that no **dividend** be paid on ordinary shares in respect of 2010. The reason for this proposal is that Prysmian's offer is cum dividend.

- **Operating working capital ratio**: amounted to 12.9% (2009: 13.7%). Cash flow from operating activities in 2010 amounted to € 58.4 million (2009: € 189.2 million). The decline was caused by the € 12.6 million increase in operating working capital in 2010 due to the higher average copper price (54.9%), exchange-rate effects and the volume growth in the second half which required more working capital.

- **Net debt** lowered by € 11.6 million to € 283.4 million, due to free cash flow generation.

Draka

Annual results 2010

General

After the sharp fall in demand in 2009 in the wake of the global financial crisis, the world cable market recovered significantly in 2010. Recovery was driven mainly by improving economic conditions in the developed countries, coupled with continuing growth in the emerging markets which started in the second half of 2009. The recovery was slow in the first six months of 2010, but gained momentum in the second half and delivered volume growth of about 7% over the year (in volume terms, based on constant exchange rates and constant copper prices). At product level, all segments contributed to growth in the cable market except copper telecommunication cable, for which demand continued to decline.

Revenue

At current copper prices, revenues in 2010 were 18.5% higher at € 2,427.8 million. The effect of higher copper prices on revenues was 12.4 percentage points positive. This is due to the fact that changes in copper price are being passed on in the price of cable products with some delay.

At constant copper prices, revenues were 6.1% higher compared with 2009, at € 2,299.5 million. This increase was the result of a combination of volume growth (3.5 percentage points) and positive exchange-rate effects (3.8 percentage points), in particular the strengthening of the dollar against the euro. The volume growth was due principally to the strong recovery in demand for special-purpose cable in the second half of the year. In the first six months of 2010, Draka reported negative volume growth (–0.6 percentage points), which can be partly attributed to the hard winter in Europe.

The net effect on revenues of acquisitions and disposals was 1.2 percentage points negative. The acquisition was Pressure Tube Manufacturing (USA), which has been included in the consolidation since June 2010 and contributed approximately € 8 million to Draka's revenues in 2010 (0.4 percentage points). The impact of disposals was -1.6 percentage points and comprised the sale of Draka's OPGW activities (Germany) in June 2009 and the 55% interest in Draka Comteq SDGI Co Ltd (China) in December 2009.

(€ million)	2010	2009	H2 2010	H2 2009
Revenue (at current copper prices)[1]				
Energy & Infrastructure	854.0	694.4	444.6	344.5
Industry & Specialty	744.5	617.7	394.7	305.4
Communications	829.3	736.2	444.6	376.6
Draka total	2,427.8	2,048.3	1,283.9	1,026.5
Operating result[2]				
Energy & Infrastructure	29.2	31.8	15.5	13.5
Industry & Specialty	28.2	33.4	16.6	12.8
Communications	45.2	26.7	28.0	16.9
Unallocated	(17.2)	(16.6)	(8.7)	(8.9)
Draka total	85.4	75.3	51.4	34.3

[1] Due to reclassification of (OEM) revenues as between Energy & Infrastructure and Industry & Specialty, the revenues in 2009 and H2 2009 have been restated to facilitate comparison.
[2] Excluding non-recurring items. There was a total non-recurring charge of € 56.8 million in 2010. The non-recurring charge in 2009 was € 66.5 million.

Operating result

Draka's operating result in 2010 was € 28.6 million, compared with € 8.8 million in 2009. On a like-for-like basis – excluding non-recurring items – the operating result was € 85.4 million, compared with € 75.3 million in 2009. All of the improvement in the underlying result, which was driven by volume growth, was achieved in the second half. The result for the last six months was 49.9% higher, compared with a 17.1% fall in the first half of 2010.
The non-recurring charges of € 56.8 million mainly related to a provision for and current costs of overhead reduction and Triple S projects within Draka's three groups. Total non-recurring charges in 2009 were € 66.5 million.

Operating margin

The operating margin – the operating result excluding non-recurring items as a percentage of revenues at constant copper prices – turned out at 3.7% compared with 3.5% in 2009. The improvement was driven by volume growth, which translated into higher capacity utilisation rates at Draka's plants, cost savings (around € 30 million) and an improved product mix. Negative factors affecting the margin were the competitive market conditions and the higher raw material prices (especially polymers) which could not be passed on fully in selling prices.

Other financial items

Net finance expense amounted to € 31.9 million, up 2.2% compared with 2009 (€ 31.2 million). This increase was fully driven by non-recurring items such as an impairment loss on a promissory note (Optelecom), net foreign exchange losses and fee expenses relating to Draka's syndicated loan. The interest expense showed an underlying decline of 22.9% reflecting the reduction in average net debt which resulted partly from the € 100 million share issue in October 2009. The taxation item was € 1.8 million positive, including the tax effect on the non-recurring items of € 3.6 million. Excluding this effect, the effective tax rate was 3.2% (2009: -4.3%).

The share in the profit of equity-accounted investees amounted to € 8.0 million, compared with € 5.0 million in 2009. A significantly higher profit at Draka's associate Oman Cable Industry in Oman (OCI) was largely responsible for this increase.

Result for the year

The result for the year attributable to shareholders was € 4.6 million positive, compared with € 18.2 million negative in 2009. Excluding non-recurring items, the result was € 60.5 million, an increase of 25.3% compared with 2009 (€ 48.3 million).

Basic earnings per share

After appropriation of the preference dividend (€ 5.4 million), basic earnings per ordinary share amounted to € 0.02 negative, compared with € 0.56 negative in 2009. Excluding non-recurring items, basic earnings per ordinary share amounted to € 1.13, which was up 11.9% compared with 2009 (€ 1.01). This improvement was partly tempered by a 15.0% increase in the average number of ordinary shares in issue.

As at year-end 2010, there were 48,736,597 ordinary shares in issue, unchanged from the position as at year-end 2009. The average number of ordinary shares in issue was 48,711,439, an increase of 15.0% compared with 2009 (42,349,572) due to the share issue in October 2009.

Dividend proposal

It is proposed that no dividend be paid on ordinary shares in respect of 2010. The reason for this proposal is that Prysmian's offer is cum dividend.

Financial position

Cash flow and operating working capital

Cash flow from operating activities in 2010 amounted to € 58.4 million. The decrease of 69.1% compared with 2009 (€ 189.2 million) reflected the € 12.6 million increase in operating working capital in 2010 due to the higher average copper price (54.9%), exchange-rate effects and the volume growth in the second half which required more working capital. In 2009 there was a decrease of € 143.4 million in operating working capital. Cash flow per share was € 1.20, compared with € 4.47 in 2009.

Thanks to action taken by Draka to minimize these effects, operating working capital as a percentage of revenues turned out at 12.9%, which was even slightly lower than the historically low ratio of 13.7% achieved in 2009 and exceeded again the target of stabilising the operating working capital ratio at 15–17%.

Investments and acquisitions

Net investments in intangible assets and property, plant and equipment amounted to € 39.1 million, less than the amortization and depreciation charge of € 62.7 million. The expenditure related solely to regular maintenance and replacement investments. Major projects included expansion of the optical fiber production capacity and a new warehouse in Sweden.

In the area of acquisitions, Draka paid € 3.0 million for Pressure Tube Manufacturing, a specialty tubing manufacturer located in New Jersey, USA. There were no disposals of material size in 2010.

Balance sheet and financing

The balance sheet total as at year-end 2010 was € 1,826.7 million, an increase of € 237.4 million compared with year-end 2009. This was due mainly to the € 219.0 million growth in current assets, most notably inventories and trade receivables, reflecting the higher copper price and higher volumes. Non-current assets were € 18.4 million higher, mainly because of an increase in investments in equity accounted investees and deferred tax assets.

Shareholders' equity as at year-end 2010 amounted to € 589.8 million. The increase of € 40.3 million was mainly due to currency translation effects. The solvency ratio (shareholders' equity as a percentage of balance sheet total) declined to 32.3% compared with 34.6% as at year-end 2009, because the increase in the balance sheet total was greater in percentage terms than the increase in shareholders' equity. The guarantee capital (consisting of shareholders' equity, the provision for deferred tax liabilities and the long-term portion of the subordinated loans) amounted to € 606.7 million, or 33.2% of the total invested capital (year-end 2009: 35.8%).

Net interest-bearing debt amounted to € 283.4 million, slightly below the year-end 2009 figure (€ 295 million). The net gearing (total net interest-bearing debt as a percentage of shareholders' equity) was 48.1%, compared with 53.7% as at year-end 2009. The net debt/ EBITDA ratio turned out at 1.9 (year-end 2009: 2.2), well below the covenant limit of 3.5.

The next three pages give an overview of the results of Draka's three groups, Energy & Infrastructure, Industry & Specialty and Communications.

Energy & Infrastructure

Headlines

- In most European countries there was little or no growth but the bottom appears to have been reached
- Recovery in most Asian markets over 2009 levels, with increasing project activity
- Volume-driven recovery in Energy & Infrastructure results in second half year
- Efficiency and supply chain optimisation to further reduce cost base and improve logistics performance
- Focus on service and support to strengthen partnerships with wholesale channel

Financial result

(x € million, unless stated otherwise)	**2010**	**2009**	**H2 2010**	**H2 2009**
Revenues[1]	854.0	694.4	444.6	344.5
Revenues at constant copper prices	782.9	750.8	398.2	356.1
Operating result[2]	29.2	31.8	15.5	13.5
Operating margin (%)[3]	3.7	4.2	3.9	3.8

[1] Due to reclassification of (OEM) revenues as between Energy & Infrastructure and Industry & Specialty, the revenues in 2009 and H2 2009 have been restated to facilitate comparison (respectively € 30.1 million and € 15.6 million positive).
[2] Excluding non-recurring items. There was a non-recurring charge of € 14.4 million in 2010 relating to the closure of the plant in Ystad (Sweden) and other restructuring exercises. Non-recurring items in 2009 were € 13.8 million negative.
[3] Operating result as a percentage of revenues at constant copper prices.

Energy & Infrastructure reported an 23.0% increase in revenue in 2010, to € 854.0 million, mainly lifted by the higher average copper prices passed on in sales (18.1 percentage points) and gains on exchange (4.5 percentage points). Volume growth amounted to 0.4% and was entirely seen in the second half of the year.

The operating result, excluding non-recurring items, fell to € 29.2 million, compared with € 31.8 million in 2009, chiefly owing to the slightly lower market prices resulting from the continued competitiveness of the market. Both the further improvement in the product mix and additional cost savings boosted the result (approximately € 10 million) but were not enough to compensate fully for the adverse effects. In the second half, the operating result was up by 14.8% compared with the corresponding period in 2009, representing an improvement of 13.1% on the first six months of 2010.

Analysis by division

Europe

The European construction markets are stable overall, with slowing decline in the Benelux compensated by continued growth in the Scandinavian countries. Because volume is keeping pace with the market trend in the individual geographical markets, Draka's market share is remaining stable. The group's strategy of focusing constantly on offering added value by reliably supplying a complete range of products that achieve ever higher levels of performance is continuing to prove its worth in the current market conditions. At the same time, the group is constantly targeting new segments (industry, infrastructure and renewable energy) and high-margin products such as halogen-free and fire-resistant cable. There has been a further structural reduction in the fixed cost base with the closure of the factory in Ystad (Sweden). Both volume and result showed in H2 2010 an improvement on the second half of 2009 and first half of 2010.

Asia-Pacific

The picture in the Asia-Pacific region remained mixed, with demand again falling back. Draka's position in the region has been significantly strengthened by the opening of a second factory in Malaysia. When market demand picks up again, driven by the strong economic recovery, Draka will be ideally placed to benefit. Both volume and results were lower in 2010 compared with the relatively good performance in 2009.

Industry & Specialty

Headlines

- Industry & Specialty's profitability was under pressure from lower results, especially from Elevator Products in H1; strong profit recovery in second half
- Automotive & Aviation profited from strong growth in the automotive sector
- Acquisition of PTM, a specialised tubing manufacturer, strengthens position in global oil and gas industry and lifted results at Cableteq USA
- Elevator Products benefits from continuing growth of Chinese market
- Offshore: orders in Europe for offshore wind farms and wave and tidal energy projects
- Prospects for Renewable Energy improving after downturns in 2009 and first six months of 2010; wind energy expected to grow 15-20% in next few years

Financial result

(x € million, unless stated otherwise)	2010	2009	H2 2010	H2 2009
Revenues[1]	744.5	617.7	394.7	305.4
Revenues at constant copper prices	703.9	665.8	368.6	320.8
Operating result[2]	28.2	33.4	16.6	12.8
Operating margin (%)[3]	4.0	5.0	4.5	4.0

[1] Due to reclassification of (OEM) revenues as between Energy & Infrastructure and Industry & Specialty, the revenues in 2009 and H2 2009 have been restated to facilitate comparison (respectively € 30.1 million and € 15.6 million negative).
[2] Excluding non-recurring items. There was a non-recurring charge of € 12.4 million in 2010 relating to the closure of the plant in Ystad (Sweden) and other restructuring exercises. Non-recurring items in 2009 were € 31.6 million negative.
[3] Operating result as a percentage of revenues at constant copper prices.

Industry & Specialty group revenues in 2010 were up by 20.5%, at € 744.5 million, mainly on the back of the higher average copper prices passed on in sales (14.2 percentage points) and gains on exchange (4.6 percentage points). Volume growth amounted to 0.4% and was mainly driven by demand for automotive cable, cable for wind turbines and specialty cables. The acquisition of PTM (USA) contributed 1.3 percentage points to the revenues.

The operating result, excluding non-recurring items, was down 15.6%, at € 28.2 million. With the exception of Automotive & Aviation and Cableteq USA, all divisions reported lower results. There has, however, been an underlying improvement in results since Q2 2010, driven by volume growth. The cost savings came in at approximately € 9 million.

Analysis by division

Automotive & Aviation

The upturn in demand for automotive cable which started in the second half of 2009 continued in 2010. Thanks to rigorous cost-reduction programmes and volume growth the result was positive.

Cableteq USA

By pursuing its niche-market strategy the division was able to report a slight volume increase. The result improved partly driven by the acquisition of Pressure Tube Manufacturing (USA).

Elevator Products

Result was sharply lower in 2010. Future growth will come from the Chinese market, where the division is well positioned with two joint ventures.

Renewable Energy

Substantial recovery in demand was experienced in the second half of 2010. Consequently, divisional results improved sharply, compared to both H2 2009 and 1H 2010.

Offshore

Results were lower in 2010 but improved in the second half of 2009 partly driven by the higher order intake. New, substantial, orders for submarine cable will contribute to the result as from 2011.

Communications

Headlines

- Strong performance by Communications, thanks to continuing strong demand for optical fiber, data communication cable and rigorous cost cutting
- Recovery in level of investment by telecom companies in Europe in second half year, following financial stimulus by governments and EU
- Strong sales figures and growing market share for high-end data communication cables in France and Germany
- Demand for optical fiber declined slightly in China (after explosive growth in 2009) but effect offset by strong sales figures in Europe and North America
- Strong demand for high-end optical fiber products for industrial networks and data centres

Financial result

(x € million, unless stated otherwise)	2010	2009	H2 2010	H2 2009
Revenues	829.3	736.2	444.6	376.6
Revenues at constant copper prices	812.7	751.2	433.6	379.4
Operating result[1]	45.2	26.7	28.0	16.9
Operating margin (%)[2]	5.6	3.6	6.5	4.5

[1] Excluding non-recurring items. There was a non-recurring charge of € 22.3 million in 2010 relating to the closure of the plant in Årnes (Norway) and to various efficiency projects. Non-recurring items in 2009 were € 17.7 million negative.
[2] Operating result as a percentage of revenues at constant copper prices.

The Communications group generated revenue growth of 12.6%, to € 829.3 million in 2010. This increase is attributable to volume growth (9.5 percentage points), the effect of the increased price of copper passed on in sales (3.7 percentage points) and gains on exchange (4.0 percentage points). The sale of the OPGW activities in Germany (June 2009) and Draka Comteq SDGI Co Ltd in China (55%) in December 2009 had the effect of depressing revenue by 4.6 percentage points.

The operating result came in at € 45.2 million, an increase of 69.3% compared with 2009. The increase was driven by volume growth, chiefly in the Optical Fiber division, additional cost savings (approximately € 11 million) and the good progress made by Draka's joint ventures in China and Brazil. Set against that, the pressure on selling prices remained as high as ever.

Analysis by market segment

Telecom Solutions

Demand for optical fiber cable increased, driven by the greater propensity on the part of telecom operators in Europe and the United States to invest in Fiber-to-the-Home (FTTH) projects. Growth was particularly strong in Europe, where Draka has fulfilled several major FTTH contracts. Demand for copper telecommunication cable in Europe continued to be under pressure. Helped by the good performance of Draka's joint ventures in the Brazilian and Chinese markets, the strongly improved result of Draka's activities in the USA and further cost savings, the division posted a higher result.

Multimedia & Specials

Demand for data communication cable recovered strongly after the steep decline in 2009, due to substantial investments in new data centres which are being driven by developments such as cloud computing. This is benefiting high-end applications such as cable for 10GB networks in particular. The division's result increased in 2010, in particular driven by the good performance in H2 2010.

Optical Fiber

Demand for optical fiber was substantial higher in 2010, with growth in Europe and the United States compensating for a small decline in China. The optical fiber prices (in US dollars) remained stable. High capacity utilization at its plants enabled the division to post a sharply higher result.

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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.

2011 Financial calendar (provisional)	
General Meeting of Shareholders, Holiday Inn Amsterdam	**Monday 9 May 2011** **Start at 14.30h**
Publication of trading update for the first half of 2011	**Wednesday 18 May 2011** **(before start of trading)**
Publication of 2011 half-year figures	**Thursday 4 August 2011** **(before start of trading)**
Publication of trading update for the second half of 2011	**Tuesday 15 November 2011** **(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 Aerospace, Automotive, Elevator, Engineered Specialties, Offshore and Renewable Energy divisions and the Communications Group comprises the Telecom Solutions, Multimedia and Specials, Americas and Optical Fiber divisions.

Draka has 68 operating companies in 31 countries throughout Europe, North and South America, Asia and Australia. Worldwide, the Draka companies employ some 9,375 people. Draka Holding N.V.'s head office is in Amsterdam. In 2010, Draka reported revenue of € 2.4 billion and net income of € 60.5 million (excluding non-recurring items).

Draka Holding N.V. ordinary shares are listed on NYSE Euronext Amsterdam. The company is included in the Next150 index and the AMX index (Amsterdam Midkap index). 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.

Appendix

The financial information included in the appendix is extracted from the company's financial statements 2010. These financial statements were authorised for issue on 14 February 2011. 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.

Consolidated statement of income

For the year ended 31 December

In millions of euro	**2010**	**2009**
Revenue	2,427.8	2,048.3
Cost of sales	(2,211.7)	(1,855.2)
Gross profit	**216.1**	**193.1**
Selling and distribution expenses	(133.8)	(124.8)
Other income and expenses	(53.7)	(59.5)
Operating result	**28.6**	**8.8**
Finance income	3.1	3.7
Finance expense	(35.0)	(34.9)
Net finance expense	**(31.9)**	**(31.2)**
Share of profit of equity accounted investees (net of income tax)	8.0	5.0
Result before income tax	**4.7**	**(17.4)**
Income tax benefit	1.8	1.9
Result for the year	**6.5**	**(15.5)**
Attributable to:		
Equity holders of the company	4.6	(18.2)
Minority interests	1.9	2.7
Result for the year	**6.5**	**(15.5)**
Basic earnings per share (euro)	(0.02)	(0.56)
Diluted earnings per share (euro)	(0.02)	(0.56)

Consolidated statement of comprehensive income

In millions of euro	**2010**	**2009**
Result for the year	**6.5**	**(15.5)**
Foreign exchange translation differences	38.7	6.2
Effective portion of fair value changes of cash flow hedges (net of income tax)	8.5	23.3
Share of other comprehensive income of equity accounted investees	(0.5)	2.6
Other comprehensive income for the year	**46.7**	**32.1**
Total comprehensive income for the year	**53.2**	**16.6**
Attributable to:		
Equity holders of the company	49.2	14.5
Minority interests	4.0	2.1
Total comprehensive income for the year	**53.2**	**16.6**

Draka

Consolidated balance sheet

As at 31 December

In millions of euro	2010	2009
Assets		
Non-current assets		
Property, plant and equipment	540.2	541.7
Intangible assets	113.5	114.3
Investments in equity accounted investees	58.8	49.7
Deferred tax assets	60.9	51.9
Derivative financial instruments	3.8	0.6
Other non-current financial assets	14.4	15.0
Total non-current assets	**791.6**	**773.2**
Current assets		
Inventories	399.8	350.3
Trade and other receivables	485.3	381.4
Derivative financial instruments	8.9	9.5
Income tax receivable	2.4	0.9
Cash and cash equivalents	138.7	74.0
Total current assets	**1,035.1**	**816.1**
Total assets	**1,826.7**	**1,589.3**
Equity		
Shareholders' equity		
Share capital	27.2	27.2
Share premium	457.5	457.5
Retained earnings	80.0	84.5
Other reserves	25.1	(19.7)
Total equity attributable to equity holders of the company	**589.8**	**549.5**
Minority interests	25.0	21.0
Total equity	**614.8**	**570.5**
Liabilities		
Non-current liabilities		
Interest-bearing loans and borrowings	44.1	286.8
Provision for employee benefits	81.6	82.7
Derivative financial instruments	5.3	5.6
Other provisions	16.4	20.0
Deferred tax liabilities	16.9	19.0
Total non-current liabilities	**164.3**	**414.1**
Current liabilities		
Bank overdrafts	9.8	6.9
Interest-bearing loans and borrowings	368.2	74.7
Derivative financial instruments	5.9	5.0
Trade and other payables	645.2	489.3
Income tax payable	6.9	6.3
Other provisions	11.6	22.5
Total current liabilities	**1,047.6**	**604.7**
Total liabilities	**1,211.9**	**1,018.8**
Total equity and liabilities	**1,826.7**	**1,589.3**

Consolidated statement of cash flows

For the year ended 31 December

In millions of euro	**2010**	**2009**
Result for the year	6.5	(15.5)
Depreciation	55.8	56.6
Amortisation	6.9	6.3
Impairments	0.4	4.1
Finance income	(3.1)	(3.7)
Finance expense	35.0	34.9
Share of profit of equity accounted investees	(8.0)	(5.0)
Equity-settled share based payments	1.3	2.4
Income tax benefit	(1.8)	(1.9)
	93.0	**78.2**
Changes in inventories	(34.3)	26.7
Changes in trade receivables	(83.2)	43.6
Changes in trade payables	104.9	73.1
Changes in other working capital	31.0	3.0
Changes in provisions	19.5	30.1
Other	2.9	(1.6)
	133.8	**253.1**
Interest received	1.9	2.4
Interest paid	(25.7)	(40.9)
Income tax paid	(13.3)	(6.8)
Application of provisions	(38.3)	(18.6)
Net cash from operating activities	**58.4**	**189.2**
Dividends received	2.8	2.2
Proceeds from sale of property, plant and equipment and intangible assets	6.7	4.6
Disposal of subsidiaries and associates, net of cash disposed	-	6.9
Acquisition of subsidiaries and associates, net of cash acquired	(3.0)	(7.2)
Acquisition of intangible assets	(4.4)	(6.9)
Acquisition of property, plant and equipment	(34.7)	(35.4)
Net cash used in investing activities	**(32.6)**	**(35.8)**
Issue of shares	-	98.7
Dividends paid (preference shares)	(5.4)	(5.4)
Convertible subordinated bond redeemed	(25.7)	-
Movement in multicurrency facility	54.5	(241.0)
Shares acquired under long-term incentive plans	(0.2)	(1.7)
Shares delivered under long-term incentive plans	0.6	0.9
Movements in other bank loans	8.8	22.3
Net cash from financing activities	**32.6**	**(126.2)**
Net increase in cash and cash equivalents	**58.4**	**27.2**
Cash and cash equivalents at 1 January (net of bank overdrafts)	67.1	41.2
Exchange rate fluctuations on cash and cash equivalents	3.4	(1.3)
Cash and cash equivalents at 31 December (net of bank overdrafts)	**128.9**	**67.1**

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 2008	**22.8**	**360.9**	**(29.6)**	**(27.8)**	**(0.1)**	**5.4**	**108.8**	**440.4**	**25.4**	**465.8**
Foreign exchange translation differences	-	-	6.8	-	-	-	-	6.8	(0.6)	6.2
Effective portion of fair value changes of cash flow hedges (net of income tax)	-	-	-	25.9	-	-	-	25.9	-	25.9
Total income and expenses recognised directly in equity	**-**	**-**	**6.8**	**25.9**	**-**	**-**	**-**	**32.7**	**(0.6)**	**32.1**
Result for the year	-	-	-	-	-	5.4	(23.6)	(18.2)	2.7	(15.5)
Total recognised income and expense	**-**	**-**	**6.8**	**25.9**	**-**	**5.4**	**(23.6)**	**14.5**	**2.1**	**16.6**
Issue of shares	4.4	96.6	-	-	-	-	(2.3)	98.7	-	98.7
Share-based payments	-	-	-	-	-	-	2.4	2.4	-	2.4
Shares aquired under long-term incentive plans	-	-	-	-	(1.7)	-	-	(1.7)	-	(1.7)
Shares delivered under long-term incentive plans	-	-	-	-	1.4	-	(0.5)	0.9	-	0.9
Dividends paid	-	-	-	-	-	(5.4)	-	(5.4)	-	(5.4)
Effect of acquisition minority interest	-	-	-	-	-	-	(0.3)	(0.3)	-	(0.3)
Effect of acquisitions and divestments	-	-	-	-	-	-	-	-	(6.5)	(6.5)
Total direct changes in equity	**4.4**	**96.6**	**-**	**-**	**(0.3)**	**(5.4)**	**(0.7)**	**94.6**	**(6.5)**	**88.1**
Balance as at 31 December 2009	**27.2**	**457.5**	**(22.8)**	**(1.9)**	**(0.4)**	**5.4**	**84.5**	**549.5**	**21.0**	**570.5**
Foreign exchange translation differences	-	-	36.6	-	-	-	-	36.6	2.1	38.7
Effective portion of fair value changes of cash flow hedges (net of income tax)	-	-	-	8.0	-	-	-	8.0	-	8.0
Total income and expenses recognised directly in equity	**-**	**-**	**36.6**	**8.0**	**-**	**-**	**-**	**44.6**	**2.1**	**46.7**
Result for the year	-	-	-	-	-	5.4	(0.8)	4.6	1.9	6.5
Total recognised income and expense	**-**	**-**	**36.6**	**8.0**	**-**	**5.4**	**(0.8)**	**49.2**	**4.0**	**53.2**
Share-based payments	-	-	-	-	-	-	1.3	1.3	-	1.3
Shares aquired under long-term incentive plans	-	-	-	-	(0.2)	-	-	(0.2)	-	(0.2)
Shares delivered under long-term incentive plans	-	-	-	-	0.4	-	0.2	0.6	-	0.6
Dividends paid	-	-	-	-	-	(5.4)	-	(5.4)	-	(5.4)
Reclassification long-term incentive plans to current liabilities due to modification from equity-settled in cash-settled	-	-	-	-	-	-	(5.2)	(5.2)	-	(5.2)
Total direct changes in equity	**-**	**-**	**-**	**-**	**0.2**	**(5.4)**	**(3.7)**	**(8.9)**	**-**	**(8.9)**
Balance as at 31 December 2010	**27.2**	**457.5**	**13.8**	**6.1**	**(0.2)**	**5.4**	**80.0**	**589.8**	**25.0**	**614.8**

Draka

Segment reporting

In millions of euro	Energy & Infrastructure 2010	Energy & Infrastructure 2009 1)	Industry & Specialty 2010	Industry & Specialty 2009 1)	Communications 2010	Communications 2009	Not allocated to segments / eliminations 2010	Not allocated to segments / eliminations 2009	Consolidated 2010	Consolidated 2009
Revenue from external customers	854.0	694.4	744.5	617.7	829.3	736.2	-	-	2,427.8	2,048.3
Intersegment transactions	59.7	42.3	18.3	11.4	37.9	30.6	(115.9)	(84.3)	-	-
Revenue	**913.7**	**736.7**	**762.8**	**629.1**	**867.2**	**766.8**	**(115.9)**	**(84.3)**	**2,427.8**	**2,048.3**
Operating result (excluding non-recurring items)	29.2	31.8	28.2	33.4	45.2	26.7	(17.2)	(16.6)	85.4	75.3
Non-recurring items	(14.4)	(13.8)	(12.4)	(31.6)	(22.3)	(17.7)	(7.7)	(3.4)	(56.8)	(66.5)
Operating result	**14.8**	**18.0**	**15.8**	**1.8**	**22.9**	**9.0**	**(24.9)**	**(20.0)**	**28.6**	**8.8**
Net finance expense									(31.9)	(31.2)
Share of profit of equity accounted investees	2.4	1.6	3.2	2.0	2.4	1.4	-	-	8.0	5.0
Income tax benefit									1.8	1.9
Result for the year									**6.5**	**(15.5)**
Capital expenditure	7.6	10.4	7.9	20.2	23.1	10.8	0.5	0.9	39.1	42.3
Depreciation and amortisation	17.9	17.3	15.7	15.5	28.2	29.3	0.9	0.8	62.7	62.9
Impairments	-	2.5	0.4	1.1	-	0.5	-	-	0.4	4.1
Segment operating liabilities	201.2	187.2	269.1	228.7	401.8	228.4	339.8	374.5	1,211.9	1,018.8
Segment non-current assets	181.3	192.1	242.6	234.8	519.6	313.2	(210.7)	(16.6)	732.8	723.5
Investments in equity accounted investees	16.2	14.4	21.6	17.7	21.0	17.6	-	-	58.8	49.7
Segment current assets	468.3	347.8	626.5	425.0	407.3	356.4	(467.0)	(313.1)	1,035.1	816.1
Total assets	**665.8**	**554.3**	**890.7**	**677.5**	**947.9**	**687.2**	**(677.7)**	**(329.7)**	**1,826.7**	**1,589.3**

1) Due to reclassification of (OEM) revenues between Energy & Infrastructure and Industry & Specialty, the revenues in 2009 have been restated to facilitate comparison