



–Press release–  
Amsterdam, 7 March 2008

## ANNUAL RESULTS 2007

**OPERATING RESULT UP 61% TO €145.7 MILLION**

**RESULT FOR THE YEAR INCREASED BY 105% TO €93.0 MILLION**

(€million, unless stated otherwise)	2007	2006
Revenue	2,816.2	2,529.4
EBITDA, excluding non-recurring items <sup>1</sup>	198.2	145.3
Operating result, excluding non-recurring items <sup>1</sup>	145.7	90.6
Operating result	145.7	57.7
Result for the year, excluding non-recurring items <sup>1</sup>	93.0	45.4
Result for the year	93.0	21.8
EPS, excluding non-recurring items (€) <sup>2</sup>	2.46	1.24
Proposed dividend per ordinary share (€)	0.68	0.37
Cash flow from operating activities	65.2	79.9

- **Operating result (excluding non-recurring items) leaped 61% to €145.7 million. Draka Cableteq posted a 48% growth in result and Draka Comteq's result more than doubled.**
- **Both groups reported sound progress: Draka Cableteq benefitted from continued good growth in specialty businesses and positive development on construction market in most European countries. Draka Comteq profited from double digit growth in optical fiber market.**
- **Result for the year €93.0 million; EPS €2.46. Dividend proposal: €0.68 (+84%) per ordinary share, fully in cash.**
- **Operating working capital lowered further to 16.1% of revenue (2006: 16.6%), despite shorter payment terms for raw materials.**
- **New organisational structure; as from 2008 Draka is divided into three Groups – Energy & Infrastructure, Industry & Specialty and Communications.**
- **Outlook for 2008: further volume growth (2-3%) on global cable market expected. Prices of principal raw materials (copper and polymers) will remain volatile. Barring unforeseen circumstances, Draka is cautiously optimistic for 2008 taking into consideration the solid start of the year.**

<sup>1</sup> There were no non recurring items in 2007. In 2006, the non-recurring charge was € 32.9 million.

<sup>2</sup> Earnings per ordinary share after appropriation of preference dividend of € 5.4 million in 2007 and € 1.4 million in 2006.

## Annual results 2007

Commenting on developments in 2007, Sandy Lyons, Chairman and CEO of Draka Holding N.V., stated: "2007 was a highly successful year for Draka. Benefiting from the favourable market conditions, Draka recorded growth in all parts of the business, in line with its strategic objectives. The operating results showed a sharp improvement, Draka's innovative strength enabled it to increase its share in most market segments, the cost base was further reduced and we acquired full ownership of Draka Comteq.

In the light of the constant shifts in the market, which Draka continues to anticipate, and after having achieved sole ownership of Draka Comteq, we have made certain changes to the Company's organisational structure. As from 2008, the organisation is divided into three Groups – Energy & Infrastructure, Industry & Specialty and Communications – (see appendix). The allocation of activities to the three Groups is based on the business model needed to provide optimum service to the customers in each market segment. Accordingly, we expect this new organisational structure to generate additional growth in the future.

Given our performance in 2007 and the market opportunities available to Draka, we look to the future with enthusiasm. Draka will continue to pursue its strategy of focusing on operational excellence, commercial dynamism and investment in growth markets. Barring unforeseen circumstances, we are cautiously optimistic for 2008 taking into consideration the solid start of the year."

(in € millions)	2007	2006	2H 2007	2H 2006
<b>Revenue</b>				
Draka Cableteq	2,180.0	1,936.2	1,080.3	1,021.0
Draka Comteq	636.2	593.2	319.6	318.8
<b>Total</b>	<b>2,816.2</b>	<b>2,529.4</b>	<b>1,399.9</b>	<b>1,339.8</b>
<b>Operating result<sup>1</sup></b>				
Draka Cableteq	147.3	99.6	74.0	54.5
Draka Comteq	13.1	5.5	8.4	4.0
Unallocated	-14.7	-14.5	-7.2	-7.0
<b>Total</b>	<b>145.7</b>	<b>90.6</b>	<b>75.2</b>	<b>51.5</b>

<sup>1</sup> Excluding non-recurring items. There were no non recurring items in the operating result in 2007. In 2006, these items amounted to € 32.9 million negative (€ 26.8 million for the Stop, Swap & Share project at Draka Comteq and € 6.1 million for several cost-saving projects at Draka Cableteq).

### General

Growth in global demand for cable amounted to around 4% in 2007, compared with 4.2% in 2006 (based on constant exchange rates and copper prices). This represents very healthy growth, above the medium-term average of some 2-3%. Growth was stronger in the first half of the year (4-5%) than the second (around 3%), due to weakening economic growth in North America in particular during 2007. Emerging markets such as Eastern Europe, the Far East, India and Latin America remain the driving force behind worldwide demand for cable. Demand in North America fell further, while the West European market showed growth of 3-4%, compared with 5% in 2006. This slower growth must be seen in the context of pent-up demand in 2006 after a very weak 2005 (down 3%). With the exception of copper telecommunication cable, all product segments contributed to the growth in the cable market.

### **Revenue**

Draka's revenue in 2007 amounted to € 2,816.2 million, an increase of 11.3% compared with 2006. Acquisitions accounted for 5.5 percentage points of this revenue growth. These were acquisitions made in 2006 which contributed a full year's results in 2007, namely the insulated cable activities of International Wire Group, Inc. (USA) and Cornelia Thies Kabeltechnik GmbH (Germany). The takeover of Nantong Zhongyao Mechanic Electric Co, Ltd (China) also contributed in 2007. The acquisition in Italy, DeBiase Lift Components s.r.l., will be included in the consolidation as from the 2008 financial year.

The organic growth in revenue amounted to 5.8%, of which volume growth accounted for 6.1 percentage points. The copper price, although slightly lower, had a small positive effect (1.1 percentage points) on revenue, due to the time-lag in reflecting the copper price in selling prices. The exchange rate effect was 1.4 percentage points negative, mainly due to the weaker dollar against the euro.

### **Operating result**

The operating result in 2007 was € 145.7 million, an increase of 152.5% compared with 2006 (€ 57.7 million, including non-recurring items). There were no non-recurring items in 2007, but there was a non-recurring charge of € 32.9 million in 2006, relating mainly to a provision for the Stop, Swap & Share project (Triple S) at Draka Comteq. On a like-for-like basis, excluding non-recurring items, the operating result increased by 60.8% to € 145.7 million, compared with € 90.6 million in 2006.

### **Operating margin**

The operating margin – the operating result expressed as a percentage of revenue – was 5.2%, a substantial increase on the 3.6% figure in 2006. Contributory factors were volume growth, resulting in better capacity utilisation at Draka's factories, an improved product mix and gains from efficiency and Triple S programmes.

At 5.2%, the operating margin was slightly ahead of the target for 2007 of 5% set in the September 2005 update of the 'Building Future Growth' strategic plan.

### **Other financial items**

Net financing costs (excluding non-recurring items) amounted to € 45.6 million, slightly higher compared with 2006 (€ 43.2 million). However, their composition was different. Financial charges were some 20% higher due to the increase in average net interest-bearing debt and one-off costs relating to the new credit facility. As a result of the reclassification in 2006, the preference dividend was not included in financing charges in 2007, which reduced the financing charges by € 4 million.

Taxation amounted to € 21.6 million and the tax burden increased to 21.6% from 18.1% in 2006, reflecting Draka's improved profitability. In 2007 Draka and the Dutch tax authorities came to an agreement on issues related to the fiscal years 2003 and 2004. As a result the tax burden benefitted from a net tax gain of € 7.7 million.

The share in the result of associates almost doubled to € 15.5 million (2006: € 8.2 million), mainly due to improved performance by associates in Oman (OCI) and China (YOFC).

### **Result for the year**

Draka's result for the year attributable to shareholders turned out at € 93.0 million, more than four times the 2006 figure (€ 21.8 million). Excluding non-recurring charges, the increase amounted to 104.8% to € 93.0 million (2006: € 45.4 million).

**Basic earnings per share**

After appropriation of preference dividend (€ 5.4 million), basic earnings per ordinary share amounted to € 2.46 (2006: € 0.57). Excluding non-recurring items, basic earnings per share amounted also to € 2.46 (2006: € 1.24). The number of ordinary shares in issue as at year-end 2007 increased by 3,603 to 35,571,009, due to the conversion of a small part of the convertible bond loan. The average number of ordinary shares in issue was 35,563,467.

**Dividend proposal**

It is proposed that the dividend for 2007 be increased to € 0.68 per ordinary share, an increase of 83.8% compared with 2006 (€ 0.37). The dividend will be paid fully in cash. The proposed dividend equates with a pay-out percentage of 30% of the result for the year attributable to shareholders (after preference dividend) excluding the exceptional tax gain.

## Draka Cableteq

### General

In 2007, Draka Cableteq benefited from the continued good market conditions in Western Europe. In addition, demand in emerging countries remained buoyant. The special-purpose cable segment exhibited stronger growth than the low-voltage cable segment.

### Financial result

The sharply rising trend in Draka Cableteq' results observed in 2006 was sustained in 2007. All divisions contributed to the improved result, with the Marine, Oil & Gas, Rubber Cable and Transport divisions achieving most progress.

Draka Cableteq' revenue rose 12.6% in 2007 to € 2,180.0 million. Excluding the effects of acquisitions (the insulated cable activities of International Wire Group, Inc. and Cornelia Thies Kabeltechnik GmbH and Nantong Zhongyao Mechanic Electric Co, Ltd), organic revenue growth amounted to 5.5%, of which healthy volume growth accounted for 5.4 percentage points and the copper price was responsible for 0.1 percentage points.

(€ million, unless stated otherwise)	2007	2006	2H 2007	2H 2006
<b>Revenue</b>	2,180.0	1,936.2	1,080.3	1,021.0
<b>Operating result<sup>1</sup></b>	147.3	99.6	74.0	54.5
<b>Operating margin (%)</b>	6.8	5.1	6.8	5.3

<sup>1</sup> Excluding non-recurring charges of € 6.1 million in H2 2006.

The operating result rose sharply in 2007 to € 147.3 million (+47.9%). The improvement was attributable mainly to volume growth, which translated into even better capacity utilisation at Draka's factories, and an improved product mix. Cost savings (of around € 3 million) were also yielded by the Triple S-project in the Low-Voltage Cable Division. Although raw material prices (copper and polymers) were highly volatile in 2007, this had no adverse effect on margins.

### Developments per division

#### *Low-Voltage Cable*

Among the most notable developments in 2007 was the slowdown in the residential market in Southern Europe. While the market in Spain was down by as much as 20% in the second half-year due mainly to excessive levels of apartment building in past years, growth in the rest of the region declined less strongly to around the same level as the underlying economies, from the double-digit levels seen in past years. However this decline was compensated by the continued good level of business in the industrial and infrastructure sectors. These continue to show healthy growth, and as well the division was able to increase its market share slightly in most parts of Europe. In both Western and Eastern Europe the picture was largely the same as the preceding year, with healthy growth maintained through most of the year. In the United States, Southeast Asia and Australia, the division expanded its position thanks to the good performance of the special-purpose cable products.

The result of the Low-Voltage Cable division showed further growth and came in at a record high level. Volume growth, ongoing cost control and coordinated actions to further improve the product mix were contributory factors. The increasing proportion of products with higher added value translates into a structural improvement in the operating margin.

#### *Transport*

In the automotive industry overall growth is at low single-digit levels, with the relatively high growth in Asia compensating for the more or less stable demand levels in the European and North American markets. Additional support for growth is provided by the increasing numbers of vehicle features such as safety, entertainment and navigation, all of which require additional cabling. In the aviation industry growth is currently at double-digit levels, driven not only by increasing travel demand but also by the need of airlines worldwide to upgrade their fleets with more fuel-efficient, low-noise aircraft.

Results in the Transport division showed a sharp increase. This good performance was driven by the increased production volume in the automotive and aerospace industries and the stronger market position gained through the acquisition of activities in Cebu (Philippines) and Durango (Mexico) in 2006.

#### *Rubber Cable*

Overall market demand remained at a high level in 2007, with high single-digit growth across all market segments. The strongest growth driver was renewable energy, where demand showed double-digit growth. Other important markets are wholesalers, projects and industry, especially manufacturers of material handling systems and cranes. Demand for the latter remains strong from both manufacturers and subcontractors, as ports and container terminals are increasing their capacity worldwide.

Thanks in part to growth in its market share, the division's results were sharply higher. Moreover, margins were lifted due to the greatly improved product mix. Further improvements in the product mix are expected to accrue this year from a special investment project designed to strengthen the division's position in the alternative energy market, including wind farms.

#### *Elevator Products*

Markets were robust in almost all regions in 2007, and especially in China and the Middle East. Bookings were down slightly in North America as the economy started to slow, and Draka's already strong market share in North America limits the opportunities for further growth there. However this is more than compensated by a strengthened focus on other markets such as Europe and the Far East, in particular China.

The Elevator Products division again turned in an excellent performance. Further growth in volume and market share was achieved in the European and fast-growing Chinese market. The acquisition of DeBiase Lift Components in Milan, Italy, was finalised at the beginning of 2008. This will help the division to better align its business in Europe with customer needs as from 2008.

#### *Marine, Oil & Gas*

Encouraged by the continued high oil price, the oil and gas industry is expected to increase investment further in exploration and production, keeping demand for exploration and production platforms and vessels at a high level. Demand for maintenance is also still growing to sustain offshore oil production capacity utilisation at high levels.

The Marine, Oil & Gas division improved its results sharply, gaining from both the favourable market conditions and the easing of price pressures.

#### *Mobile Network Cable*

The market trend was similar to that in the preceding year, with continuing strong growth opportunities in the emerging markets. The main growth area is the Asia-Pacific region, although the presence of all major competitors is placing strong pressure on prices. Market growth in other regions is much more modest compared with Asia.

Results in the Mobile Network Cable division remained stable. Strong price pressure was compensated by the addition of more high-value products to the portfolio and further lowering of the cost base. The expansion of capacity at the factory in Wuhan, China in the last quarter of the year allows the division to create more cost-effective logistics, which will contribute to lower costs throughout the Asia region.

## Draka Comteq

### General

The communication cable market developed satisfactorily in 2007, with the exception of the copper telecommunication cable segment, where demand declined again. Demand for data communication cable (copper and optical fiber) grew in line with the total cable market. The fastest growth (approximately 13%) was recorded at optical fiber telecommunication cable, reflecting the rise in the number of FTTH (Fiber-To-The-Home) projects worldwide. The communication cable market remained highly competitive, maintaining the pressure on prices.

### Financial result

Draka Comteq posted substantially improved results in 2007, despite continuing strong competition. All divisions contributed to the improved results, in particular the Optical Fiber division. Revenue were 7.2% higher at € 636.2 million, due entirely to organic growth. Higher volume accounted for 8.3 percentage points of this increase in revenue and the combination of the higher copper price and the adverse effects of the lower dollar-euro exchange rate on its European optical fiber activities had a downward impact of 1.1 percentage points. Draka Comteq achieved volume growth in all market segments except copper telecommunication cable, but organic growth in revenue was held back to some extent by the continuing pressure on selling prices.

(€ million, unless stated otherwise)	2007	2006	2H 2007	2H 2006
<b>Revenue</b>	636.2	593.2	319.6	318.8
<b>Operating result<sup>1</sup></b>	13.1	5.5	8.4	4.0
<b>Operating margin</b>	2.1	0.9	2.6	1.3

<sup>1</sup> Excluding non-recurring charges of € 5.0 million in H1 2006 and € 21.8 million in H2 2006.

The operating result excluding non-recurring items more than doubled to € 13.1 million, as against € 5.5 million in 2006. The strong volume growth, which translated into higher capacity utilisation at Draka's factories, and the continuing efforts to reduce the cost base contributed to the improvement in the results, but the effect was tempered by sustained pressure on selling prices.

The Triple S programme that was launched at Draka Comteq' Cable Solutions EMEA division in the second half of 2006 is on schedule and will be completed in 2008. The activities in Oulu (Finland) have been terminated and progress is being made in reducing staffing levels in Europe. The annual cost savings, estimated at around € 12 million, will be fully achieved in 2008. Cost savings of € 5 million were made in 2007 and the remaining € 7 million will be achieved this year.

### Developments per market segment

#### *Telecommunication*

Optical fiber demand was up strongly in Western Europe with over 14% growth compared with 2006 due to strong broadband investments by both independent and incumbent operators. However in the Americas demand was relatively flat, influenced largely by excess inventory at a major operator which had to be absorbed in 2007. The share of copper cable continues to decline, although some operators in Eastern Europe are still installing copper networks because of their familiarity with the technology.

Despite the good level of demand, competition on the telecommunication cable market is still intense keeping selling prices under pressure.

After strong volume growth in the first half of the year, Draka Comteq shifted its focus in the second half of 2007 to improve delivery performance in the EMEA region. Part of the executed Triple S programme is the implementation of the focused factory programme, aiming at increasing efficiency by combining product groups at specialised factories. This is especially important because of the wide variety of custom-made products, all made to order for customers demanding short lead times. To meet these needs the division is in constant dialogue with customers, with forecast-based capacity reservation to guarantee response times for the most important customers.

In the USA, capacity at the Claremont, N.C., plant is currently being expanded to meet the expected North American demand in the coming years. After reopening the fiber plant in South America in 2005, this facility has now also been expanded to full capacity to meet growing local demand.

Draka Comteq reported better results in 2007, due to volume growth and cost control.

#### *Data communication*

Solid demand for data communication cables continues in the major markets. The focus is on high-end solutions in new buildings as well as renovation projects. In most cases internal indoor distribution continues to be by means of copper wire, which still accounts for over 80% of sales, although the share of fiber is increasing progressively under ever increasing bandwidth demands and gigabit network roll-outs.

Draka Comteq maintained its leading position in Europe with volume growth in line with market developments. The results showed a further improvement, mainly driven by volume growth and higher capacity utilisation.

#### *Optical fiber*

The year 2007 saw the largest-ever consumption of optical fiber worldwide, with a 13% growth year on year on the back of growth levels of in excess of 20% per year in 2006 and 2005. This sustained good performance was demonstrated across the majority of the globe with even the lower reported performance in USA being attributable to inventory correction with Verizon the largest user in that market and compensated by good growth in all other segments of that market.

Pricing (in US dollars) remained stable after years of continued erosion, reflecting the strong demand for optical fiber products.

Draka Comteq's global footprint and comprehensive product portfolio has meant that it has benefited considerably from this activity further reinforcing its number 1 market position in Europe and Asia, and growing position as a top 3 player in the America's. Draka Comteq continued its process of rolling-out next-generation processes in manufacturing to make its operations faster, more productive and lower cost which contributed to the higher result over 2007.

## Financial position

### **Cash flow and operating working capital**

The cash flow from operating activities amounted to € 65.2 million for the year, a decrease of 18.4% compared with 2006 (€ 79.9 million). This equates to € 1.83 per share compared with € 2.25 per share in 2006. The lower cash flow can be attributed to the negative movement in operating working capital, which was partly offset by the improved profitability.

Operating working capital was € 34.0 million higher, compared with an increase of € 16.3 million in 2006. The increase was a consequence of the volume growth achieved in 2007. The shorter payment terms which Draka had agreed with its major raw-material suppliers for 2007 was compensated by a decrease in the number of days sales outstanding (debtors) and the number of days' stock held. As a result, operating working capital as a percentage of revenue declined slightly to 16.1%, compared with 16.6% as at year-end 2006. The target of stabilising the operating working capital ratio at 18–20% was therefore exceeded in 2007.

Controlling and, where possible, further reducing the operating working capital continues to be one of Draka's core priorities, given the market conditions in which customers want to increase payment periods and suppliers are seeking to reduce payment periods.

### **Investments and acquisitions**

Net investments in intangible assets, property, plant and equipment amounted to € 71.5 million, of which normal maintenance and replacement investments accounted for € 63.5 million. The remainder (€ 8 million) related to a special investment project for the Rubber Cable division, designed to enable Draka to take full advantage of the attractive prospects for cable for new power sources such as wind turbines. It was planned to complete the project, with a total expenditure of around € 17 million, in 2007, but there have been several changes to technical specifications and delays in equipment deliveries and completion is now expected in the course of 2008. The rest of the expenditure (€ 9 million) will therefore be incurred in 2008.

Another special investment project for the Rubber Cable division was approved at the end of December 2007. This investment in production capacity for submarine cable (medium voltage) is designed to maintain and extend Draka's leading position in cable for new forms of energy, such as wind power. Applications for this cable include amongst others the power connection between the wind mills in offshore wind farms and the power connection between offshore oil platforms. Around € 17 million will be invested in production capacity for this cable at the existing plant in Drammen (Norway), of which about € 8 million will be invested in 2008 and the remainder in 2009. This project will strengthen the Rubber Cable division's position in special-purpose cable, consistent with Draka's strategic principles.

As for acquisitions, Draka completed the purchase of Alcatel-Lucent's 49.9% interest in Draka Comteq in 2007 for € 209 million in cash. The transaction, which was finalised on 27 December, gives Draka full ownership of Draka Comteq. Draka paid € 0.8 million for Nantong Zhongyao Mechanic Electric Co, Ltd (China). The acquisition of DeBiase Lift Components s.r.l. in Italy was completed on 10 January 2008.

There were no disposals of material size in 2007.

### **Balance sheet and financing**

The balance sheet total as at year-end 2007 amounted to € 1,752.5 million, an increase of 0.4% compared with year-end 2006. This was solely caused by a € 18.3 million increase in current assets (stocks and trade debtors) due to the volume growth.

Shareholders' equity as at year-end 2007 amounted to € 414.8 million. The decrease of 2.8% compared with 2006 was mainly due to the combination of an equity adjustment (€ 77.1 million) resulting from the acquisition of the 49.9% interest in Draka Comteq, negative currency translation

effects, dividend paid over 2006 and the addition of the result for the year 2007 attributable to shareholders.

The solvency ratio (shareholders' equity as a percentage of balance sheet total) slightly decreased to 23.7% compared with 24.5% as at year-end 2006. The guarantee capital (consisting of shareholders' equity, the provision for deferred tax liabilities and the long-term portion of the subordinated loans) amounted to € 537.5 million or 30.7% of the total invested capital (year-end 2006: 35.5%).

Net interest-bearing liabilities (including the subordinated convertible bond loan carried at nominal value) increased in 2007 to € 552.5 million compared with € 345.9 million in 2006. This increase relates solely to the acquisition of the remaining 49.9% interest in Draka Comteq for € 209 million, which was financed with borrowed capital. This increased net gearing (total net interest-bearing liabilities as a percentage of shareholders' equity) to 133.2% (2006: 81.0%).

At the end of December 2007, simultaneously with the Draka Comteq transaction, Draka arranged a new € 625 million multicurrency revolving credit facility with a syndicate of five relationship banks, namely Rabobank, ING Wholesale Banking, ABN AMRO, Fortis Bank and NIBC. This new facility replaced the existing € 370 million credit facility arranged in October 2005 and the outstanding subordinated loan of € 77.5 million. In the beginning of 2008 Draka started a syndication process for part of the credit facility. This syndication was very successful and Draka raised another € 215 million with Commerzbank, Société Générale, LB LUX, Nordea, DNB NOR, HypoVereins and GE Artesia. As a result, the banks have agreed that the revolving credit facility will be increased from € 625 million to € 675 million.

This refinancing programme means that Draka's financing requirement is covered until 2013.

## Outlook for 2008

### Objectives

In line with Draka's strategic focus, the following objectives have been formulated for 2008:

- Further reinforcement of the sales and marketing organisations, with the emphasis on the special-purpose cable segment, with the aim of stimulating organic growth.
- Continued investment in innovation, not confined solely to the introduction of new, innovative products, but aimed at the entire proposition Draka offers the client.
- Continuation of programmes aimed at greater focus at the production facilities.
- Successful completion of the Triple S project at Draka Comteq, which is expected to yield to annual cost savings of some € 12 million in 2008, € 7 million more than in 2007. Draka also expects to make additional cost savings of around € 3 million a year from the integration of the two head offices.
- Keeping the operating working capital ratio within a bandwidth of 16–18% of revenue.
- Achieving an optimum free cash flow. Regular investments in intangible assets, property, plant and equipment are expected to turn out at around € 55 million, in line with depreciation. The investments relating to the two special projects for the Rubber Cable division, which are expected to amount to € 17 million in 2008, are additional to these regular investments. The free cash flow will be invested in growth, both organic and through acquisitions, and/or in further reducing the interest-bearing debt.

### Prospects

On the basis of the latest economic projections, global manufacturing output will increase slightly and the global cable market is expected to show modest volume growth in 2008. Current projections put this growth at 2–3%.

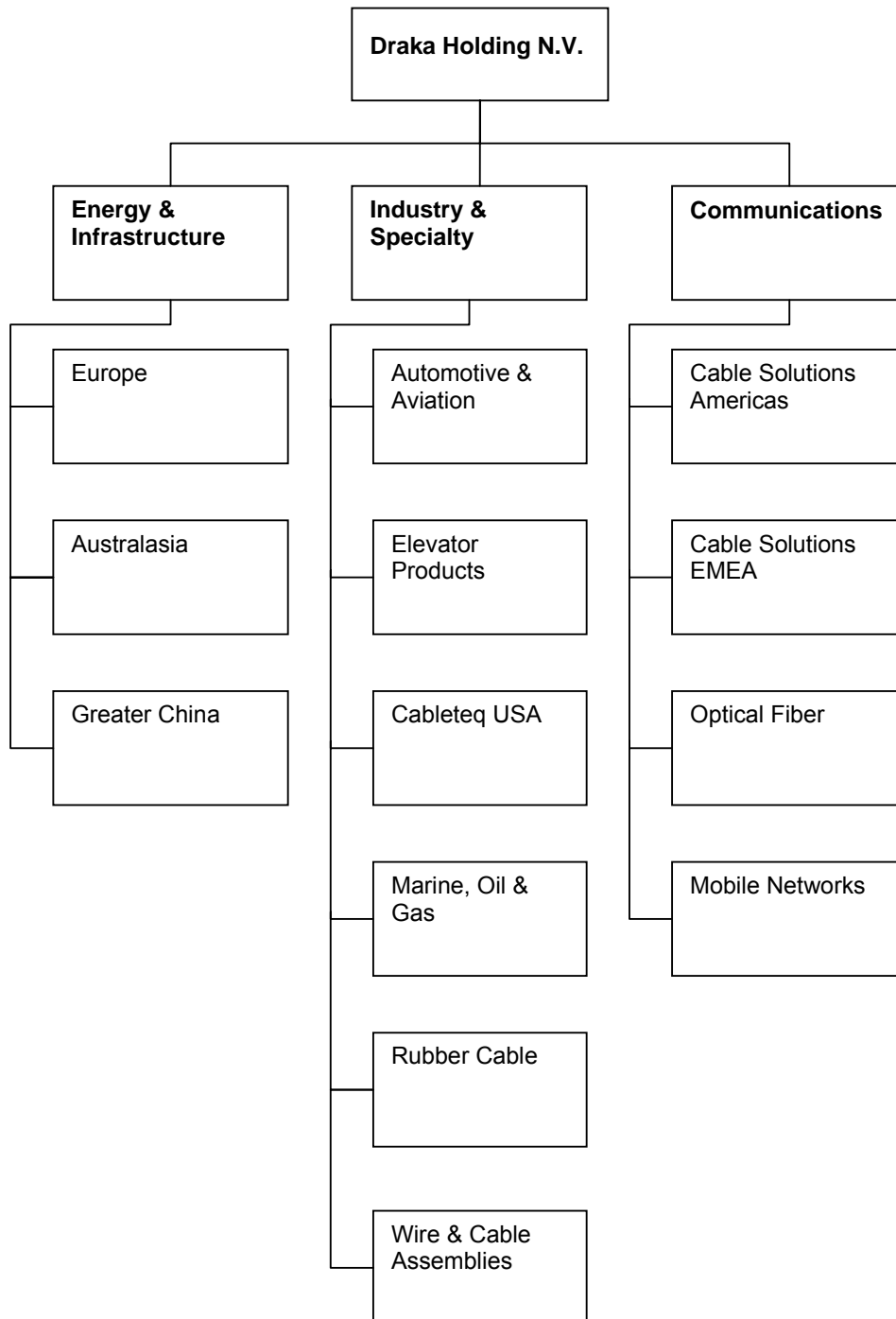
The prices of the cable industry's main raw materials (copper, aluminium and polymers) are expected to remain volatile in 2008.

Taking into consideration the above developments, as well as the cyclic nature of the cable industry, Draka is cautiously optimistic for 2008 as the company is well placed, in terms of both organisation and market position, to take full advantage of the opportunities that the market presents and looks to the future with confidence.

Board of Management  
*Amsterdam, 7 March 2008*

**Appendix:**

Draka's new organizational structure as from 1 January 2008:



## Appendix

*The financial information included in the appendix is extracted from the company's financial statements 2007. These financial statements were authorised for issue on 06 March 2008. 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 at 24 April 2008 and will be published approximately 3 weeks in advance.*

## Consolidated income statement

### For the year ended 31 December

*In millions of euro*

	2007	2006
Revenue	2,816.2	2,529.4
Cost of sales	(2,526.3)	(2,290.8)
<b>Gross profit</b>	<b>289.9</b>	<b>238.6</b>
Selling and distribution expenses	(150.1)	(156.9)
Other income and expenses	5.9	(24.0)
<b>Operating result</b>	<b>145.7</b>	<b>57.7</b>
Finance income	12.9	24.5
Finance expense	(58.5)	(58.4)
<b>Net finance expense</b>	<b>(45.6)</b>	<b>(33.9)</b>
Share of profit of equity accounted investees (net of income tax)	15.5	8.2
<b>Result before income tax</b>	<b>115.6</b>	<b>32.0</b>
Income tax expense	(21.6)	(8.6)
<b>Result for the year</b>	<b>94.0</b>	<b>23.4</b>
<b>Attributable to:</b>		
Equity holders of the company	93.0	21.8
Minority interests	1.0	1.6
<b>Result for the year</b>	<b>94.0</b>	<b>23.4</b>
Basic earnings per share (euro)	2.46	0.57
Diluted earnings per share (euro)	2.19	0.57

## Consolidated balance sheet

As at 31 December

*In millions of euro*

### Assets

#### Non-current assets

Property, plant and equipment

Intangible assets

Investments in equity accounted investees

Deferred tax assets

Other non-current financial assets

#### **Total non-current assets**

#### Current assets

Inventories

Trade and other receivables

Income tax receivable

Cash and cash equivalents

#### **Total current assets**

#### **Total assets**

### Equity

#### Shareholders' equity

Share capital

Share premium

Retained earnings

Other reserves

#### **Total equity attributable to equity holders of the company**

#### **Minority interests**

#### **Total equity**

### Liabilities

#### Non-current liabilities

Interest-bearing loans and borrowings

Other interest-bearing liability

Provision for employee benefits

Other provisions

Deferred tax liabilities

#### **Total non-current liabilities**

#### Current liabilities

Bank overdrafts

Interest-bearing loans and borrowings

Trade and other payables

Income tax payable

Other provisions

#### **Total current liabilities**

#### **Total liabilities**

#### **Total equity and liabilities**

2007

2006

538.0

531.7

101.0

96.5

87.0

94.9

46.3

52.7

24.9

32.2

**797.2**

**808.0**

441.0

433.7

470.1

458.8

4.8

2.4

39.4

42.1

**955.3**

**937.0**

**1,752.5**

**1,745.0**

20.4

20.4

311.4

311.4

98.8

103.0

(15.8)

(7.9)

**414.8**

**426.9**

**12.8**

**12.2**

**427.6**

**439.1**

527.3

268.2

-

127.7

92.2

93.3

13.2

26.1

31.1

26.1

**663.8**

**541.4**

34.9

32.0

49.4

107.2

534.4

566.6

29.9

26.8

12.5

31.9

**661.1**

**764.5**

**1,324.9**

**1,305.9**

**1,752.5**

**1,745.0**

## Consolidated statement of cash flows

For the year ended 31 December

*In millions of euro*

	2007	2006
Result for the year	94.0	23.4
<b>Adjustments for:</b>		
Depreciation	48.2	49.6
Amortisation	4.3	5.1
Impairments	-	6.3
Finance income	(12.9)	(24.5)
Finance expense	58.5	58.4
Share of profit of equity accounted investees	(15.5)	(8.2)
Equity-settled share-based payments	1.5	0.9
Income tax expense	21.6	8.6
	<b>199.7</b>	<b>119.6</b>
Changes in inventories	(7.3)	(70.1)
Changes in trade receivables	(11.9)	(39.6)
Changes in trade payables	(14.8)	93.4
Changes in other working capital	(14.9)	28.1
Changes in provisions	(2.0)	12.0
Other	-	0.5
	<b>148.8</b>	<b>143.9</b>
Interest paid	(41.8)	(39.9)
Income tax paid	(10.4)	(1.3)
Application of provisions	(31.4)	(22.8)
<b>Net cash from operating activities</b>	<b>65.2</b>	<b>79.9</b>
Dividends received	21.7	2.1
Proceeds from sale of property, plant and equipment	2.3	8.6
Acquisition of minority interest	(209.0)	-
Acquisition of subsidiaries and associates, net of cash acquired	(0.8)	(30.0)
Acquisition of intangible assets	(7.3)	(1.9)
Acquisition of property, plant and equipment	(64.2)	(45.6)
<b>Net cash used in investing activities</b>	<b>(257.3)</b>	<b>(66.8)</b>
Dividends paid (ordinary and preference shares)	(14.6)	-
Redeemable preference shares issued	-	76.6
Redeemable preference shares redeemed	-	(129.5)
Convertible subordinated bond redeemed	(95.2)	-
Subordinated loan issued	-	77.5
Subordinated loan redeemed	(77.5)	-
Movement in multicurrency facility	365.0	-
Shares acquired under long-term incentive plans	(4.3)	-
Shares delivered under long-term incentive plans	1.3	-
Movements in other bank loans	13.0	(14.2)
<b>Net cash from financing activities</b>	<b>187.7</b>	<b>10.4</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(4.4)</b>	<b>23.5</b>
Cash and cash equivalents at 1 January (net of bank overdrafts)	10.1	(13.1)
Exchange rate fluctuations on cash and cash equivalents	(1.2)	(0.3)
<b>Cash and cash equivalents at 31 December (net of bank overdrafts)</b>	<b>4.5</b>	<b>10.1</b>

## Consolidated statement of changes in total equity

### As at 31 December

<i>In millions of euro</i>	Share capital	Share premium	Translation reserve	Hedging reserve	Reserve for treasury shares	Preference shares dividend reserve	Retained earnings	Shareholders' equity	Minority Interests	Total equity
<b>Balance as at 1 January 2006</b>	<b>17.9</b>	<b>237.3</b>	<b>12.1</b>	<b>11.2</b>	-	-	<b>81.7</b>	<b>360.2</b>	<b>10.1</b>	<b>370.3</b>
Foreign exchange translation differences	-	-	(17.2)	-	-	-	-	(17.2)	(0.2)	(17.4)
Effective portion of fair value changes of cash flow hedges (net of income tax)	-	-	-	(15.4)	-	-	-	(15.4)	-	(15.4)
<b>Total income and expenses recognised directly in equity</b>	-	-	<b>(17.2)</b>	<b>(15.4)</b>	-	-	-	<b>(32.6)</b>	<b>(0.2)</b>	<b>(32.8)</b>
Result for the year	-	-	-	-	-	1.4	20.4	21.8	1.6	23.4
<b>Total recognised income and expense</b>	-	-	<b>(17.2)</b>	<b>(15.4)</b>	-	<b>1.4</b>	<b>20.4</b>	<b>(10.8)</b>	<b>1.4</b>	<b>(9.4)</b>
Preference shares issued	2.5	74.1	-	-	-	-	-	76.6	-	76.6
Share based payments	-	-	-	-	-	-	0.9	0.9	-	0.9
Effect of acquisitions and divestments	-	-	-	-	-	-	-	-	0.7	0.7
<b>Total direct changes in equity</b>	<b>2.5</b>	<b>74.1</b>	-	-	-	-	<b>0.9</b>	<b>77.5</b>	<b>0.7</b>	<b>78.2</b>
<b>Balance as at 31 December 2006</b>	<b>20.4</b>	<b>311.4</b>	<b>(5.1)</b>	<b>(4.2)</b>	-	<b>1.4</b>	<b>103.0</b>	<b>426.9</b>	<b>12.2</b>	<b>439.1</b>

## Consolidated statement of changes in total equity

### As at 31 December

<i>In millions of euro</i>	Share capital	Share premium	Translation reserve	Hedging reserve	Reserve for treasury shares	Preference shares dividend reserve	Retained earnings	Shareholders' equity	Minority Interests	Total equity
<b>Balance as at 31 December 2006</b>	<b>20.4</b>	<b>311.4</b>	<b>(5.1)</b>	<b>(4.2)</b>	-	<b>1.4</b>	<b>103.0</b>	<b>426.9</b>	<b>12.2</b>	<b>439.1</b>
Foreign exchange translation differences	-	-	(13.1)	-	-	-	-	(13.1)	(0.8)	(13.9)
Effective portion of fair value changes of cash flow hedges (net of income tax)	-	-	-	1.2	-	-	-	1.2	-	1.2
<b>Total income and expenses recognised directly in equity</b>	-	-	<b>(13.1)</b>	<b>1.2</b>	-	-	-	<b>(11.9)</b>	<b>(0.8)</b>	<b>(12.7)</b>
Result for the year	-	-	-	-	-	5.4	87.6	93.0	1.0	94.0
<b>Total recognised income and expense</b>	-	-	<b>(13.1)</b>	<b>1.2</b>	-	<b>5.4</b>	<b>87.6</b>	<b>81.1</b>	<b>0.2</b>	<b>81.3</b>
Share based payments	-	-	-	-	-	-	1.5	1.5	-	1.5
Shares acquired under long-term incentive plans	-	-	-	-	(4.3)	-	-	(4.3)	-	(4.3)
Shares delivered under long-term incentive plans	-	-	-	-	4.3	-	(3.0)	1.3	-	1.3
Dividends paid	-	-	-	-	-	(1.4)	(13.2)	(14.6)	-	(14.6)
Waiver of put option on minority interest	-	-	-	-	-	-	-	-	131.9	131.9
Effect of acquisition minority interest	-	-	-	-	-	-	(77.1)	(77.1)	(131.9)	(209.0)
Effect of acquisitions and divestments	-	-	-	-	-	-	-	-	0.4	0.4
<b>Total direct changes in equity</b>	-	-	-	-	-	<b>(1.4)</b>	<b>(91.8)</b>	<b>(93.2)</b>	<b>0.4</b>	<b>(92.8)</b>
<b>Balance as at 31 December 2007</b>	<b>20.4</b>	<b>311.4</b>	<b>(18.2)</b>	<b>(3.0)</b>	-	<b>5.4</b>	<b>98.8</b>	<b>414.8</b>	<b>12.8</b>	<b>427.6</b>

## Segment reporting

	Draka Cableteq		Draka Comteq		Not allocated to segments / Eliminations		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
<i>In millions of euro</i>								
Revenue from external customers	2,180.0	1,936.2	636.2	593.2	-	-	2,816.2	2,529.4
Intersegment transactions	86.4	76.3	67.9	63.3	(154.3)	139.6)	-	-
<b>Revenue</b>	<b>2,266.4</b>	<b>2,012.5</b>	<b>704.1</b>	<b>656.5</b>	<b>(154.3)</b>	<b>(139.6)</b>	<b>2,816.2</b>	<b>2,529.4</b>
Operating result (excluding non- recurring items)	147.3	99.6	13.1	5.5	(14.7)	(14.5)	145.7	90.6
Non-recurring items	-	(6.1)	-	(26.8)	-	-	-	(32.9)
<b>Operating result</b>	<b>147.3</b>	<b>93.5</b>	<b>13.1</b>	<b>(21.3)</b>	<b>(14.7)</b>	<b>(14.5)</b>	<b>145.7</b>	<b>57.7</b>
Net finance expense							(45.6)	(33.9)
Share of profit of equity accounted investees	8.2	5.8	7.3	2.4	-	-	15.5	8.2
Income tax expense							(21.6)	(8.6)
<b>Result for the year</b>							<b>94.0</b>	<b>23.4</b>
Capital expenditure	47.0	26.5	23.9	20.2	0.6	0.8	71.5	47.5
Depreciation and amortisation	36.5	37.4	15.6	17.1	0.4	0.2	52.5	54.7
Impairments	-	-	-	6.3	-	-	-	6.3
Segment operating liabilities	497.0	594.1	404.9	258.7	(249.6)	(134.9)	652.3	717.9
Segment assets	1,436.7	1,492.6	462.1	463.1	(233.3)	(305.6)	1,665.5	1,650.1
Investments in equity accounted investees	29.3	24.1	57.7	70.8	-	-	87.0	94.9
<b>Total assets</b>	<b>1,466.0</b>	<b>1,516.7</b>	<b>519.8</b>	<b>533.9</b>	<b>(233.3)</b>	<b>(305.6)</b>	<b>1,752.5</b>	<b>1,745.0</b>