Nine months 2011:
Dräger increases order intake and earnings

- Order intake grows by 7.8 percent
- EBIT margin reaches 9.0 percent
- Equity ratio continues to rises to 34.7 percent
- Sales reorganization resolved
- Personnel changes
- Outlook 2011 and 2012

Lübeck – Drägerwerk AG & Co. KGaA's order intake and earnings increased in the first nine months of 2011. Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG: "We closed our third quarter with positive figures and in doing so, we have laid the foundations for performing better than expected at the beginning of the year."

Order intake: Up 7.8 percent

Strong growth of 7.8 percent (net of currency effects) meant that the order intake in the first nine months of 2011 (EUR 1.68 billion) was significantly higher than in the previous year (9 months 2010: EUR 1.57 billion). Net sales in the first nine months of 2011 rose by 1.8 percent (net of currency effects) to EUR 1.56 billion (9 months 2010: EUR 1.54 billion). Both divisions developed differently: The safety division profited in particular from an upturn in demand from the industrial sector. Net sales in the first nine months of 2011 were therefore up 9.7 percent (net of currency effects) year-on-year. Net sales in the medical division, on the other hand, went down by 1.8 percent (net of currency effects) in the same period. Similar to the second quarter of 2011, the decline is mainly due to a large order from Brazil in the previous year.

Earnings: Gross profit up, EBIT margin reaches 9.0 percent

Dräger increased its gross earnings by EUR 26.7 million to EUR 776.1 million in the first nine months of 2011. The gross margin consequently rose to 50.2 percent (9 months 2010: 49.3 percent), which was mainly due to net sales growth, an improved product mix as well as a positive earnings

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contribution from deep sea diving projects in the safety division. In the first nine months of 2011, Dräger achieved total EBIT of EUR 139.7 million (9 months 2010: EUR 136.7 million). The EBIT margin therefore came to 9.0 percent (9 months 2010: 8.9 percent). Functional costs went up by around 6 percent year-on-year during the reporting period, mainly on account of a scheduled rise in investments in research and development, the ongoing IT optimization and higher expenses for additional sales activities. The financial result increased by EUR 12.4 million.

Net assets: Equity ratio continues to rise

Dräger Group's equity rose by EUR 35.7 million to EUR 672.3 million in the first nine months of 2011. The equity ratio therefore went up to 34.7 percent (December 31, 2010: 32.2 percent). Stefan Dräger: "Our solid company financing allows us, on the one hand, to invest in our future, and on the other, not have to reduce our high level of security. We are well equipped with our equity ratio, low net debt, extensive free credit lines, an improved risk early warning system and greater flexibility."

Sales reorganization resolved

The Executive Board of Drägerwerk Verwaltungs AG resolved to pool the sales functions of the medical and safety divisions in all regions under one operating manager each as from 2012 to further increase the Company's profitability. The objective of this measure is for Dräger to achieve an even greater differentiation of individual markets and improve the use of the Company-wide infrastructure. Andreas Frahm will assume the position of global sales manager. He has been working in various management positions within the Company for many years and is currently Regional Manager for Asia / Pacific in the medical division.

Personnel changes

Dr. Carla Kriwet, Dräger Executive Board member responsible for Sales and Marketing, will leave the Company at the end of the year by mutual consent. Both parties agreed to maintain secrecy about the reasons for her resignation. Dräger will therefore have to change its plans of reorganizing its marketing function and postpone them until 2013.

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Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG: “I regret that both our expectations and hopes in our cooperation have not come to fruition. I nevertheless would like to expressly thank Dr. Kriwet for her achievements in the past months. The Supervisory and Executive Boards wish her all the best for the future.”

There will also be a change in the medical division: Dr. Christian Hauer, member of the Executive Team of Drägerwerk AG & Co KGaA and General Manager of Dräger Medical GmbH will leave the Company at his own request in February 2012 to take on new professional challenges.
“The departure of Dr. Hauer, an extremely experienced long-standing manager, is a loss to us all. He joined the highest ranks of our Company through his excellent performance. We wish him all the very best and much success for his future,” commented Stefan Dräger.

Outlook: 2011 and 2012 forecast
Dräger continues to anticipate that order intake will grow at least as fast as the entire global economy in fiscal year 2011. Given the IMF’s adjusted global economic growth forecast in September 2011 of +4.0 percent, Dräger expects to see similar growth in its order intake. Net sales growth in the Group in 2011 is expected to be one to two percentage points down on order intake growth as net sales in 2010 benefited from above-average order intake in the fourth quarter of 2009. Dräger now expects to be able to achieve the upper region of the Group EBIT margin between 8.0 percent 9.5 percent, which had been forecast in July.
Dräger anticipates that it will continue to grow at least as fast as the entire global economy in 2012 (IMF September 2011 estimate: +4.0 percent). However, costs for sales, research and development and IT are expected to rise more steeply than net sales in 2012. The Company will now implement those measures necessary for realizing the new sales structure that were originally planned for 2011 in 2012 instead. Dräger will also invest further in product development to ensure its competitive position in the long

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term. In addition, the EU Directives RoHS[1]/REACH[2], which require for the use of certain materials to be restricted as from 2014, make it necessary to invest further in research and development. Dräger will also continue to renew its IT infrastructure. The Company once again forecasts a Group EBIT margin between 8.0 percent and 9.5 percent for fiscal year 2012. This assumption is based on stable market developments and takes into account the costs for sales, research and development and IT described above.

In the medium term, the new structure will significantly reduce sales expenses and tap into additional growth prospects. Overall, Dräger expects to achieve at least one percentage point in savings regarding the relative marketing and selling expenses by the end of 2014. The Company also plans to continue to grow faster than the market and achieve a minimum EBIT margin of 10 percent in the medium term.

This is based on the assumption of a stabilizing economy in Europe, continued economic recovery in North America, sustained market growth in developing countries and stable exchange rates. It must be noted that global uncertainty factors further increased, making an exact forecast more difficult. This also applies to the increased volatility of exchange rates expected by the Executive Board.

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[1] EU Directive “Restriction of the use of certain hazardous substances in electrical and electronic equipment”

[2] EU Directive “Registration, Evaluation and Restriction of Chemicals”

Key figures for the first nine months of 2011 (in EUR million)

	Third quarter 2011	Third quarter 2010	Nine months 2011	Nine months 2010	Change	Net of currency effects
Order intake	570.7	519.5	1,679.7	1,568.4	+7.1 %	+7.8 %
Medical division	*383.6*	*357.5*	*1,097.5*	*1,056.3*	*+3.9 %*	*+5.0 %*
Safety division	*194.6*	*167.7*	*604.8*	*532.8*	*+13.5 %*	*+13.8 %*
Net sales	524.0	525.3	1,557.3	1,542.0	+1.0 %	+1.8 %
Medical division	*335.2*	*351,7*	*998.2*	*1,028.9*	*-3.0 %*	*-1.8 %*
Safety division	*196.2*	*178.6*	*581.3*	*531.6*	*+9.4 %*	*+9.7 %*
EBIT[1]	45.2	34.1	139.7	136.7	+2.2 %	
Medical division	*37.9*	*35.2*	*107.8*	*128.2*	*-15.9 %*	
Safety division	*20.9*	*17.8*	*66.7*	*47.1*	*+41.5 %*	
EBIT margin	8.6 %	6.5 %	9.0 %	8.9 %		
Earnings after income taxes	25.6	14.3	79.3	70.2	+13,0 %	
EPS[2] preferred share	1.36	0.75	4.18	4.27		
EPS[2] common share	1.34	0.73	4.13	4.22		

[1] EBIT = Earnings before interest and taxes
[2] EPS = Earnings per share (in €)

Disclaimer
This information for the capital market 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 the Company's control and are based on assumptions which could prove to be incorrect. Notwithstanding any legal requirements to adjust forecasts, Dräger does not assume any obligation to update the forward-looking statements contained in this report. You will find all important financial dates on the Company website at www.draeger.com under Investor Center/Financial Calendar.

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