

Press release

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Dräger reporting significant increase in Q4 profits

- **Q4 EBIT reached EUR 51.7 million (Q1-Q3 2009: EUR 28.4 million)**
- **Orders on hand at record level**
- **Turnaround program delivering considerably higher savings**

Lübeck – 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 an EBIT of EUR 51.7 million (Q1-Q3 2009: € 28.4 million). This means that in the period from October to December, Dräger earned almost twice as much as in the preceding nine months. EBIT for the full year 2009 totaled EUR 80.1 million. This is all the more noteworthy considering that EUR 19.6 of the EUR 30 million impairment loss on deep-sea diving systems in the safety division were recorded in the fourth quarter alone. The majority of this impairment loss is attributable to the fact that a customer was forced to cancel a large-scale order as a result of the financial crisis. This negative effect was offset by net savings from the turnaround program, which cut costs by around EUR 45 million in the full year and therefore exceeded the figure originally forecast in Q3 2009 by around EUR 20 million. In addition to that, new products, increasing demand as well as a higher proportion of sales from the high margin device business in the fourth quarter had a positive impact on sales and order intake in the medical division.

Net sales almost unchanged – Orders on hand up by 9.2 percent

Order intake at Group level increased by 2.9 percent to EUR 1,978.3 million in currency adjusted terms, while orders on hand surged by 9.2 percent, reaching the record level of EUR 440.1 million. Consolidated net sales amounted to EUR 1,911.1 million, almost achieving previous year levels (-0.2 percent). Consolidated EBIT was EUR 80.1 million (2008: EUR 105.8 million) and net profits totaled EUR 32.5 million (2008: EUR 49.4 million³).

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Medical division returns to growth path

At the medical division, order intake climbed by 5.4 percent in currency adjusted terms reaching EUR 1,339.6 million. High order intake levels towards the end of the year meant that it was not possible to ship all orders from the different product areas within the 2009 financial year. As a result orders on hand covered a 3.6 month period (December 31, 2008: 2.1 months). The volume of orders on hand increased by more than 36 percent to the record figure of EUR 300.5 million (December 31, 2008: EUR 219.8 million). Net sales were up by 2.0 percent to EUR 1,261.5 million and EBIT in the medical division rose by 1.6 percent to EUR 76.7 million.

Safety division suffering from cancelled order for deep-sea diving systems

Order intake at the safety division slipped by 1.7 percent to EUR 665.9 million in currency adjusted terms. Particularly robust developed the device business (firefighting equipment), stationary and mobile gas detection systems and diagnostics (breath alcohol and drug tests). Orders on hand slipped by 23.7 percent to EUR 140.7 million. Net sales amounted to EUR 676.9 million, 4.0 percent down on the previous year. 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.

Positive development of liquid assets

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).

Outlook

For the financial year 2010, Dräger is expecting net sales growth in the low single digit percent region at Group level. Supported by the higher 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.

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Key figures for 2009 (EUR million)

	2009	2008	Change
Order intake	1,978.3	1,930.4	+2.9 % ¹
Medical division	1,339.6	1,276.9	+5.4 % ¹
Safety division	665.9	679.6	-1.7 % ¹
Sales	1,911.1	1,924.5	-0.2 % ¹
Medical division	1,261.5	1,243.8	+2.0 % ¹
Safety division	676.9	706.8	-4.0 % ¹
EBIT²	80.1	105.8	-24.3 %
Medical division	76.7	75.5	+1.6 %
Safety division	30.2	61.0	-50.5 %
EBIT margin	4.2 %	5.5 %	
Medical division	6.1 %	6.1 %	
Safety division	4.5 %	8.6 %	
Net profit	32.5	49.4 ³	-34.2 %

¹ Currency adjusted

² EBIT = Earnings before net interest result and income taxes.

³ 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.

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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