

## **Ad hoc reports in accordance with Sec. 15 of the German Securities Trading Act**

### **Drägerwerk AG & Co. KGaA: One-off effects impact result. Dräger revises 2015 annual forecast. Efficiency program intensified.**

Based on preliminary figures, Drägerwerk AG & Co. KGaA concluded the third quarter with a negative result partly due to one-off effects. The previous annual forecast is now unlikely to be reached. In terms of the full-year forecast, Dräger now anticipates net sales growth of 1.0 to 3.0 percent net of currency effects and an EBIT margin of between 2.5 and 4.5 percent.

Compared to the prior-year quarter, order intake rose by 3.5 percent in the third quarter. Dräger also recorded a 2.1 percent rise in net sales to EUR 604.0 million. Net of currency effects, order intake increased by 1.2 percent and net sales rose by 0.2 percent. In the medical division, order intake was up by 1.8 percent (-0.9 percent net of currency effects), whereas net sales increased by 2.5 percent (0.2 percent net of currency effects). Orders in the safety division climbed by 6.9 percent (5.2 percent net of currency effects), while net sales rose by 1.4 percent (0.0 percent net of currency effects). Group EBIT totaled approximately EUR -23 million (prior-year quarter: EUR 47.2 million), equating to an EBIT margin of -3.7 percent (prior-year quarter: 8.0 percent).

As a result, net sales in the first nine months of the year increased by 7.1 percent year on year (2.3 percent net of currency effects). Total EBIT stood at roughly EUR 0 million (9 months 2014: EUR 81.2 million). The EBIT margin fell from 4.9 percent in the prior-year period to 0.0 percent.

Business development in the Asia Pacific region, particularly in China, has suffered a further downturn. Business in the region Americas also fell short of expectations. In the safety division, business has not yet improved in the raw materials sector, especially in areas particularly dependent on the price of oil.

In addition, one-off effects such as write-downs on receivables and inventories and provisions for quality costs had a negative impact of roughly EUR 20 million on the third-quarter result.

The gross margin for the first nine months of the year stood at 44.5 percent (9 months 2014: 46.5 percent).

Functional costs rose by 12.4 percent in the first nine months of 2015 compared to the same period in the prior year, equating to a rise of 7.4 percent net of currency effects.

The recent significant devaluation of some emerging economies' currencies also had a negative impact on the result.

#### New full-year forecast for 2015:

Based on business development so far, net sales growth net of currency effects is expected to be between 1.0 percent and 3.0 percent (previously: 2.0 percent to 5.0 percent net of currency effects). The gross margin will not match the previous year's level. Dräger expects its full-year EBIT margin to stand at between 2.5 and 4.5 percent (previously 5.0 to 7.0 percent) and does not anticipate any significant changes in relevant exchange rates in this context. In addition, this forecast does not include any potential restructuring expenses that may arise within the scope of the "Fit for Growth" efficiency program.

#### Dräger reviews medium-term forecast and intensifies efficiency program:

As a result of the disappointing business development Dräger is intensifying its "Fit for Growth" efficiency program to achieve the medium-term goals in terms of cutting administration and sales costs. The company expects an ongoing weak development in several growth markets outside of Europe that are important to Dräger and is therefore reviewing the medium-term forecast. Any potential adjustment of the forecast, as well as details on new efficiency measures, will be published together with the final business figures for the full-year 2015 at the latest. The final results for the first nine months of fiscal year 2015 will be published on November 5, 2015.

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