

## Press release

No. 27 / May 4, 2011

Page 1 / 3

# First Quarter of 2011: Dräger increases net sales and earnings

- Earnings after income taxes grew 24 percent year-on-year
- Growth forecast confirmed
- Stefan Dräger: "Capital structure increases strategic scope of action"

Lübeck – Drägerwerk AG & Co. KGaA's order intake, net sales and earnings increased in the first quarter of 2011. Order intake went up by 11.8 percent (net of currency effects) to EUR 553.6 million year-on-year. Net sales rose by 5.7 percent (net of currency effects) to EUR 500.3 million, with particularly positive developments in the Americas and Asia / Pacific regions. The safety division recorded 9.1 percent growth (net of currency effects), net sales in the medical divisions increased by 3.7 percent. "Given the good first quarter, we are confirming our 2011 growth forecast," said Stefan Dräger, CEO of Drägerwerk Verwaltungs AG.

### EBIT margin rose to 8.5 percent

Dräger achieved total Group EBIT of EUR 42.6 million in the first quarter of 2011, an increase of 15.9 percent compared to the prior year's period. The EBIT margin rose from 7.9 percent to 8.5 percent. Higher net sales, favorable exchange rates and positive changes to the product mix contributed to the development. As planned, these amounts were partially used as increased expenses for research and development, marketing and sales as well as IT infrastructure. Earnings after income taxes rose by 24 percent to EUR 23.2 million year-on-year.

### Equity ratio went up to 33.1 percent

Dräger Group's equity rose by EUR 11.2 million to EUR 647.8 million in the first three months of 2011, with the equity ratio increasing from 32.2 percent on December 31, 2010, to 33.1 percent. On March 31, 2010, prior to the capital increase, the equity ratio had been at 21.8 percent. "We have more strategic scope of action as our equity is increasing. For this reason, we are aiming to generate an equity ratio of at least 35 percent. We want to be ready for the next slump of the global economy," highlighted Stefan Dräger.

#### Contact

Corporate Communications:  
Burkard Dillig  
Phone: +49 451 882-2185  
burkard.dillig@draeger.com

Investor Relations:  
Vanina Hoffmann  
Phone: +49 451 882-2685  
vanina.hoffmann@draeger.com

Drägerwerk AG & Co. KGaA  
Moislinger Allee 53–55  
23558 Lübeck, Germany  
www.draeger.com

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Page 2 / 3

### **Outlook: Order intake is expected to grow as fast as the overall global economy**

Dräger expects its order intake in fiscal year 2011 to grow at least at the pace of global economic growth (IMF April 2011 forecast: +4.4 percent). 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. Lifecycle Solutions and Infrastructure Projects in particular are likely to drive expected growth in the lower one-digit percentage range in the medical division and compensate for a possible slowdown in the equipment business. Dräger expects increases in net sales for the safety division in the medium one-digit percentage range. According to the Executive Board, 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. Based on planned increases in product development investments, the expansion of the sales organization and improvements to the Group-wide IT infrastructure, Dräger still expects a Group EBIT margin between 7.5 percent and 8.5 percent for fiscal year 2011 (2010: 8.9 percent). In the medium term, the Company aims at growing stronger than the market and achieving an EBIT margin of at least 10 percent.

#### **Contact**

Corporate Communications:  
Burkard Dillig  
Phone: +49 451 882-2185  
[burkard.dillig@draeger.com](mailto:burkard.dillig@draeger.com)

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[vanina.hoffmann@draeger.com](mailto:vanina.hoffmann@draeger.com)

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Page 3 / 3

### Key figures for the first three months of 2011 (€million)

	Q1 2011	Q1 2010	Change	Net of currency effects
Order intake	553.6	488.2	+13.4%	+11.8%
<i>Medical division</i>	357.1	323.6	+10.4%	+9.2%
<i>Safety division</i>	204.0	172.3	+18.4%	+16.1%
Net sales	500.3	465.9	+7.4%	+5.7%
<i>Medical division</i>	321.6	306.3	+5.0%	+3.7%
<i>Safety division</i>	185.9	167.0	+11.3%	+9.1%
EBIT <sup>1</sup>	42.6	36.8	+15.9%	
<i>Medical division</i>	30.6	40.3	-24.1%	
<i>Safety division</i>	21.6	12.7	+69.7%	
EBIT margin	8.5%	7.9%		
Earnings after income taxes	23.2	18.7		
EPS <sup>2</sup> preferred share	1.22	1.38		
EPS <sup>2</sup> common share	1.20	1.36		

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

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

#### 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 the Company's 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 other financial dates on our website at [www.draeger.com](http://www.draeger.com) under Investor Center/Financial Calendar.

#### Contact

Corporate Communications:  
Burkard Dillig  
Phone: +49 451 882-2185  
[burkard.dillig@draeger.com](mailto:burkard.dillig@draeger.com)

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