Recovery is gaining momentum in H2

Frank Dorjee (CEO)
Summary trading update 2010\(^1\)

Promising H2 2010 results driven by momentum in volume recovery:

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<td>Volume:</td>
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<td>(18.0)%</td>
<td>3-4%</td>
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<td>EBITDA(^1):</td>
<td>€ 142-147m</td>
<td>€ 138.2m</td>
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<td>Operating result(^1):</td>
<td>€ 80-85m</td>
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<td>Result for the period(^1):</td>
<td>€ 50-55m</td>
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<td>Operating working capital ratio:</td>
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<td>Operating cash flow:</td>
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<td>Net debt:</td>
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- Market circumstances improve YoY and sequentially in H2 2010; recovery driven by high value add specialty cable segment and communication cable
- Competitive market conditions, though no worse than in H1 2010, to be more than compensated by positive effects of improved product mix and cost-reduction programmes. Reduction in cost base of around € 30 million in 2010 and € 10 million in 2011
- Fully confident on 2011 based on market recovery and consistent strategy execution: focusing on growth areas and initiating new cost saving opportunities

\(^1\) Excluding non-recurring items. Gross non-recurring items in 2010 are expected to be around € 45 million negative (2009: € 66.5 million negative).
July-October 2010

- Fragile market recovery in Q2 2010; momentum increasing in H2 2010
- Market remains competitive but does not intensify
- Margin pressure due to higher raw material prices levels off
- Volume increase of 3.5% in first four months of H2 2010; gaining momentum after 2.5% decline in Q1 and 0.9% increase in Q2
- Higher volume mainly due to high-end specialty cable and communication cable segments. Furthermore, negative impact of lower volumes in construction related cables experienced in Europe in H1 disappeared in H2
- Recovery in demand for specialty cables mainly driven by renewables, elevator cable and offshore. Automotive & Aviation and Cableteq USA stable at high levels
- Within communication cables growth is driven by take off in FTTH projects, mainly in Europe. Significant increase in demand for datacom cable resulting from substantial investment in data centers
Expected financial results for 2010

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- Expected volume increase results in higher capacity utilisation in Draka's production facilities, which supports profitability in H2.
- Impact of competitive market conditions more than compensated by further cost savings.
- Margin improvement resulting from positive product mix effect (high value added specialty cable and communication cable).
- Overall, considerable increase in operating result in H2 expected.

1 Excluding non-recurring items. Gross non-recurring items in 2010 are expected to be around € 45 million negative (2009: € 66.5 million negative).
Status of cost-saving measures

– Closure of factory in Ystad (Sweden) is finalised and Årnes (Norway) is expected to be completed at YE 2010

– Other actions, including further downsizing of automotive cable production activities in various countries as well as Wire & Cable assemblies will be concluded in 2010. Implementation of various efficiency measures in Communications group are proceeding according to plan

– Workforce will be reduced by around 300 in 2010, reduction of 3% relative to YE 2009. Reduction in cost base of approx. € 30 million in 2010

– New savings opportunities are initiated, focussing on overhead reduction and implementing operational excellence across all three Groups

– Additional savings of approx. € 10 million in 2011

– Total non-recurring charges expected to be c.€ 45 million relating to cost of Triple S projects that have already been announced and new projects designed primarily to reduce overhead expenses and implement operational excellence. Around € 10 million of total cost is non-cash
### Expected financial position in 2010

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- OWC is expected to increase approx. 12-20% in 2010 (YE 2009: €281 million). Anticipated increase driven by considerable rise in copper price, volume increase and FX impact.
- OWC as percentage of revenue expected to be 14-15%, slightly higher than in 2009 (13.7%) but in line with target range of 15-17%.
- Due to anticipated increase in OWC, cash flow from operating activities in 2010 is expected to be positive but substantially lower than in 2009.
- Net debt is expected to be comparable with YE 2009.
Developments within three Groups

**Energy & Infrastructure**
- European construction market generally stable; limited growth in some Scandinavian countries offset by ongoing decline in Benelux region.
- Competitive landscape unchanged vs. H1, further cost reductions support results
- In Asia, business is mixed after general uptick in Q2 2010. Market position in region substantially improved after opening second factory in Malaysia

**Industry & Specialty**
- Upturn gains momentum, driven by renewables, offshore and elevator products
- Automotive & Aviation relatively stable at high level achieved in H1 2010
- Cableteq USA benefits strongly from Precision Tube Manufacturing (USA), acquired in H1. Promising growth prospects for 2011
- H2 2010 results show upswing due to volume growth and positive product mix

**Communications**
- Optical fiber segment remains at high level; lower demand in Asia more than compensated by growth in European and North American markets
- Fiber telecom cable benefit from good market circumstances in Europe and North America; successful in acquiring FTTH-contracts
- Demand for data communication cable is exhibiting a significant recovery driven by substantial investments in data centers
Nexans’ unsolicited indicative non-binding proposal

- Draka remains of the view that the current proposal from Nexans is not in the interests of its stakeholders
- Draka is making good progress with its review of strategic alternatives and will keep all of its stakeholders informed of any significant developments
Thank you for your attention
Disclaimer

This presentation includes forward-looking statements. Other than statements of historical fact, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events, including numerous assumptions regarding our present and future business strategies, operations and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors relating to the company, including: our ability to enhance operational performance, increase our revenue and improve our margins; our liquidity needs exceeding expected levels; our ability to maintain our relationships with suppliers, insurers and customers; our ability to maintain our market share in the markets in which we operate; the state of the economy in the markets in which we operate; and our anticipated future results. Many of our assumptions are beyond the control of Draka and are inherently subject to substantial uncertainty. Our assumptions involve significant elements of subjective judgment that may or may not prove to be accurate, and consequently no assurances can be made regarding the analyses or conclusions derived from analyses based upon such assumptions. These forward-looking statements exclude the impact of currently unforeseen future fair value adjustments and/or impairments. Actual results may differ materially from those expressed in these forward-looking statements, and one should not place undue reliance on them. The forward-looking statements contained herein speak only as of the date on which they are made and are subject to change without notice. Except when required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no obligation to update forward-looking statements.