



# Draka

## World Energy interviews Garo Artinian CEO, Draka Holding N.V.

**World Energy:** How would you describe Draka?

**Artinian:** As a 95-year-old entity based in Amsterdam, the Netherlands, Draka Holding owns and operates companies worldwide engaged in the development, production and sale of cable and cable systems. In 2004, we realized a net turnover of about 1.7 billion Euros. Under Draka Comteq we focus on communications; Draka Cableteq focuses on low-voltage and special-purpose cables .

Globally we employ approximately 9,000 people and operate in 26 countries in Europe, America and Asia.

**World Energy:** Can you outline the company's evolution?

**Artinian:** Originally, Draka Holding purchased regional wire and cable companies and allowed them to operate as separate entities. Though initially a very successful organization, as globalization is shaping many industries now, our regional structure began to compete against one another for the same business. More recently, we have developed a structure that enables us to support local customers while offering the deep resources of a global company.

Roughly 18 months ago, Draka realized the need to reorganize into a more customer-focused organization. As a result, we created several divisions, including the Marine, Oil & Gas International Division, to serve the special needs of the marine and offshore oil industry.

**World Energy:** What key developments have occurred at the company since you became Draka's CEO?

**Artinian:** Draka is emerging from a regionally focused manufacturing-based company into a stronger customer-focused organization through our market divisions.

The recent improvements in our financial performance during 2005 are a key indicator our new market focus is beginning to take hold and pay dividends for the company.

**World Energy:** How has the global wire and cable business changed in the past 10 years?

**Artinian:** In many ways the business has not changed. Traditionally, this industry has been very fragmented and regionally specific. It is only recently that some of the more progressive companies have begun to organize into global divisions. In fact, Draka has recognized the importance of the offshore and marine industries by being the only wire and cable company with a division solely focused on serving these global customers.

**World Energy:** Why should the oil and gas industry care about the manufacturing of wire and cables?

**Artinian:** Like all industries, there are companies that produce quality products and companies that produce lower-quality products. In the case of Draka, we have been producing quality wire and cable products based on marine and offshore oil-production specifications for more than 30 years. So all operators have found that Draka produces quality, dependable wire and cables for power, control, instrumentation and signal operations for all of offshore environments.

When investing several millions of dollars in a ship or an oil-drilling rig, the last thing companies want to do is cut corners and risk power outages or instruments not navigating properly due to poor or cheap wire and cables. Draka Marine, Oil & Gas understands the critical operational challenges and needs of this industry and manufactures its wire and cables to dependably operate in the most demanding offshore environments.



**World Energy:** Why has your Marine, Oil & Gas division not been recognized as a leader in the sector, given the extensive market penetration it has?

**Artinian:** Until 2005 the Marine, Oil & Gas market was split up into production facility responsibilities. In other words, if Draka were to participate in the offshore or marine markets, the decision was made by each manufacturing facility what products to sell, how to market and where its sales organization would focus. Though this fragmented approach was very effective originally, the industry has consolidated into a group of large global players. Though Draka has been involved in this market for close to 30 years, this fragmented approach resulted in less recognition from the industry.

**World Energy:** How will Draka's new organizational focus benefit the industry?

**Artinian:** Globally, Draka Marine, Oil & Gas has more than 11 production facilities that manufacture more than 100 different types of wire and cables specially designed and certified for use in the offshore market. Using this manufacturing base, Draka has also developed a distribution network of company-owned locations and partnerships that cover maintenance and repair needs in all major offshore markets. In addition, with a local representative in every major market, backed up with a broad line of proven products and vast production capabilities, Draka Marine, Oil & Gas is in a strong position to provide all the wire and cable needs for new product builds and to service original equipment manufacturers regardless of where their operations are located.

As a corporation, Draka believes ongoing innovation is a critical success factor. Only by constantly responding to the wishes and requirements of customers can Draka

continue to build on its prominent market position. Our R&D [research and development] activities are conducted by operating companies, as close as possible to the customers and often in cooperation with them. The coordination of R&D takes place within divisions and is stimulated between divisions, so the group as a whole is able to benefit from the specialist knowledge of the various companies. A major portion of our company turnover is devoted to R&D and with a division focused solely on the needs of the offshore industry we are working on improved materials, reducing cable weights and other characteristics important to the marine and oil industries.

**World Energy:** Where do you go from here?

**Artinian:** Since organizing into a global division, our Draka Marine, Oil & Gas division has shown the fastest growth of all our businesses. Considering the global importance of the marine and offshore oil industries, we view this growth as confirmation of the importance of establishing a division to serve this market. We fully anticipate that Draka Marine, Oil & Gas will continue to grow and gain additional market share as the oil industry expands to meet global demand for energy.

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*Through subsidiaries, Draka Holding produces low-voltage and special-purpose cable as well as telecommunication cable and systems. Draka Cableteq manufactures and sells a range of standard and special-purpose, low-voltage cable primarily to construction and installation companies, electric wholesalers, harness makers for car manufactures and the aerospace industry, IT companies, oil and gas companies, and household and industrial appliance makers. The Draka Comteq unit makes copper and optical fiber communication cable, as well as radio-frequency cable, for telecommunications providers.*

**For more information visit [www.DrakaMOG.com](http://www.DrakaMOG.com).**

