

## Capital Market Information

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April 26, 2016

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### **First quarter of 2016: Restrained business performance for Dräger**

- Order intake and net sales stable (net of currency effects)
- Gross margin down due to negative currency and mix effects
- Functional costs down
- Negative result due to decline in gross profit

Lübeck – Drägerwerk AG & Co. KGaA recorded stable development (net of currency effects) in order intake and net sales in the first quarter of 2016. Both order intake and net sales were slightly down year on year in nominal terms.

Order intake declined by 2.5 percent in nominal terms in the first three months of the year to EUR 599.6 million (3 months 2015: EUR 615.3 million), though it rose slightly by 0.2 percent net of currency effects. In the first quarter of 2016, net sales were down by 2.4 percent in nominal terms to EUR 532.4 million (3 months 2015: EUR 545.5 million). Net of currency effects, net sales increased slightly by 0.2 percent. Net sales grew in Europe, especially in Germany. In the Americas region and the Africa, Asia and Australia region, net sales were down slightly (net of currency effects). Especially the service business and the business with occupational and personal protection products for customers in industrial applications as well as in fire services developed positively.

“Business development in the traditionally weak first quarter of the new fiscal year 2016 was restrained, as expected, due to the low orders on hand at the end of 2015. Stagnant net sales and, in particular, the negative impact of currency and mix effects on the gross margin, in addition to price effects, have resulted in a loss in the first quarter,” said Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. “On the bright side, the countermeasures we have taken with regard to costs are having an effect. As a result, functional costs, even net of currency effects, have already gone down by more than 4 percent.”

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### Negative margin development and result

In the first quarter of 2016, the gross margin at 42.0 percent was down 5.3 percentage points compared to last year. The increase in the value of the euro compared to other important Group currencies had a distinctly negative impact. A less favorable product and country mix and weaker price performance also negatively affected the margin.

Functional costs showed a positive development, falling by 4.2 percent (net of currency effects). The decline amounted to 5.6 percent in nominal terms. Sales and marketing costs dropped 2.5 percent (net of currency effects). The R&D ratio remained virtually stable and amounted to 10.2 percent of net sales in the first quarter of 2016 (3 months 2015: 10.3 percent). Administrative costs were down year on year 7.6 percent (net of currency effects), due to savings from the Fit for Growth efficiency program, among other factors.

Overall, Dräger generated Group earnings before interest and taxes (EBIT) of EUR –15.7 million (3 months 2015: EUR +1.1 million). The EBIT margin fell from +0.2 percent to –2.9 percent year on year. Earnings after income taxes stood at EUR –13.6 million in the first quarter (3 months 2015: EUR –3.1 million).

### New segment structure by regions

Dräger has realigned its organizational and management system to put the spotlight on customers even more and to make its internal decision-making processes more efficient. Segment reporting will also change beginning in 2016 with the change to the set-up. The new segment reporting is geared towards the business responsibility of the three Executive Board members with regional responsibilities and is broken down into the regions Europe, Americas, as well as Africa, Asia and Australia.

Selected key figures will be published for the medical and safety business as a secondary perspective.

### Outlook unchanged

For fiscal year 2016, Dräger continues to expect net sales growth of between 0.0 and 3.0 percent (net of currency effects) and a Group EBIT margin of between 3.5 and 5.5 percent.

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### Key figures for the first three months of 2016 (€ million)

	Q1 2016	Q1 2015	Change	Net of currency effects
<b>Order intake</b>	599.6	615.3	-2.5%	+0.2%
<b>Net sales</b>	532.4	545.5	-2.4%	+0.2%
Europe segment	299.7	296.5	+1.1%	+2.6%
Americas segment	103.9	113.1	-8.1%	-3.6%
Africa, Asia & Australia segment	128.8	135.9	-5.2%	-2.0%
<i>Medical division</i>	338.2	354.3	-4.6%	-2.1%
<i>Safety division</i>	194.2	191.2	+1.6%	+4.4%
<b>EBIT</b>	-15.7	1.1	> -100%	
EBIT margin	-2.9 %	0.2%		
<b>Earnings after income taxes</b>	-13.6	-3.1	> -100%	
EPS preferred share <sup>1</sup> in €	-0.76	-0.18	> -100%	
EPS common share <sup>1</sup> in €	-0.78	-0.20	> -100%	
EPS preferred share <sup>2</sup> Full distribution in €	-0.76	-0.18	> -100%	
EPS common share <sup>2</sup> Full distribution in €	-0.78	-0.20	> -100%	

<sup>1</sup> On the basis of the expected dividend

<sup>2</sup> 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](http://www.draeger.com) under Investor Center/Financial Calendar.

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