

Press release

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Third quarter 2009:

Order intake and net sales increase

- **H1N1 virus boosts positive development**
- **Earnings in third quarter increase year-on-year**
- **Currency effects impact full year earnings**
- **Operating cash flow significantly up on prior year figure**
- **Turnaround program records its first successes**

Lübeck – Drägerwerk AG & Co. KGaA was able to once again increase its order intake in the third quarter of 2009. The company exceeded the prior-year figure by 9.5 percent (net of currency effects), posting order intake of EUR 481.7 million. “The markedly positive development of order intake in the third quarter of 2009 gives us great momentum,” comments Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. This development was supported by increased order intake volumes in connection with the H1N1 virus.

Net sales for Dräger Group were at EUR 454.4 million in the third quarter (up 3.3 percent net of currency effects) and totaled EUR 1,348.3 million for the first nine months of 2009 (up 3.1 percent net of currency effects).

Third quarter earnings up on prior year

In the third quarter of 2009, savings from the turnaround program offset earnings impacts from exchange rates, deep diving projects, shifts in the product mix and implementation costs. After taking 2008’s non-recurring expenses of EUR 9.6 million into account, EBIT was up EUR 2.3 million year-on-year.

However, the earnings improvements cannot yet balance out the earnings decline from the first half of the year.

Net cash improves

In the third quarter 2009, operating cash flow recorded very positive development compared to the prior year with net cash increasing by almost EUR 50 million. Intensive working capital management was a major driver

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behind this improvement: During the reporting period, Dräger built up less inventories and was once again able to reduce the level of receivables.

Turnaround program records its first results

The measures introduced up to now through the turnaround program took pressure off earnings in the third quarter of 2009. Up to the end of September, the company achieved savings of EUR 32.3 million, EUR 18.2 million of which came in the third quarter. This offset implementation expenses of EUR 18.3 million, EUR 14.8 million of which were recorded in the third quarter. Up to this point, turnaround has focused on procurement, travel and telecommunications costs, marketing and sales costs as well as logistics. Production is also continuing its program PRIME (Production Improvement for Excellence). This program allows employees to use their knowledge and experience to enhance efficiency, cut costs, reduce through-put times and space requirements as well as improve quality. At the same time, Dräger is currently conducting a global review of its production sites for efficiency and competitiveness.

The significantly improved order situation and net cash provided by operating activities has allowed the company to reverse its plans to cancel Christmas and holiday pay for 2009. Instead, Dräger is going to use the period until the end of the year to talk to employee representatives. The company is looking to agree on obligatory measures aimed at cutting costs and making business more flexible in an effort to improve earnings.

Outlook

The effects of the worldwide financial and economic crisis continue to negatively impact business. For 2009, the Executive Board anticipates that net sales will be slightly down and consolidated EBIT considerably lower than in the prior year. Despite the lower consolidated EBIT, the Executive Board is expecting net profit in the black.

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Key figures for the first nine months of 2009 (in EUR millions)

	Q3 2009	Q3 2008	Change	Q1-Q3 2009	Q1-Q3 2008	Change
Order intake	481.7	443.8	+ 8.5 %	1,414.5	1,398.3	+ 1.2 %
<i>Medical division</i>	323.0	284.8	+ 13.4 %	928.4	907.8	+ 2.3 %
<i>Safety division</i>	166.1	166.0	+ 0.1 %	506.0	509.2	- 0.6 %
Net sales	454.4	443.9	+ 2.4 %	1,348.3	1,307.4	+ 3.1 %
<i>Medical division</i>	293.6	284.5	+ 3.2 %	871.7	835.7	+ 4.3 %
<i>Safety division</i>	167.7	166.1	+ 1.0 %	496.4	490.5	+ 1.2 %
EBIT ¹ before non-recurring expenses	13.3	20.6	- 35.4 %	28.4	79.5	- 64.3 %
<i>Medical division</i>	9.0	12.4	- 27.4 %	20.1	48.4	- 58.5 %
<i>Safety division</i>	10.1	14.3	- 29.4 %	28.1	43.8	- 35.8 %
EBIT ¹	13.3	11.0	+ 20.9 %	28.4	58.6	- 51.5 %
<i>Medical division</i>	9.0	5.7	+ 57.9 %	20.1	39.1	- 48.6 %
<i>Safety division</i>	10.1	13.4	- 24.6 %	28.1	37.3	- 24.7 %
EBIT margin	2.9 %	4.6 %		2.1 %	6.1 %	
Net profit	3.7	1.8	+ 105.6 %	5.3	22.5	- 76.4 %
EPS ²	0.20	0.05		0.21	1.26	

¹ EBIT = Earnings before net interest result and income taxes

² EPS = Earnings per preferred share in euros

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 under Investor Relations/Financial Calendar.

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