

Technology for Life

Conference call

Interim report

January 1 to June 30, 2010

Lübeck, August 5, 2010

Disclaimer



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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.

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Medical division

Overview first six months 2010

- Order intake and net sales clearly above the same period in the previous year
- Orders on hand overall 28.5 percent* above the same period in the previous year, amongst other factors due to strong growth in the regions Americas (+87.8 percent*) and Germany (+43.5 percent)
- EBIT significantly increased due to higher net sales, positive currency effects, a changed product mix and savings from the turnaround program
- Innovations support growth
 - Ongoing high investments for the future (R&D: EUR 47.3 million, 7.0 percent of net sales)
 - Highlight: “Evita Infinity V500” with new functionality expands therapeutic possibilities and provides workflow improvements in intensive care ventilation

* Currency adjusted compared to the same period in the previous year

Medical division

Product highlight: “Evita Infinity V500” with new functionality

New software and hardware release expands therapeutic possibilities and provides workflow improvements in intensive care ventilation:

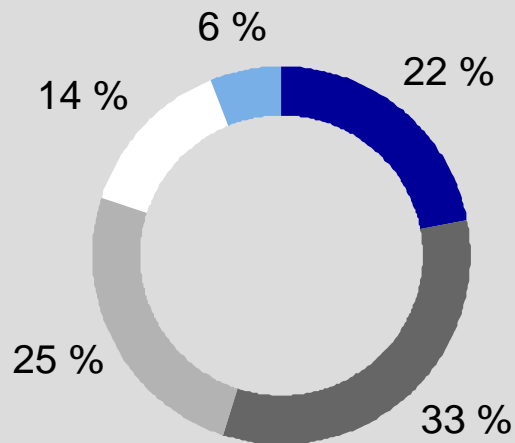
- Real-time visualization of pulmonary function data
- Variable pressure support to help improve pulmonary function
- New software version (SmartCare®/PS) allows configuration of weaning parameters for enhanced flexibility and control
- Usable for neonatal ventilation also
- Independent from central (compressed) air supply
- Copying of ventilation settings from one RFID-capable Dräger device to another to help improve clinical processes and workflows
- Mounting solutions for optimal workplace integration



Medical division

Regional split of order intake and net sales

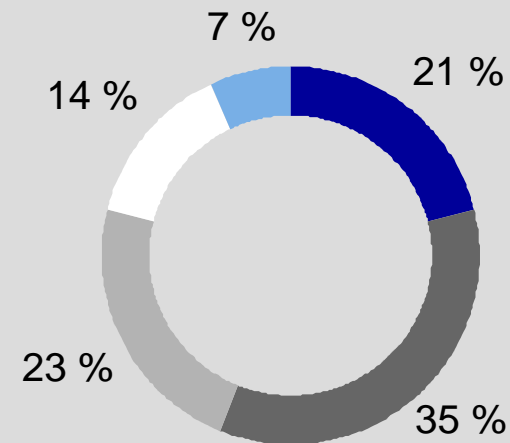
Order intake
Six months 2010



	€ million	△ vs. PY*
■ Germany	154.9	+13.1 %
■ Rest of Europe	228.2	-0.5 %
■ Americas	174.7	+49.9 %
■ Asia-Pacific	97.6	+10.8 %
■ Other	43.4	-14.5 %
Total	698.8	+12.3 %

* Currency adjusted

Net sales
Six months 2010



	€ million	△ vs. PY*
■ Germany	138.1	+6.5 %
■ Rest of Europe	238.1	+9.9 %
■ Americas	152.9	+24.6 %
■ Asia-Pacific	97.3	+26.9 %
■ Other	48.9	+2.7 %
Total	675.3	+13.7 %

* Currency adjusted

Medical division

Business development



	Q2 2009	Q2 2010	Change	6M 2009	6M 2010	Change
	€ million	€ million	%	€ million	€ million	%
Order intake	310.2	375.2	+21.0 *	605.4	698.8	+15.4 *
Orders on hand				250.2	340.8	+36.2 *
Net sales	309.8	369.0	+19.1 *	578.1	675.3	+16.8 *
EBITDA	19.6	57.9	+195.4	29.0	103.7	+257.6
EBIT	8.4	52.6	+526.2	11.1	92.9	+736.9
<i>EBIT margin</i>	<i>2.7 %</i>	<i>14.3 %</i>		<i>1.9 %</i>	<i>13.8 %</i>	

*Currency adjusted: Q2 2010: order intake +15.5 percent, net sales +14.0 percent
 6M 2010: order intake +12.3 percent, orders on hand +28.5 percent, net sales +13.7 percent

Medical division

Key figures



	6M 2009	6M 2010	Change
	€ million	€ million	%
Cash flow (operating activities)	56.4	49.3	-12.6
Net financial debt	-135.8	-248.2	+82.8
Investments	10.3	10.7	+3.9
Capital employed	606.3	579.6	-4.4
<i>ROCE</i>	<i>8.3 %</i>	<i>26.2 %</i>	
Net working capital	327.3	313.9	-4.1



Safety division

Overview first six months 2010

- Order intake and net sales above the same period in the previous year
- Orders on hand 20.4 percent* below the same period in the previous year due to the influence of orders for deep-sea diving systems in the regions rest of Europe (-44.5 percent*) and Americas (+81.3 percent*)
- EBIT clearly above previous year due to a better product mix, positive currency effects and a good production capacity utilization
- Innovations continue to strengthen the competitive position
 - Ongoing investments into the future (R&D: EUR 19.6 million, 5.6 percent of net sales)
 - Highlight: market launch of several product innovations, e.g. of the chemical protection suit “Dräger CPS 7900“, at the world´s biggest trade fair for fire departments and rescue, “Interschutz“, in Leipzig

* Currency adjusted compared to the same period in the previous year

Safety division

Product highlight: “CPS 7900”



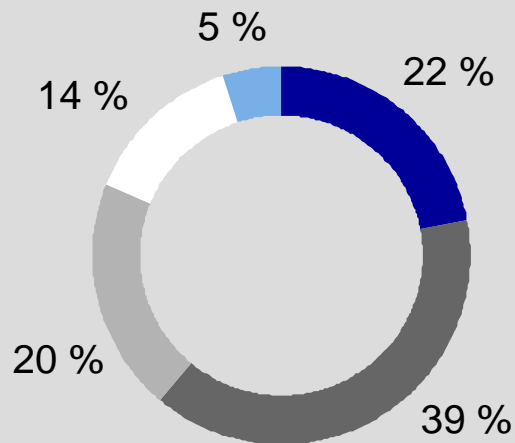
- New chemical protection suit, which easily meets international standards
- The reusable suit with the new material D-mex is resistant to flames, chemicals, warfare agents and liquefied gasses. In addition, it displays high mechanical resistance and can be used in potentially explosive atmospheres
- The light and flexible suit material in blue or orange conforms to the wearer's movements in five suit sizes
- Ergonomic details and accessories such as a manometer holder on the edge of the visor make daily operations easier

Safety division

Regional split of order intake and net sales



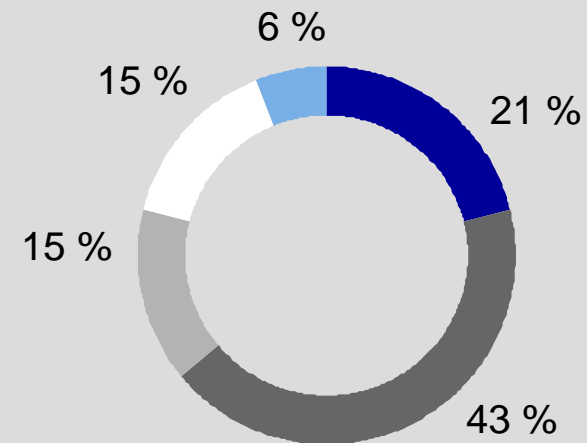
Order intake
Six months 2010



	€ million	△ vs. PY*
Germany	78.4	-1.6 %
Rest of Europe	141.3	+2.1 %
Americas	73.7	+31.1 %
Asia-Pacific	52.5	-0.4 %
Other	19.2	-26.7 %
Total	365.1	+3.4 %

* Currency adjusted

Net sales
Six months 2010



	€ million	△ vs. PY*
Germany	74.4	+2.6 %
Rest of Europe	152.3	+7.6 %
Americas	53.6	-10.1 %
Asia-Pacific	51.8	+5.3 %
Other	20.9	+12.0 %
Total	353.0	+3.4 %

* Currency adjusted

Safety division

Business development



	Q2 2009	Q2 2010	Change	6M 2009	6M 2010	Change
	€ million	€ million	%	€ million	€ million	%
Order intake	179.8	192.8	+7.2 *	339.9	365.1	+7.4 *
Orders on hand				190.3	157.9	-17.0 *
Net sales	165.7	186.0	+12.3 *	328.7	353.0	+7.4 *
EBITDA	13.0	21.9	+68.5	29.0	39.8	+37.2
EBIT	7.5	16.6	+121.3	18.0	29.3	+62.8
<i>EBIT margin</i>	<i>4.5 %</i>	<i>8.9 %</i>		<i>5.5 %</i>	<i>8.3 %</i>	

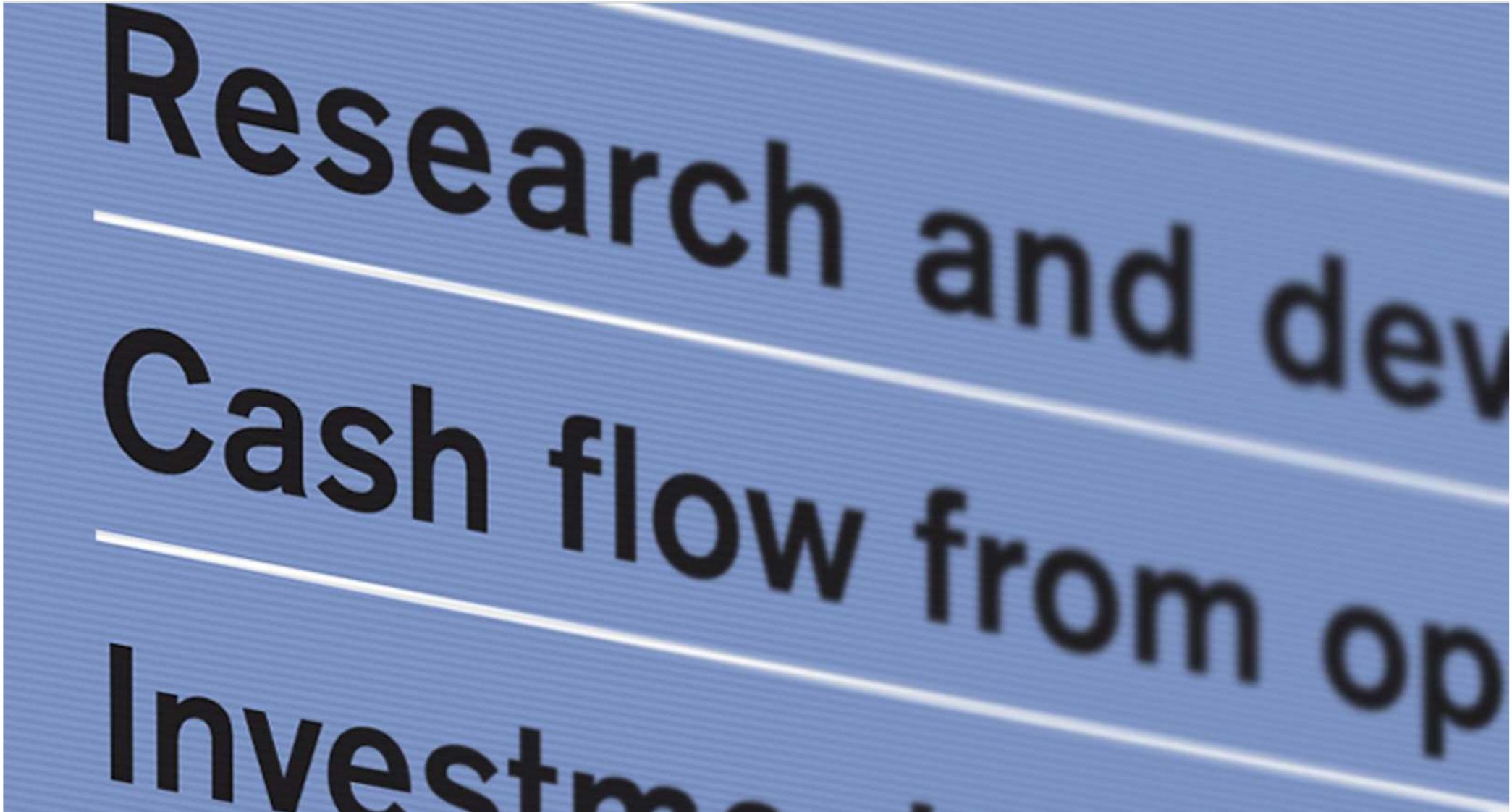
* Currency adjusted: Q2 2010: order intake +2.2 percent, net sales +6.6 percent
 6M 2010: order intake +3.4 percent, orders on hand -20.4 percent, net sales +3.4 percent

Safety division

Key figures



	6M 2009	6M 2010	Change
	€ million	€ million	%
Cash flow (operating activities)	9.6	20.3	+111.5
Net financial debt	63.4	19.3	-69.6
Investments	9.4	8.8	-6.4
Capital employed	240.2	205.6	-14.4
<i>ROCE</i>	<i>22.9 %</i>	<i>20.1 %</i>	
Net working capital	161.2	127.0	-21.2



Dräger Group

Business development



	Q2 2009	Q2 2010	Change	6M 2009	6M 2010	Change
	€ million	€ million	%	€ million	€ million	%
Order intake	484.2	560.7	+15.8 *	932.8	1,048.9	+12.4 *
Net sales	468.7	550.8	+17.5 *	893.9	1,016.7	+13.7 *
<i>Gross margin</i>	<i>42.4 %</i>	<i>47.4 %</i>		<i>43.8 %</i>	<i>48.1 %</i>	
EBIT	8.6	65.8	+665.1	15.1	102.6	+579.5
<i>EBIT margin</i>	<i>1.8 %</i>	<i>11.9 %</i>		<i>1.7 %</i>	<i>10.1 %</i>	
Income taxes	+0.6	-18.6		+0.7	-28.9	
<i>Tax rate</i>	<i>0.0 %</i>	<i>33.4 %</i>		<i>0.0 %</i>	<i>34.1 %</i>	
Earnings ^{after} _{income taxes}	1.4	37.2		1.3	55.9	
Minority interests	1.1	0.6	-45.5	1.7	1.1	-35.3
Earnings participation cert.**	0.7	6.5		1.4	7.3	
Earnings preferred share in €	-0.03	2.37		-0.13	3.75	

* Currency adjusted: Q2 2010: order intake +10.5 percent, net sales +12.2 percent
6M 2010: order intake +9.0 percent, net sales +10.2 percent

** Excluding minimum dividend

Assets	30.06.2010 before capital increase	Effects capital increase	30.06.2010 after capital increase *
	€ million	€ million	€ million
Intangible assets	279.7		279.7
Property, plant & equipment	249.3		249.3
Other non-current assets	134.5		134.5
Non-current assets	663.5		663.5
Inventories	369.7		369.7
Trade receivables	523.4		523.4
Other current assets	108.4	+94.5	202.9
Cash and cash equivalents	202.7	+9.8	212.5
Currents assets	1,204.2	+104.3	1,308.5
Assets	1,867.7	+104.3	1,972.0

* Additional increase in equity and cash of approximately € 0.7 million per 31.07.2010 due to the sale of shares that have not been placed until June 30, 2010

Dräger Group

Consolidated balance sheet



Assets	31.12.2009	30.06.2010	Change
	€ million	€ million	%
Intangible assets	278.9	279.7	+0.2
Property, plant and equipment	245.9	249.3	+1.4
Other non-current assets	132.9	134.5	+1.2
Non-current assets	657.7	663.5	+0.9
Inventories	299.9	369.7	+23.3
Trade receivables	511.4	523.4	+2.3
Other current assets	72.7	202.9	+179.1
Cash and cash equivalents	344.1	212.5	-38.2
Current assets	1,228.1	1,308.5	+6.5
Total assets	1,885.8	1,972.0	+4.6

Equity and Liabilities	30.06.2010 before capital increase	Effects capital increase	30.06.2010 after capital increase *
	€ million	€ million	€ million
Equity	484.0	+94.2	578.2
<i>Equity ratio</i>	<i>25.9 %</i>		<i>29.3 %</i>
Non-current liabilities	696.1		696.1
Current provisions	206.0	+5.7	211.7
Current loans and liabilities to banks	124.7		124.7
Trade payables, current	140.7		140.7
Remaining other current financial liabilities	216.2	+4.4	220.6
Current liabilities	687.6	+10.1	697.7
Equity and liabilities	1,867.7	+104.3	1,972.0

* Additional increase in equity and cash of approximately € 0.7 million per 31.07.2010 due to the sale of shares that have not been placed until June 30, 2010

Dräger Group

Consolidated balance sheet



Equity and liabilities	31.12.2009	30.06.2010	Change
	€ million	€ million	%
Equity	393.8	578.2	+46.8
Liabilities from participation certificates	28.7	29.3	+2.1
Provisions for pensions and similar obligations	170.2	170.5	+0.2
Non-current interest-bearing loans	382.3	356.4	-6.8
Other non-current liabilities	133.7	139.9	+4.6
Non-current liabilities	714.9	696.1	-2.6
Current provisions	186.5	211.7	+13.5
Current loans and liabilities to banks	83.6	124.7	+49.2
Trade payables	127.1	140.7	+10.7
Other current liabilities	379.9	220.6	-41.9
Current liabilities	777.1	697.7	-10.2
Total equity and liabilities	1,885.8	1,972.0	+4.6

Dräger Group

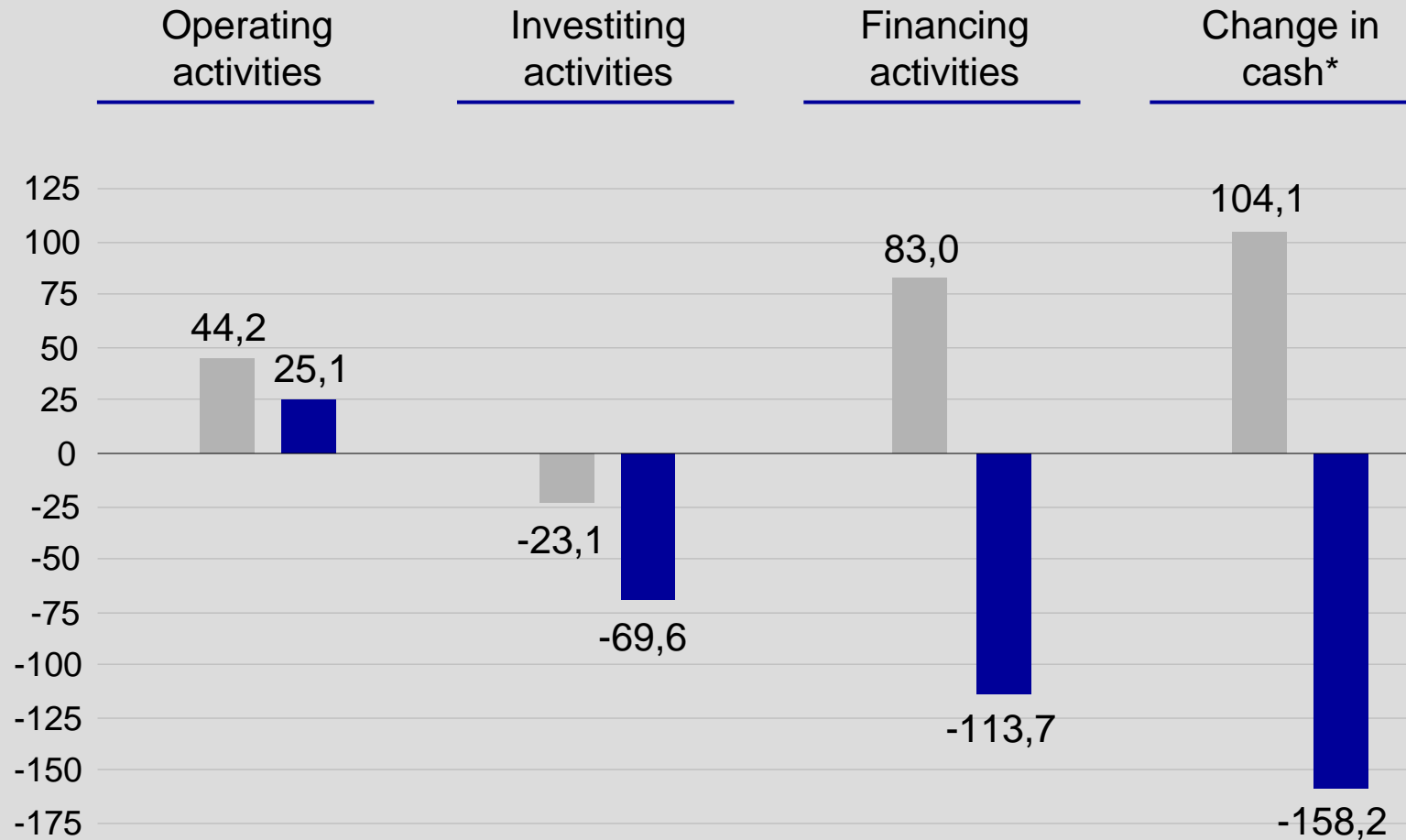
Key figures



	6M 2009	6M 2010	Change
	€ million	€ million	%
Cash flow (operating activities)	44.2	25.1	-43.2
Net financial debt	256.3	350.1	+36.6
Investments	23.3	21.3	-8.6
Capital employed	944.6	952.4	+0.8
<i>ROCE</i>	<i>7.8 %</i>	<i>17.6 %</i>	
Net working capital	482.6	439.3	-9.0

Dräger Group

Cash Flow Statement

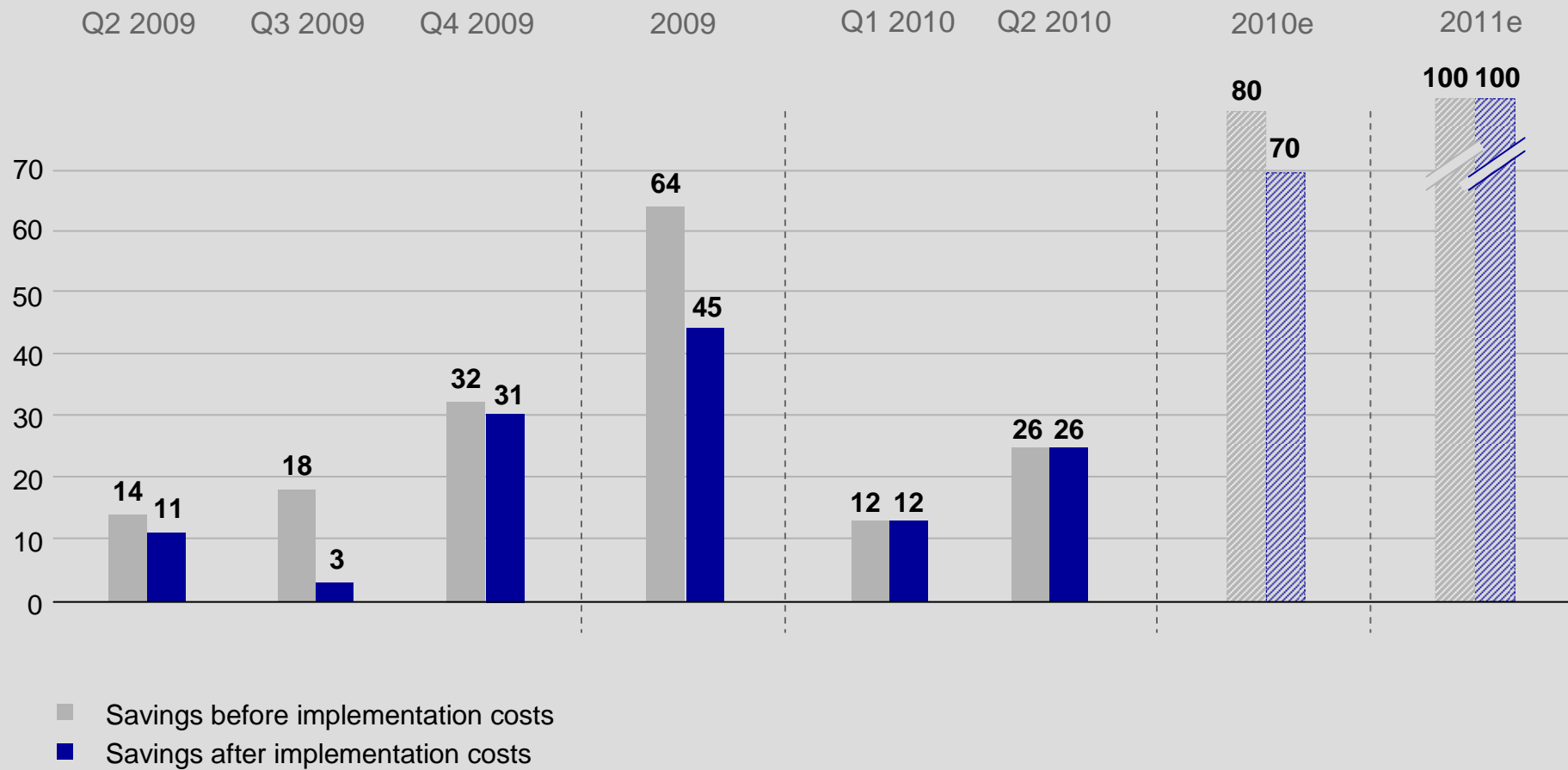


* Without effects of exchange rates on cash and cash equivalents

■ 6M 2009 ■ 6M 2010

Turnaround: results 2009 and 2010 versus 2008

Quarterly view in € million





Targets 2010

- Net sales expected to grow in the middle single-digits
- After a good development in the first half of 2010 EBIT margin at a range of 7 to 8 percent without consideration of valuation changes of the Siemens option component* anticipated
- Positive EBIT effect of around EUR 80 million and implementation costs of around EUR 10 million from the turnaround activities aspired (against net sales, cost structure and exchange rates in 2008)

Targets 2011

- From 2011 onwards full impact of turnaround measures with an annual EBIT effect amounting to about EUR 100 million aspired (against net sales, cost structure and exchange rates in 2008)

* Assuming a steady development in Dräger's relevant markets, a continued successful implementation of the turnaround program and currency exchange rates remaining on the current level

Technology for Life

Appendix

Management

Finance Calendar

Contact

Executive Board of Drägerwerk Verwaltungs AG



Stefan Dräger
CEO



Gert-Hartwig Lescow
CFO



Dr. Herbert Fehrecke
COO+CTO



Dr. Dieter Pruss
Marketing and Sales,
Safety division

Finance Calendar



- | | |
|-------------------|--|
| 18.02.2010 | - 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

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