

## Press release

No. 28 / May 5, 2010

Page 1 / 3

### **Strong growth in the first quarter:**

Dräger achieves excellent result

- Order intake, orders on hand and net sales increased
- Earnings five times higher than at the same time in the prior year
- Cash flow from operating activities more than quadrupled
- Turnaround program continues to be successful

Lübeck – Drägerwerk AG & Co. KGaA's order intake, orders on hand, net sales and earnings increased considerably in the first quarter of 2010. Order intake went up 7.4 percent (net of currency effects) to EUR 488.2 million and orders on hand 9.0 percent to EUR 472.9 million. Dräger's net sales amounted to EUR 465.9 million, 8.1 percent (net of currency effects) higher than in the prior year. The Group EBIT of EUR 36.8 million was five times higher than in the first quarter of 2009.

Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG, explains: "We got off to an excellent start in fiscal year 2010. Our good relations with customers are paying off and the turnaround program is working. We also gained from currency effects, an improved product mix and high order intake in the fourth quarter of 2009."

### **Financial position and net assets develop positively**

The Group's improved working capital management is also showing good results. During the reporting period, Dräger's cash flow from operating activities more than quadrupled year-on-year. It amounted to EUR 26.2 million (1<sup>st</sup> quarter 2009: EUR 5.9 million), some of the reasons being an increase in net profit and a positive development in trade payables. This was offset by rising inventories due to the continuously positive order situation at Dräger Group.

The Group's equity went up EUR 36.1 million to EUR 429.9 million in the first three months of 2010. This was mainly attributable to the positive quarterly result and currency translation effects. The equity ratio therefore increased to 21.8 percent.

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Page 2 / 3

### Turnaround program continues to be successful

As planned, the turnaround program generated further savings and increased efficiency in the first quarter of 2010, resulting in savings of EUR 11.9 million (before implementation costs of EUR 0.4 million) compared to the same period in the prior year. Stefan Dräger reiterates: “The extremely positive quarterly result reinforces our intention to carry on implementing our turnaround program with determination. As before, we are aiming to improve the competitiveness of our company in the long term and to create the necessary conditions for our future success by significantly boosting our profitability and operating cash flow.”

### Outlook

In view of the positive development in the first quarter, Dräger now expects an EBIT margin in the upper region of the originally anticipated 5 to 6 percent before effects of the measurement of the cash component of the purchase price of the 25 percent share in Dräger Medical AG & Co. KG for the entire fiscal year 2010. Dräger anticipates net sales growth in the lower one-digit percentage range. This estimate is based on the assumption that the markets relevant to Dräger are going to continue growing and also that the turnaround program will continued to be implemented successfully.

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Page 3 / 3

### Key figures for the first three months of 2010 (€million)

	First quarter 2010	First quarter 2009	Change
Order intake	488.2	448.6	+8.8 %
<i>Medical division</i>	323.6	295.2	+9.6 %
<i>Safety division</i>	172.3	160.1	+7.6 %
Net sales	465.9	425.2	+9.6 %
<i>Medical division</i>	306.3	268.3	+14.2 %
<i>Safety division</i>	167.0	163.0	+2.5 %
EBIT <sup>1</sup>	36.8	6.5	+466.2 %
<i>Medical division</i>	40.3	2.7	
<i>Safety division</i>	12.7	10.5	+21.0 %
EBIT margin	7.9 %	1.5 %	
Net profit	18.7	-0.1	
EPS <sup>2</sup>	1.38	-0.10	

<sup>1</sup> EBIT = Earnings before interest and taxes.

<sup>2</sup> EPS = Earnings per preferred share (€)

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#### Disclaimer

This press release contains forward-looking statements regarding the future development of the Dräger Group. These forward-looking statements are based on the current expectations, presumptions, and forecasts of the Executive Board as well as the information available to it to date and have been prepared to the best of its knowledge and belief. No guarantee or liability for the occurrence of the future developments and results specified can be assumed in respect of such forward-looking statements. Rather, the future developments and results are dependent on a number of factors. They entail risks and uncertainties beyond our control and are based on assumptions which could prove to be incorrect. Notwithstanding any legal requirements to adjust forecasts, we assume no obligation to update the forward-looking statements contained in this report. You will find all key financial dates on our website at [www.draeger.com](http://www.draeger.com) under Investor Relations/Financial Calendar.

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