

## **Ad-hoc release according to section 15 Securities Trading Act (WpHG)**

### **Drägerwerk: Strong business at year-end and successful turnaround program result in surge in Q4 profitability**

According to preliminary, unaudited financial statements, Drägerwerk AG & Co. KGaA achieved a considerable increase in profitability in the fourth quarter of 2009. In this period alone the Company generated EBIT of EUR 51.7 million (Q1-Q3 2009: EUR 28.4 million). At the end of September, EBIT was down on previous year levels by more than 51 percent, however by the end of the fiscal year Dräger had managed to close the gap to just 24.3 percent. EBIT for the full year 2009 totaled EUR 80.1 million. This is all the more impressive given the EUR 30 million impairment loss on deep-sea diving systems in the safety division, EUR 19.6 million of which came in the fourth quarter. Most of this impairment loss was essential after a customer cancelled a major project due to the financial crisis. This negative impact was offset by net savings from the turnaround program in the full year of EUR 45 million, around EUR 20 million above the last estimate from Q3 2009. In addition, the medical division's sales and order situation was boosted in the fourth quarter by new products, growing demand and an increasing share of sales from high-margin equipment. While consolidated net sales came in almost on a par with previous year levels at EUR 1,911.1 million (-0.2 percent) in currency adjusted terms, order intake grew by 2.9 percent to EUR 1,978.3 million with orders on hand up by as much as 9.2 percent, posting a new record mark of EUR 440.1 million. Consolidated EBIT was recorded at EUR 80.1 million (2008: EUR 105.8 million) and net profits totaled EUR 32.5 million (2008: EUR 49.4 million\*).

In currency adjusted terms, order intake in the medical division was up 5.4 percent to EUR 1,339.6 million, while sales grew by 2.0 percent to EUR 1,261.5 million. EBIT for the medical division rose 1.6 percent to EUR 76.7 million.

Order intake in the safety division was down 1.7 percent in currency adjusted terms to EUR 665.9 million, while sales fell by 4.0 percent to EUR 676.9 million. EBIT at the safety division dropped by 50.5 percent to EUR 30.2 million, which was mainly due to the impairment loss of EUR 30 million on deep-sea diving systems.

As of December 31, 2009, liquid assets at Group level amounted to EUR 344 million. The ratio between net debt and EBITDA was 2.6 (2008: 1.6).

For the financial year 2010, Dräger is expecting net sales growth in the low single digit percent region at Group level. Supported by the larger share of new products as well as an improved cost position based on the turnaround program's ongoing measures, Dräger is expecting the consolidated EBIT margin to climb to between 5 and 6 percent (2009: 4.2 percent) in the financial year 2010.

\* Given the now mandatory application of IAS 32 on the classification of equity and debt capital, Dräger has reviewed its reporting policies for disclosed participation capital and has identified potential for adjustments. As a result and in keeping with IAS 32 and IAS 39 equity and debt components for respective series of participation rights are being disclosed and valued for the first time in the financial statements issued as of December 31, 2009. Figures from previous years have been adjusted accordingly to aid comparability.