

Capital Market Information

May 7, 2014

Page 1 / 3

First Quarter 2014: Dräger's environment has become more difficult

- Net sales rise slightly (net of currency effects)
- Gross margin and EBIT margin fall
- Earnings decline
- Operating cash flow up significantly

Lübeck – Drägerwerk AG & Co. KGaA reported a drop in order intake and net sales in the first quarter of 2014. Net sales are up slightly year on year (net of currency effects).

Order intake fell by 0.6 percent (net of currency effects) in the first three months to EUR 544.6 million (3 months 2013: EUR 571.3 million). Order intake declined particularly in Europe and the Americas region. Orders were down 0.8 percent (net of currency effects) in the medical division while they rose by 0.6 percent (net of currency effects) in the safety division. Dräger increased net sales by 0.4 percent (net of currency effects) in the first quarter of 2014 to EUR 513.2 million (3 months 2013: EUR 533.8 million). Both divisions contributed to this development. Net sales rose by 1.0 percent (net of currency effects) in the medical division and increased by 0.2 percent (net of currency effects) in the safety division.

Margins down

In the first quarter of 2014, gross profit developed slightly disproportionately in relation to net sales, with a decrease of EUR 30.7 million to EUR 240.0 million. At 46.8 percent, the gross margin was 3.9 percentage points lower than in the prior year. As in previous quarters, the further appreciation of the euro in relation to the currencies of a number of important sales markets was the main factor responsible for the decline. In addition, a shift in the product mix in the medical division and some low-margin projects had a significant negative effect on the gross margin.

Kontakt

Corporate Communications:
Melanie Kamann
Tel. +49 451 882-3998
melanie.kamann@draeger.com

Investor Relations:
Thomas Fischler
Tel. +49 451 882-2685
thomas.fischler@draeger.com

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

Capital Market Information

May 7, 2014

Page 2 / 3

Functional costs fell by 4.8 percent in the first quarter due to a fall in administrative costs and positive currency effects. By contrast, expenditure on research and development increased as planned; the R&D ratio amounted to 9.8 percent of net sales in the first quarter (3 months 2013: 9.1 percent).

Overall, Dräger generated group earnings before interest and taxes (EBIT) of EUR 19.0 million (3 months 2013: EUR 39.8 million). The EBIT margin fell from 7.5 percent in the prior-year period to 3.7 percent. Cash flow from operating activities went up steeply to EUR 25.1 million (3 months 2013: EUR -8.3 million).

“Business development in the first quarter of the year was disappointing overall, our environment has become more difficult,” commented Stefan Dräger, CEO of Drägerwerk Verwaltungs AG. “This starting point will not make the other three quarters in 2014 any easier. Considerable efforts must be made to ensure we meet our targets this year.”

Outlook

For fiscal year 2014, Dräger expects net sales growth of between 3 percent and 6 percent and a Group EBIT margin of between 8.0 percent and 10.0 percent. This is based on the assumption of a stabilizing economy in Europe – particularly in South Europe – and North America, sustained market growth in developing countries and stable exchange rates. In view of the developments in the first quarter, it is expected that the EBIT margin will only be at the lower end of the range which is based on average exchange rates of 2013. On the basis of exchange rates of the first quarter for the full year a negative effect of up to 1.5 percentage points would weigh on the EBIT margin – compared to the average rates of the previous year.

Kontakt

Corporate Communications:
Melanie Kamann
Tel. +49 451 882-3998
melanie.kamann@draeger.com

Investor Relations:
Thomas Fischler
Tel. +49 451 882-2685
thomas.fischler@draeger.com

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

Capital Market Information

May 7, 2014

Page 3 / 3

Key figures for the first three months of 2014 (in EUR million)

	Q1 2014	Q1 2013	Change	Net of currency effects
Order intake	544.6	571.3	- 4.7 %	- 0.6 %
<i>Medical division</i>	346.8	363.9	- 4.7 %	- 0.8 %
<i>Safety division</i>	208.0	215.5	- 3.5 %	+0.6 %
Net sales	513.2	533.8	- 3.9 %	+0.4 %
<i>Medical division</i>	329.4	341.0	- 3.4 %	+1.0 %
<i>Safety division</i>	193.5	200.8	- 3.6 %	+0.2 %
EBIT	19.0	39.8	- 52.3 %	
<i>Medical division</i>	7.4	27.7	- 73.2 %	
<i>Safety division</i>	19.1	18.4	+3.4 %	
EBIT margin	3.7 %	7.5 %		
Earnings after income taxes	8.5	22.6	- 62.3 %	
Earnings per preferred share ¹ in EUR	0.49	1.29	- 62.0 %	
Earnings per common share ¹ in EUR	0.47	1.27	- 63.0 %	
Earnings per preferred share ¹ on full distribution in EUR	0.39	0.99	- 60.6 %	
Earnings per common share ¹ on full distribution in EUR	0.37	0.97	- 61.9 %	

¹ On the basis of the proposed dividend

² Based on an imputed actual full distribution of earnings attributable to shareholders

Disclaimer

This press release contains statements on the future development of 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 our Company website at www.draeger.com under Investor Center/Financial Calendar.

Kontakt

Corporate Communications:
Melanie Kamann
Tel. +49 451 882-3998
melanie.kamann@draeger.com

Investor Relations:
Thomas Fischler
Tel. +49 451 882-2685
thomas.fischler@draeger.com

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