

Technology for Life



Drägerwerk AG & Co. KGaA

9th German Corporate Conference
CA Cheuvreux

Frankfurt, January 20, 2010

Disclaimer



This presentation does not constitute an offer of securities for sale or a solicitation of an offer to purchase any securities. No money, securities or other consideration is being solicited by this presentation.

This presentation 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 made 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 presentation.

Interim financial reports as well as preliminaries are not audited.

-
1. Dräger Group – Basics

 2. Medical division

 3. Safety division

 4. Dräger Group – Financials

 5. Dräger Group – Turnaround program

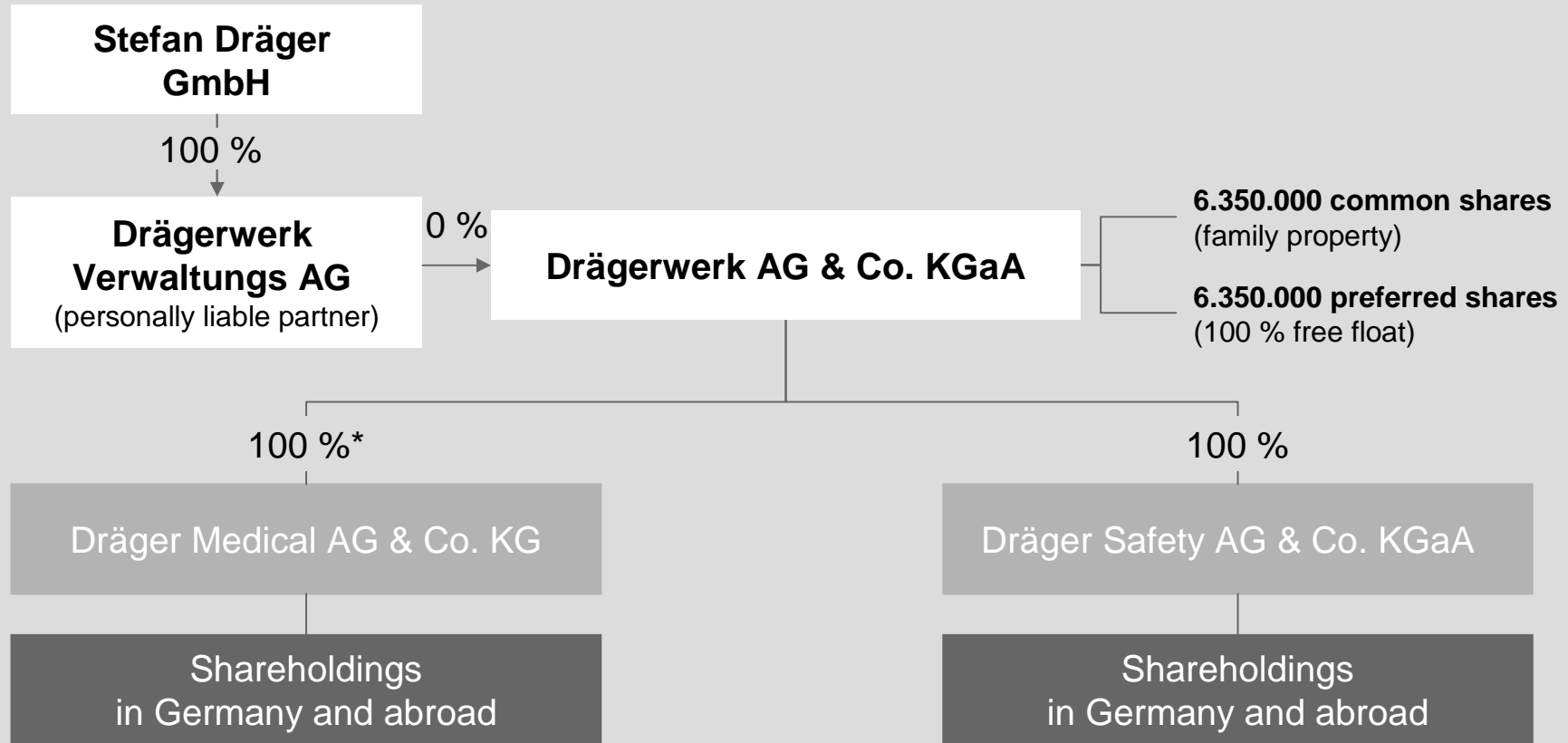
 6. Dräger Group – Forecast

 7. Appendix



Dräger Group

Company structure



* subject to the approval of anti-trust authorities

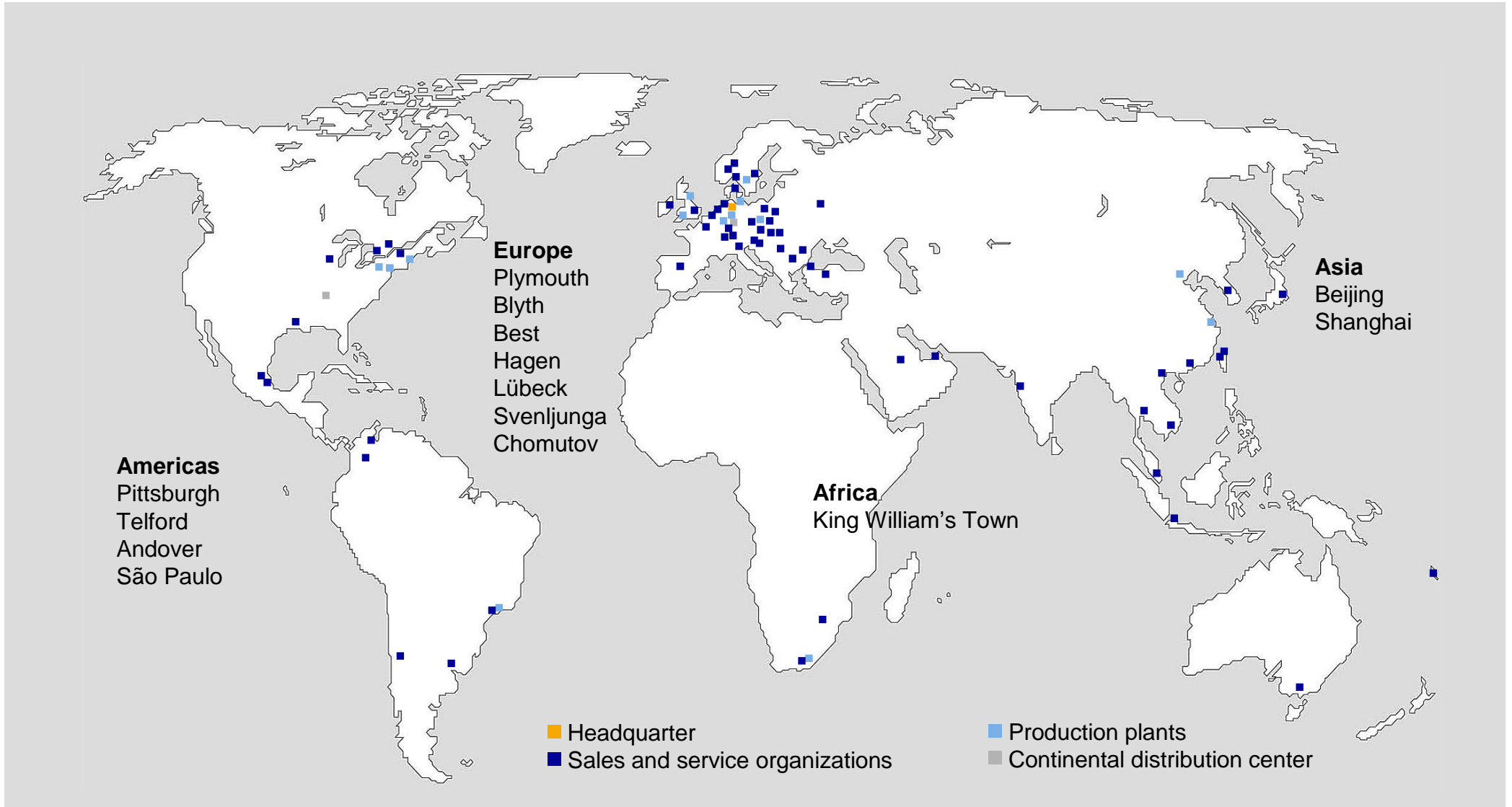
Assets	pre closing	post closing
	€ million	€ million
Intangible assets	+84	+84
Cash and cash equivalents	-0	-175
Total assets	+84	-91
Liabilities	pre closing	post closing
	€ million	€ million
Minority interests	-167	-167
Non-current interest-bearing loans	+69	+69
Other non-current financial liabilities	+6	+6
Other current financial liabilities	+176	+1
Total liabilities	+84	-91

Transaction: benefits from purchase of minority stake

- Bundling of purchasing volumes
 - Integration of administrative functions
 - Optimization of tax structure
- € 10 – 15 million p.a.
- Possible benefits from closer cooperation in marketing & selling between Medical and Safety under investigation

Dräger Group

Global presence





Medical division

Cross hospital system provider

Cross hospital



Monitoring, Systems & IT

- Patient monitoring
- Departmental IT
- Point of Care IT
- Smart applications



Infrastructure Projects

- Architectural systems
- Gas management
- Project engineering
- OR lights



Lifecycle Solutions

- Service contracts and repair
- Accessories and consumables
- Multivendor Service
- Training

Departmental level



Anesthesiology

- Anesthesiology delivery devices and systems
- Anesthetic gas measurement and gas dosing devices
- OR applications



Respiratory Care

- Critical and subacute care devices and systems
- Neonatal care ventilators
- Emergency and home care ventilators



Neonatal Care & Thermoregulation

- Thermoregulation
- Transport systems
- Jaundice management

Medical division Exemplary product highlights 2009



Infinity M540



Isolette 8000



Zeus IE



RFID-accessories



Polaris



Oxylog 3000 plus



Infinity Omega-S



ClassicStar

Medical division Competitors



	Anaesthesia	Ventilation	Thermoregulation	Monitoring	IT solutions	Arch. systems / Surgical lights	Gas management	Accessories / Consumables	Services
Dräger	●	●	●	●	●	●	●	(●)	●
GE Healthcare	●	●	●	●	●			●	●
Philips Healthcare		●		●	●			(●)	●
Smith Medical	(●)	(●)	(●)	(●)				●	●
Covidien		●	●	(●)				●	●
Cardinal Health		●						(●)	●
Getinge	(●)	●	●			●	(●)	(●)	●
Resmed		●						(●)	●

Departmental level

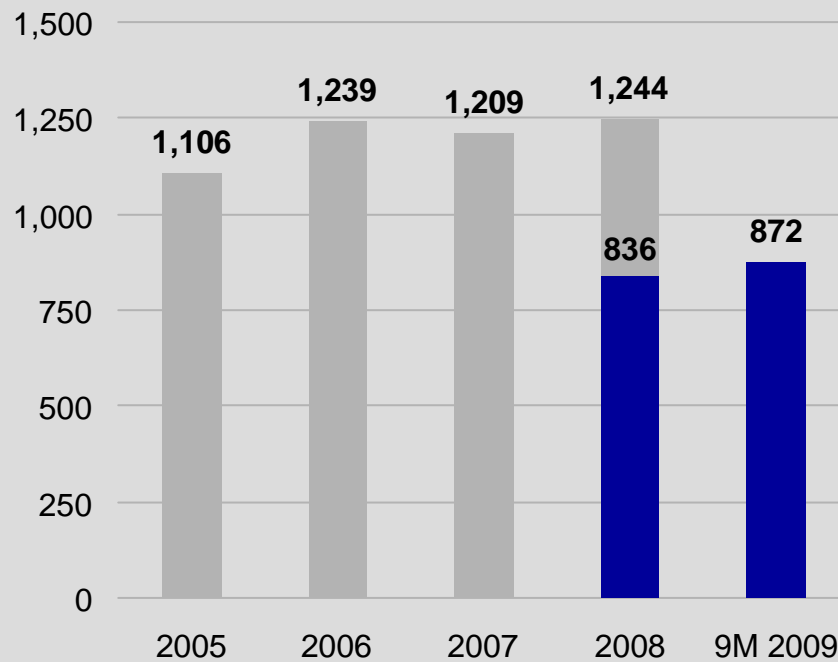
Cross hospital

● Complete portfolio (●) Partial presence

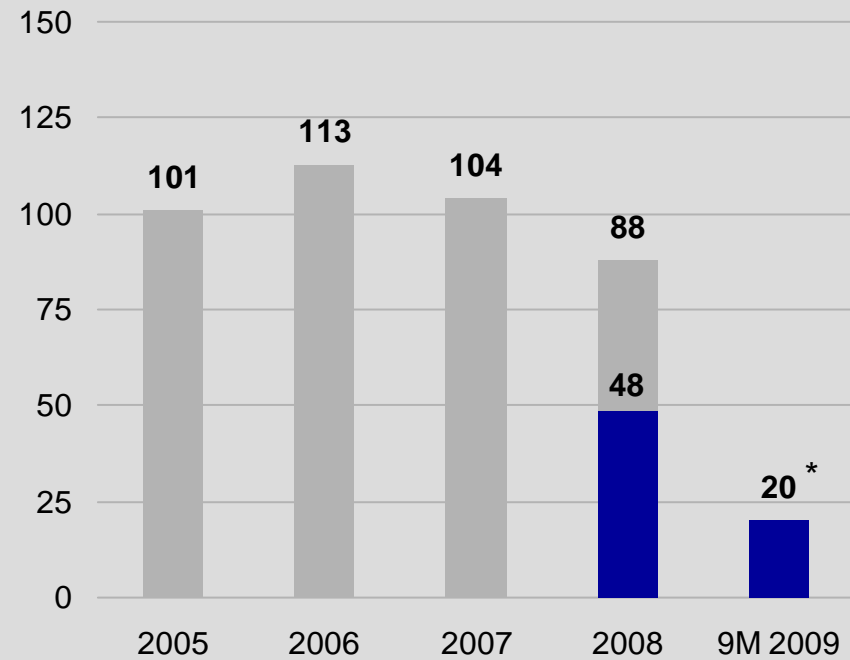
Medical division

Key figures

Net sales in € million



EBIT before non-recurring expenses in € million

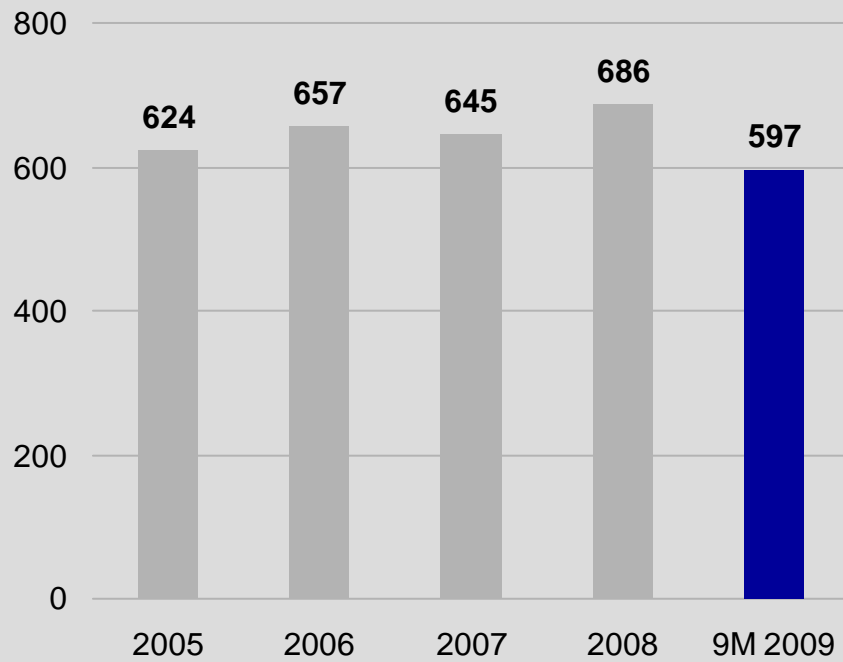


* After € 18.3 million expenses for measures under the turnaround program

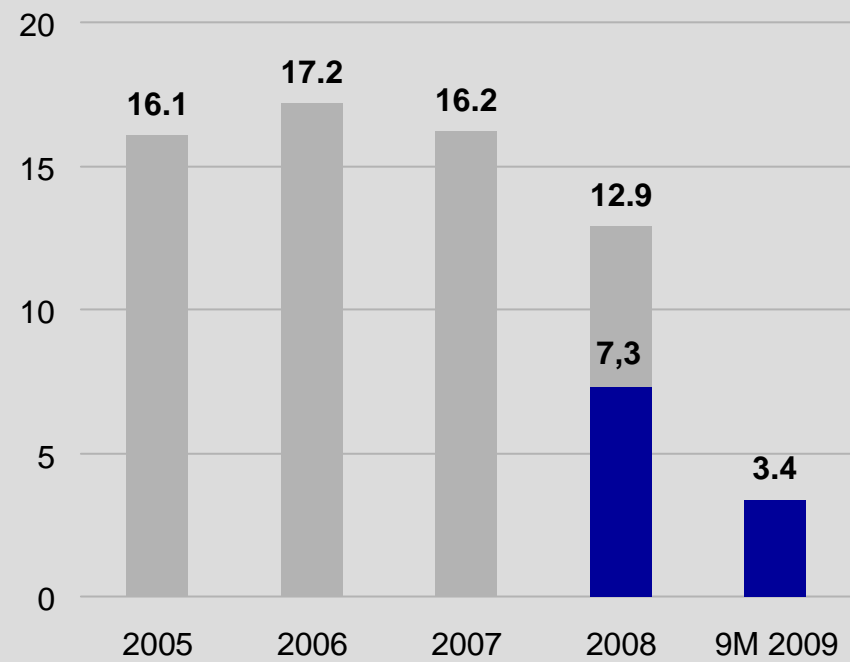
Medical division

Key figures

Capital employed in € million



ROCE in %



* Capital employed 9M 2008: € 664 milion



Safety division Customer

Fire and emergency services



Government



Mining and tunneling



Utilities



Transportation and logistics



Oil & gas, chemical industry



Processing and producing industry



Health and safety related services



Applications where hazardous materials (chemical, biological, radiological, nuclear) occur, which have an influence on the health or reactivity of human beings

Safety division

Exemplary product highlights 2009



HPS 6200



Alcotest 7510



Flame 5000



HPS 4300



Pac 5500



Rental Robot

Safety division

Competitors



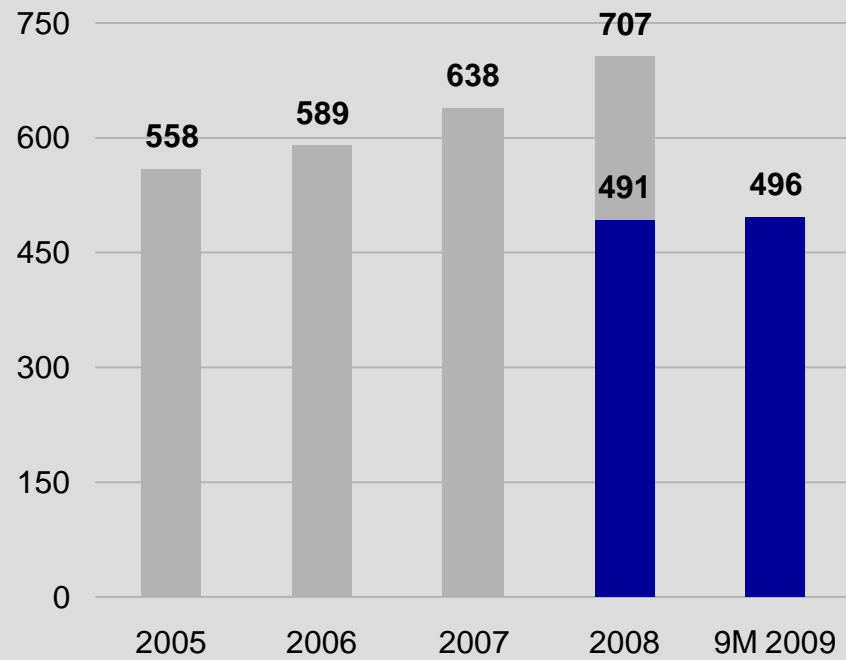
	Fixed	Portable	Alcohol and drug measurement	Masks and filters	Respiratory protection	Diving technology	Services	Breathing gas systems	Training and workshop systems
Dräger Safety	●	●	●	●	●	●	●	●	●
3M	(●)	(●)		●	(●)		(●)		
MSA / Auer	●	●		●	●		(●)	(●)	(●)
Tyco	(●)	●		●	●		(●)	(●)	
Honeywell ¹⁾	●	●	●	●	(●)		(●)		
Sperian Protection	(●)	(●)		●	●		(●)		
	Gas Detection Technology			Personal Protection Technology			System Solutions		

- Complete portfolio
- (●) Partial presence

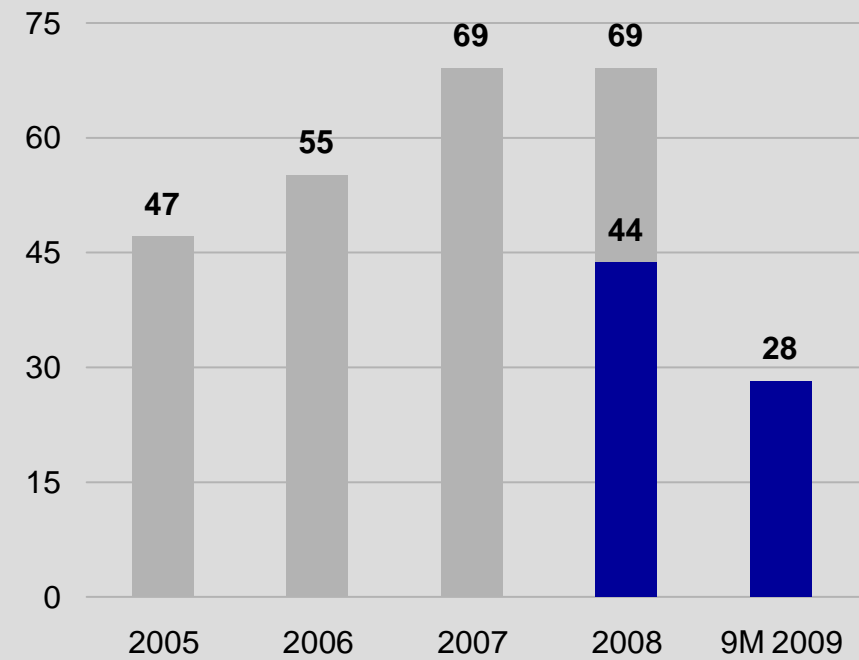
¹⁾ Incl. Zellweger, First Technology, BW and Norcross

Safety division Key figures

Net sales in € million



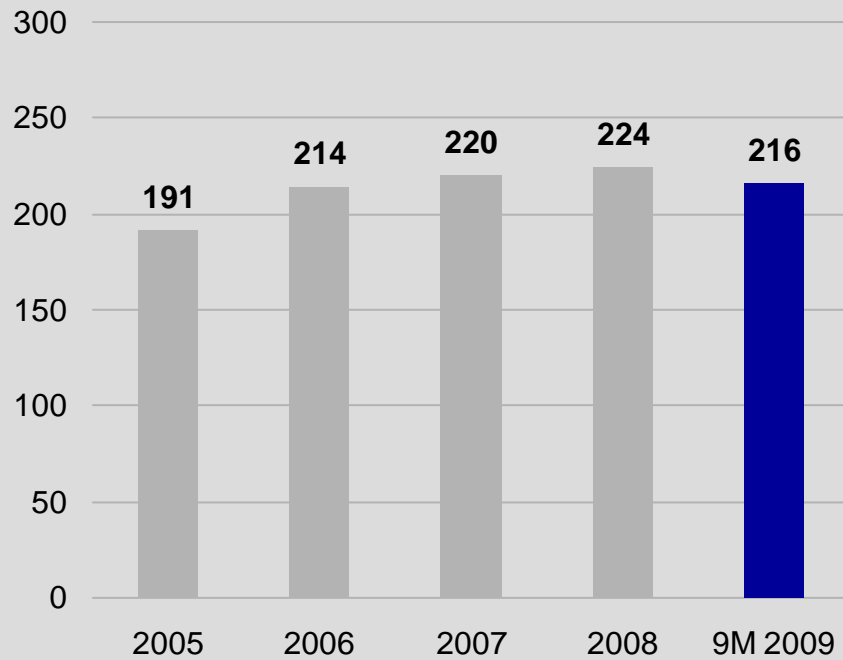
EBIT in € million



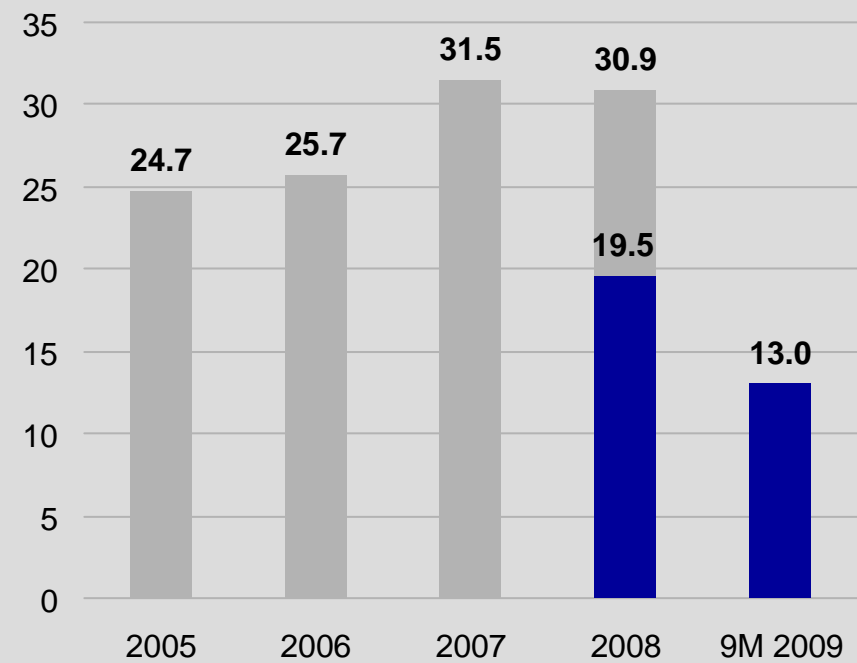
Safety division

Key figures

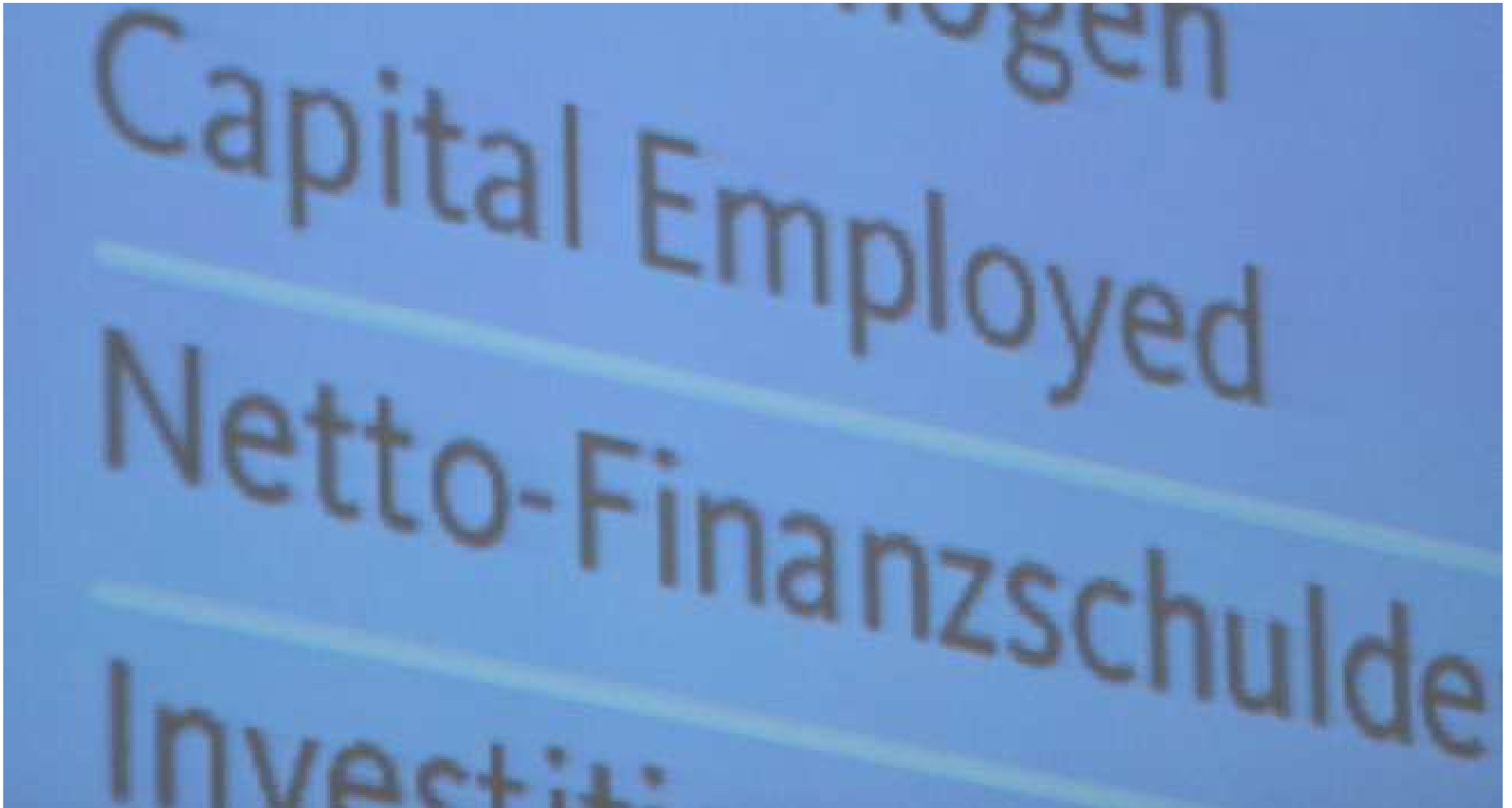
Capital employed in € million



ROCE in %



* Capital employed 9M 2008: € 225 milion

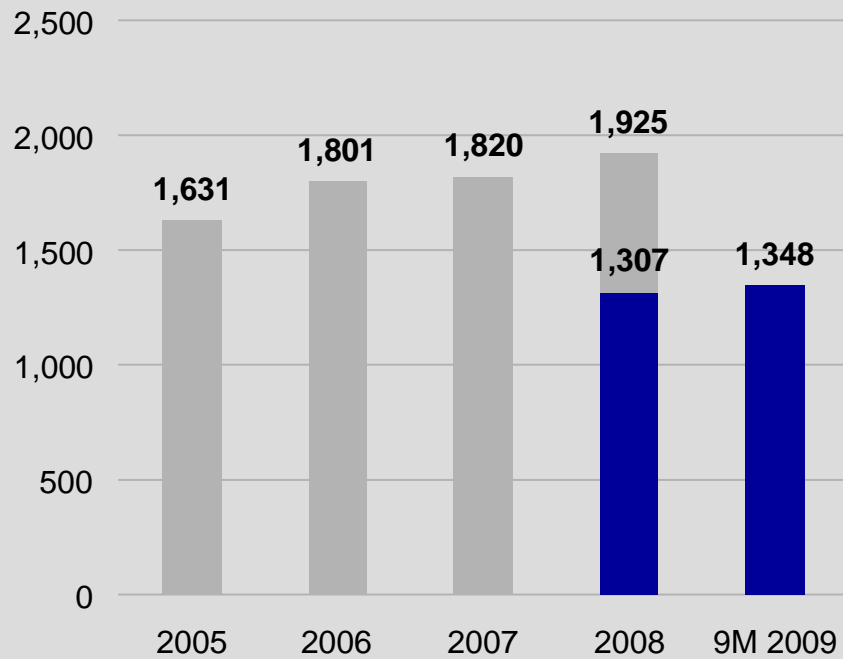


Dräger Group

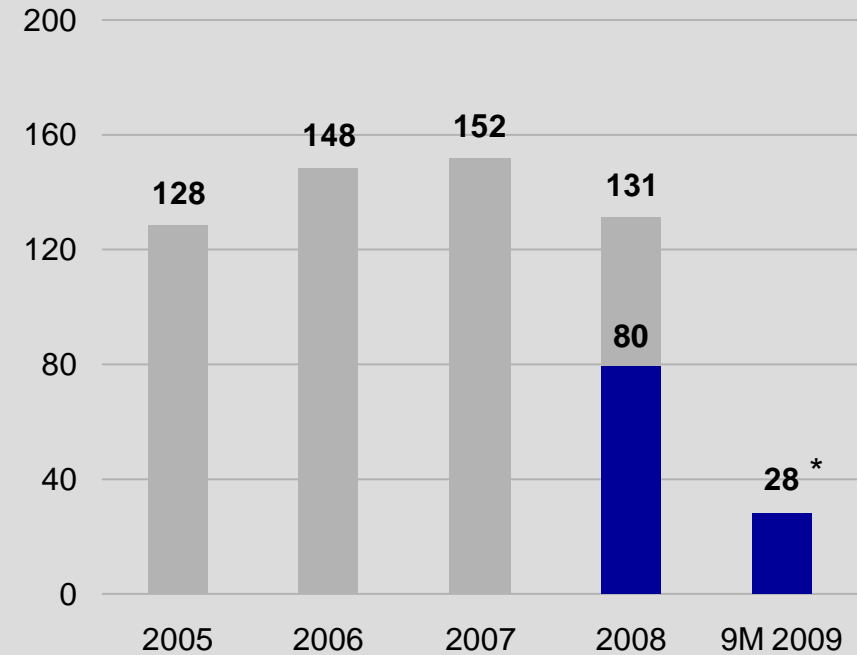
Key figures



Net sales in € million



EBIT before non-recurring expenses in € million



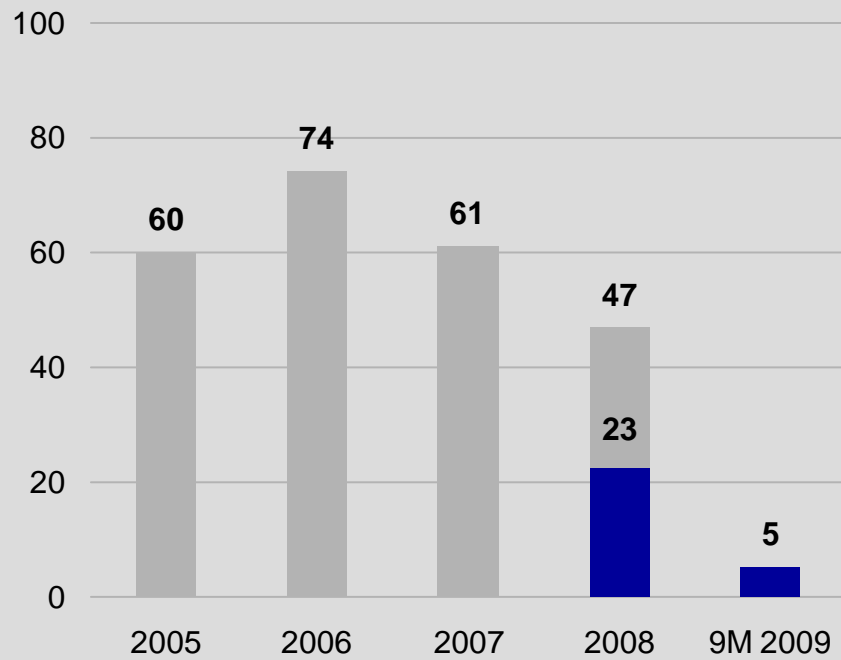
* After € 18.3 million expenses for measures under the turnaround program

Dräger Group

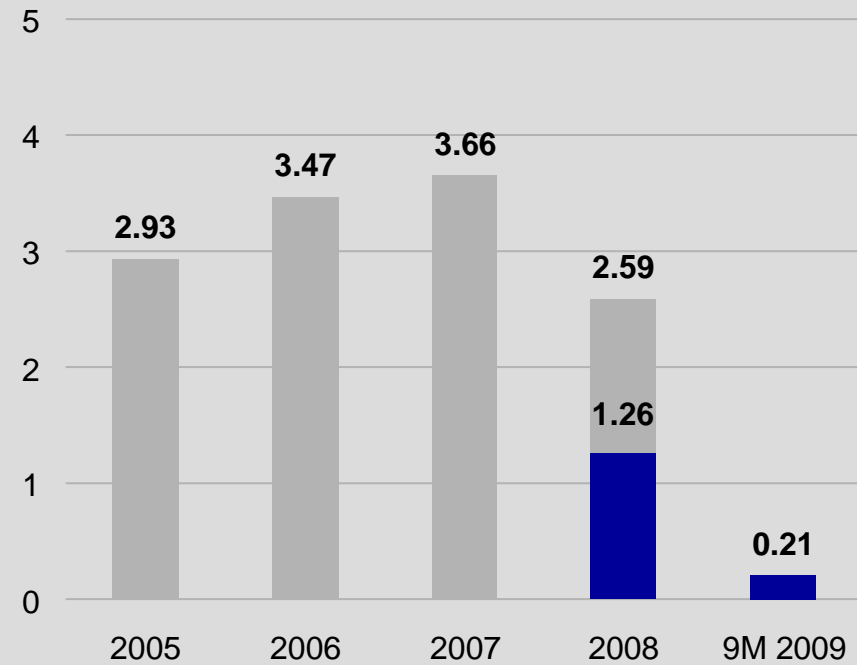
Key figures



Net profit in € million



Earnings per preferred share in €

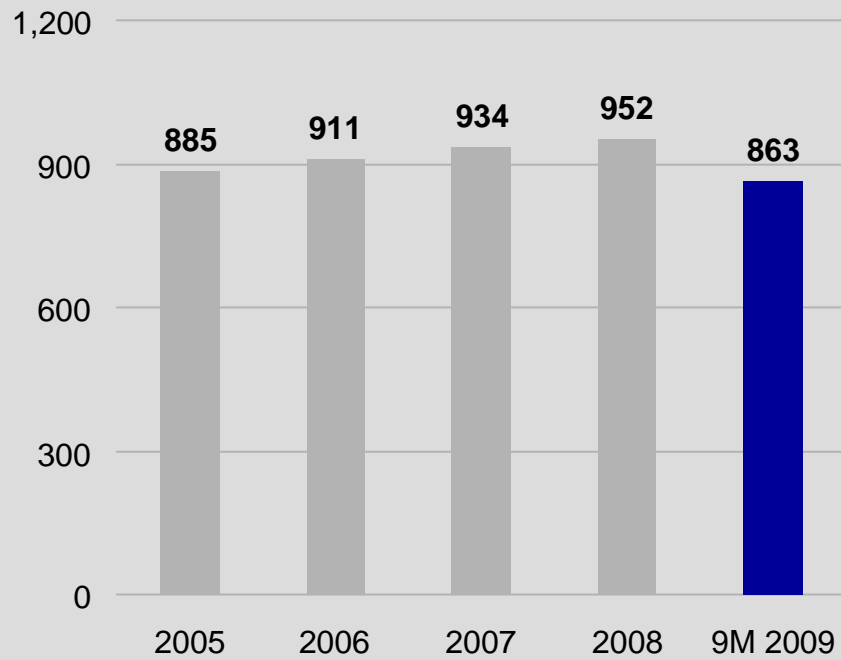


Dräger Group

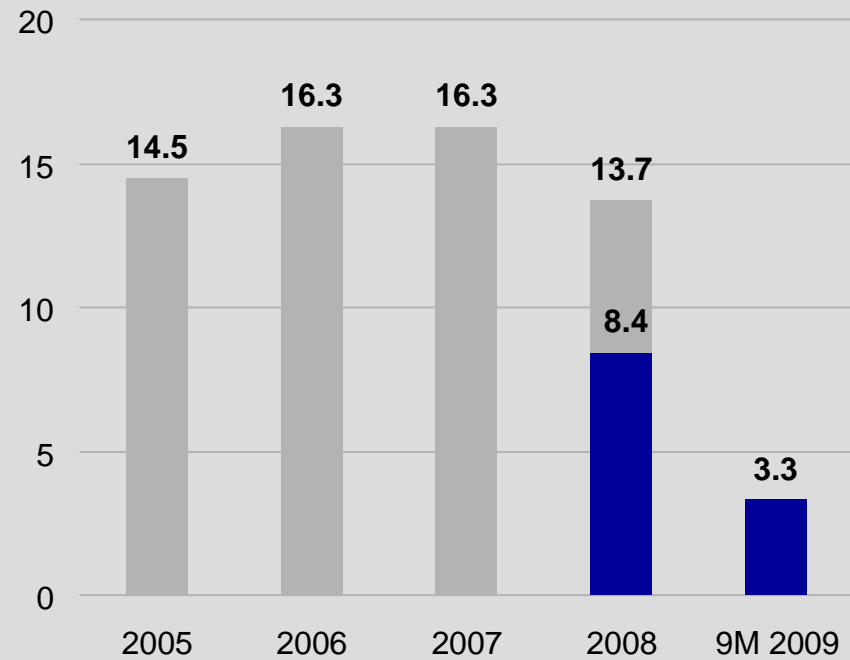
Key figures



Capital employed in € million



ROCE in %

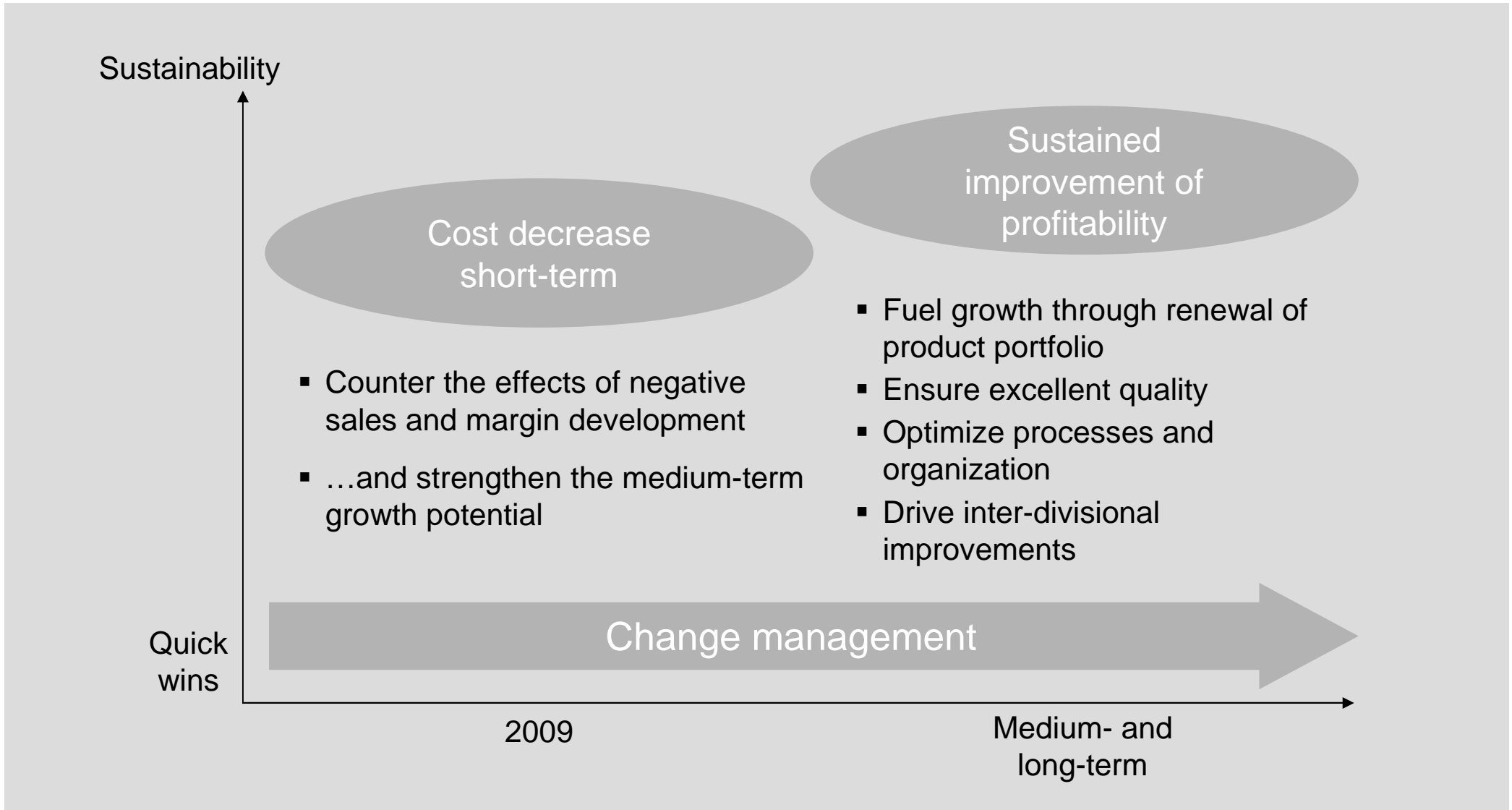


* Capital employed 9M 2008: € 943 milion

Dräger Group
Turnaround program



Turnaround: short-term and sustained improvement of profitability



Dräger Group

Turnaround: portfolio of measures



Measure clusters

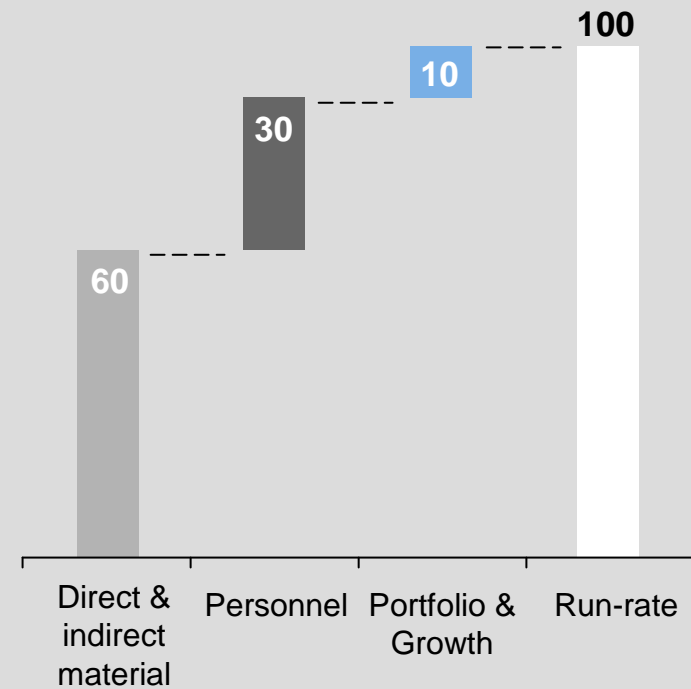
Direct and indirect material

Personnel

Portfolio & Growth

Liquidity

Expected effects (m€)



€ 50m

Turnaround: cost and liquidity levers (1/2)

Direct material cost reduction

- Continuous reduction of number of suppliers
- Re-negotiation of supplier contracts

Indirect material cost reduction

- Significant cost reduction in all categories through restrictive demand management and re-negotiation of prices
- Example: Significant reduction of travel expenses, telecommunication and fleet costs

Footprint optimization

- Optimization of global collaboration
- Shift of production in USA from Danvers to Andover and consolidation of R&D already implemented

Production efficiency and logistics

- Implementation of efficiency program PRIME in production
- Process optimization in logistics
- Reduction of in- and outbound freight costs

Efficiency in R&D

- Increase productivity and efficiency through better project management processes and prioritization
- Secure development projects and drive quality by leveraging efficiency gains

Note: Levers address effects in multiple measure clusters as shown on previous pages

Turnaround: cost and liquidity levers (2/2)

Efficiency in Marketing & Sales

- Shift in roles and responsibilities in Marketing and Global Sales organization
- Secure ability to realize planned growth potentials

Service efficiency

- Introduction of new service tools for execution and steering of service technicians
- Invest efficiency gains in quality and increased market penetration

IT cost reduction

- Significant savings through restructuring of service, application and IT-project portfolio possible
- Further efficiency potential in Global IT Organization (process, standardization, collaboration, etc.)

Efficiency in administration

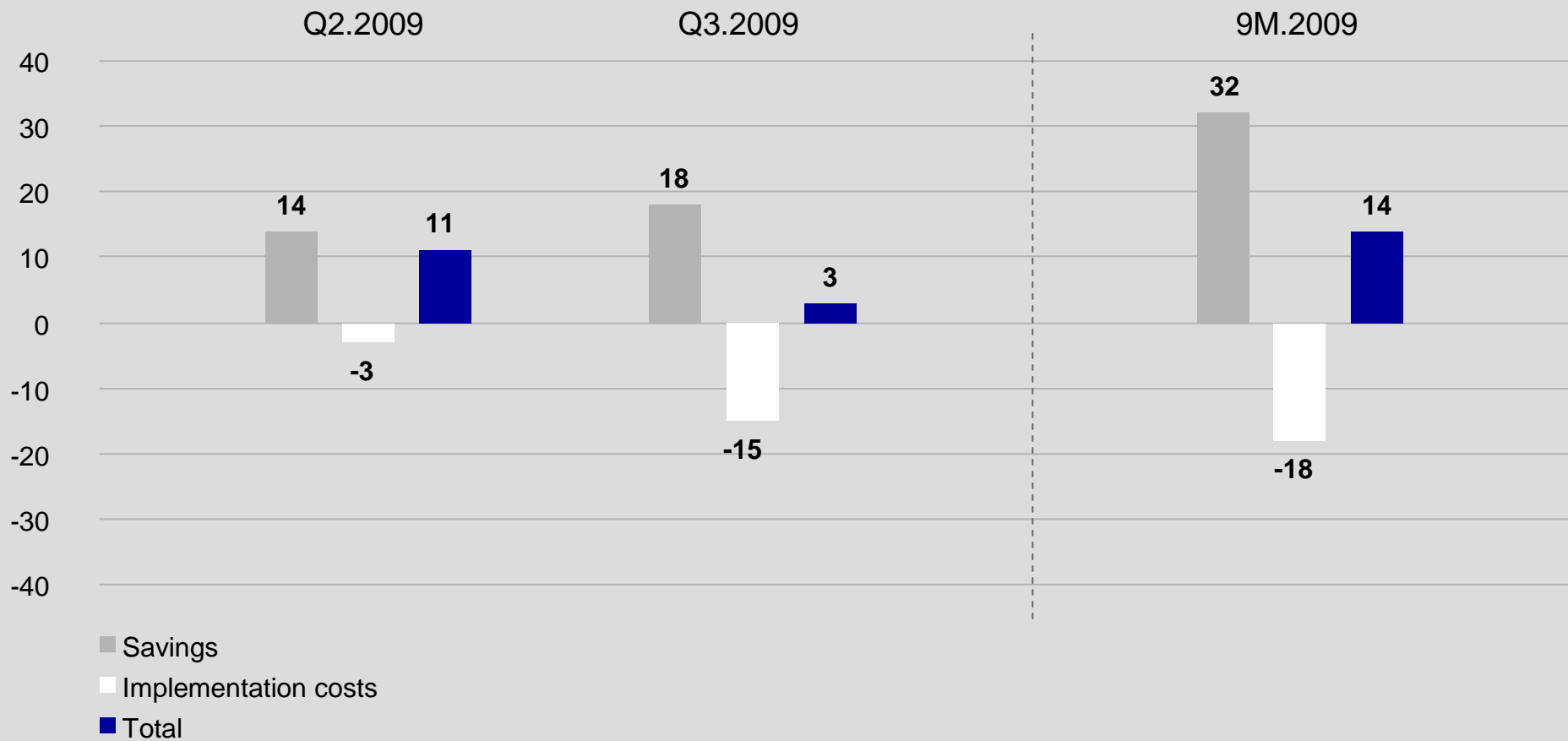
- Establishment of functional organization for increased effectiveness and quality
- Process efficiency through better processes, organisational set-up and optimized deployment of resources

Liquidity management

- New tools and processes in current asset management
- Optimization of cash conversion cycle
- Realization of short-term liquidity increase through all working capital levers

Note: Levers address effects in multiple measure clusters as shown on previous pages

Quarterly view in € million





- To support long-term growth, Dräger will continue its high level of investment in R&D
- Positive earnings after tax in spite of a considerably lower EBIT compared to previous year to be expected in 2009
 - Root causes: Negative effects stemming from disadvantageous currency exchange rates, shift in product mix towards lower margin products and expected slight revenue decline
 - Existing flexibility in production capacity allows to match decline in demand without layoffs or short time labor. However, due to low depth of manufacturing and low production cost, most of the expenses are volume independent. Thus a moderate decline in the top line has a significant effect on the bottom line. Short term the turnaround program cannot fully compensate for this. Mid term the turnaround program includes actions to reduce fixed costs.
- From 2011 full impact of turnaround measures with an EBIT effect amounting to 100m EUR versus 2008 net sales and cost structure at comparable currencies
- Majority of turnaround measures will positively impact 2010 results

Technology for Life

Appendix

Management

Finance Calendar

Contact

Executive Board of Drägerwerk Verwaltungs AG



Stefan Dräger
CEO



Dr. Ulrich Thibaut
CTO



Gert-Hartwig Lescow
CFO



Dr. Herbert Fehrecke
COO



Dr. Dieter Pruss
Marketing and Sales,
Safety division

February 2010

- Preliminaries 2009

17.03.2010

- Accounts press conference, Hamburg
- Analysts' meeting, Frankfurt

05.05.2010

- Report for the first three months 2010
- Conference call, Lübeck

07.05.2010

- Annual shareholders' meeting, Lübeck

05.08.2010

- Report for the first six months 2010
- Conference call, Lübeck

04.11.2010

- Report for the first nine months 2010
- Conference call, Lübeck

Burkard Dillig

Spokesman

Drägerwerk AG & Co. KGaA
Moislinger Allee 53-55
D-23542 Lübeck

Phone +49 451 882-21 85
Telefax +49 451 882-39 44

Mail: burkard.dillig@draeger.com

www.draeger.com

Vanina Herbst

Investor Relations

Drägerwerk AG & Co. KGaA
Moislinger Allee 53-55
D-23542 Lübeck

Phone +49 451 882-26 85
Telefax +49 451 882-32 96
Mobile +49 160 93980273

Mail: vanina.herbst@draeger.com

www.draeger.com