Quarterly Statement
January 1 to September 30, 2016
Dräger Group

Dräger. Technology for Life®

THE DRÄGER GROUP OVER THE PAST FIVE YEARS

		Nine months 2012	Nine months 2013	Nine months 2014	Nine months 2015	Nine months 2016
Order intake	€ million	1,768.8	1,756.7	1,743.4	1,895.1	1,849.1
Net sales	€ million	1,646.6	1,656.0	1,664.9	1,783.6	1,704.3
EBITDA [1,8]	€ million	184.9	162.2	135.8	62.0	89.7
EBIT [2,8]	€ million	137.4	111.3	81.2	0.2	28.1
in % of net sales (EBIT margin)	%	8.3	6.7	4.9	0.0	1.6
Interest result [8]	€ million	–23.9	–19.2	–17.8	–14.4	–12.3
Income taxes [8]	€ million	–35.0	–29.2	–20.9	3.1	–3.3
Earnings after income taxes [8]	€ million	78.5	62.9	42.5	–11.1	12.5
Earnings per share on full distribution [3,8]						
per preferred share	€	3.45	2.79	1.90	–0.58	0.54
per common share	€	3.40	2.74	1.85	–0.63	0.49
Equity [4,8]	€ million	683.3	765.7	839.0	898.1	894.1
Equity ratio [4,8]	%	32.6	38.0	39.8	40.4	39.4
Capital employed [4,5,8]	€ million	909.3	970.4	1,112.9	1,256.4	1,238.7
EBIT [2,6]/capital employed [4,5,8] (ROCE)	%	23.3	21.0	15.3	7.8	7.6
Net financial debt [4]	€ million	122.5	88.8	118.9	165.5	121.0
DVA [6,7,8]	€ million	131.5	119.9	76.2	–11.8	6.7
Headcount as of September 30		12,409	13,170	13,698	14,014	13,292

[1] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization

[2] EBIT = Earnings before net interest result and income taxes

[3] Based on an imputed actual full distribution of earnings attributable to shareholders

[4] Value as of reporting date

[5] Capital employed = total assets less deferred tax assets, current securities, cash and cash equivalents and non-interest-bearing liabilities

[6] Value of the last twelve months

[7] Dräger Value Added = EBIT less cost of capital (until 2015: 9 %, from 2016: 7 %) of average invested capital

[8] Due to the first-time application of IAS 19 (2011) in fiscal year 2013 values for 2012 were adjusted in accordance IAS 8.

The first nine months of the year at a glance

DRÄGER IMPROVES EARNINGS DESPITE RESTRAINED NET SALES PERFORMANCE

- Order intake roughly stable net of currency effects
- Net sales down 2.6 percent year on year net of currency effects
- Net sales forecast at lower end of range
- Functional costs down once again
- Earnings significantly improved

"Business performance in the first nine months of 2016 was solid in spite of sluggish net sales development. Our efficiency program and strict cost management are having an effect, particularly on functional costs", said Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. "Our earnings are set to improve further looking ahead to the traditionally strong final quarter."

Possible rounding differences in this financial report may lead to slight discrepancies.

This Half-yearly financial report has been set up in German and English language. In case of any discrepancy between the German and English version, the German version shall prevail.

AMENDMENTS TO SEGMENT REPORTING

Segment reporting in the quarterly and annual reports is geared towards the organizational and management system (pursuant to IFRS 8).

Until the end of fiscal year 2015, the Company was managed through the two divisions: the medical division and the safety division. An expanded functional Executive Management Team (EMT) was responsible for the operating management of the two divisions.

We have realigned our organizational and management system to put the spotlight on the customer even more and make our internal decision-making processes more efficient. In fiscal year 2016, the Executive Board is managing the operating business by means of the three regions: Europe, Americas, and Africa, Asia, and Australia. One member of the Executive Board is fully responsible for the business performance of the Company in each of these three regions. The respective Executive Board member assumes this regional responsibility in addition to his functional tasks.

Segment reporting will also change beginning in 2016 with the change to the management approach. 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 (Dr. Reiner Piske), Americas (Rainer Klug), and Africa, Asia, and Australia (Anton Schrofner).

The regionally focused management approach results in the following changes to our segment reporting:

- Reporting is structured according to the regions Europe, Americas, and Africa, Asia, and Australia.
- Several key figures (including order intake, net sales and EBIT) are reported using the previous medical division/safety division structure for informational purposes.
- For reporting EBIT, cross-regional costs are now allocated to the three segments with a plan-based formula. A large portion of these costs will be assigned to the regions using a net sales formula.
- Apart from the key influencing factors of net working capital (trade receivables, trade payables, inventories including prepayments received), reporting capital employed also includes long-term capital, such as property, plant and equipment. This is assigned to the segments using a net sales formula.
- Key figures that cannot be reasonably allocated to the regions, such as net financial debt, are only reported at Group level.

The change in segment reporting results in slight variations of the order intake and net sales per region, compared to the figures reported in the previous year.

The key figures from the last five years, reported using the new regional segment structure, are available on the Dräger website under Investor Relations.

BUSINESS PERFORMANCE OF THE DRÄGER GROUP

				Third quarter			Nine months
		2016	2015	Changes in %	2016	2015	Changes in %
Order intake	**€ million**	**628.0**	**645.7**	**–2.7**	**1,849.1**	**1,895.1**	**–2.4**
Net sales	**€ million**	**592.9**	**604.0**	**–1.8**	**1,704.3**	**1,783.6**	**–4.4**
EBITDA [1]	**€ million**	**43.2**	**–0.7**	**> +100.0**	**89.7**	**62.0**	**+44.7**
Depreciation/amortization	€ million	–20.7	–21.8	+5.1	–61.7	–61.8	+0.3
EBIT [2]	**€ million**	**22.5**	**–22.6**	**> +100.0**	**28.1**	**0.2**	**> +100.0**
Interest result	€ million	–3.9	–3.1	–24.7	–12.3	–14.4	+14.6
Income taxes	€ million	–5.1	6.8	> –100.0	–3.3	3.1	> –100.0
Earnings after income taxes	**€ million**	**13.5**	**–18.9**	**> +100.0**	**12.5**	**–11.1**	**> +100.0**
Earnings per share on full distribution [3]							
per preferred share	€	0.77	–0.93	> +100.0	0.54	–0.58	> +100.0
per common share	€	0.75	–0.95	> +100.0	0.49	–0.63	> +100.0
Research and development costs	€ million	–53.4	–60.1	+11.0	–163.4	–174.9	+6.6
Equity ratio [4]	%	39.4	40.4		39.4	40.4	
Cash flow from operating activities	€ million	48.5	59.2	–18.1	90.9	–7.2	> +100.0
Net financial debt [4]	€ million	121.0	165.5	–26.9	121.0	165.5	–26.9
Investments	€ million	21.8	35.1	–38.0	71.1	156.7	–54.6
Capital employed [4,5]	€ million	1,238.7	1,256.4	–1.4	1,238.7	1,256.4	–1.4
Net working capital [4,6]	€ million	553.1	592.4	–6.6	553.1	592.4	–6.6
EBIT [2]/net sales	%	3.8	–3.7		1.6	0.0	
EBIT [2,7]/capital employed [4,5] (ROCE)	%	7.6	7.8		7.6	7.8	
Net financial debt [4]/EBITDA [1,7]	Factor	0.68	0.91		0.68	0.91	
Gearing [8]	Factor	0.14	0.18		0.14	0.18	
DVA [7,9]	€ million	6.7	–11.8	> +100.0	6.7	–11.8	> +100.0
Headcount as of September 30		13,292	14,014	–5.2	13,292	14,014	–5.2

1 EBITDA = Earnings before net interest result, income taxes, depreciation and amortization
2 EBIT = Earnings before net interest result and income taxes
3 Based on an imputed actual full distribution of earnings attributable to shareholders
4 Value as of reporting date
5 Capital employed = total assets less deferred tax assets, current securities, cash and cash equivalents and non-interest-bearing liabilities
6 Net working capital = current, non-interest-bearing assets plus non-current trade receiveables less current, non-interest-bearing debt
7 Value of the last twelve months
8 Gearing = Net financial debt/equity
9 Dräger Value Added = EBIT less cost of capital (until 2015: 9 %, from 2016: 7 %) of average invested capital

Business performance of the Dräger Group

ORDER INTAKE

in € million	Third quarter 2016	2015	Changes in %	Net of currency effects in %	Nine months 2016	2015	Changes in %	Net of currency effects in %
Europe[1]	336.7	345.1	–2.4	–1.2	1,009.9	1,024.2	–1.4	+0.1
Americas[1]	134.7	129.0	+4.4	+6.7	371.2	368.2	+0.8	+5.4
Africa, Asia, Australia[1]	156.6	171.6	–8.7	–9.3	468.0	502.7	–6.9	–5.0
Total	**628.0**	**645.7**	**–2.7**	**–1.7**	**1,849.1**	**1,895.1**	**–2.4**	**–0.3**
thereof medical business	417.4	420.6	–0.8	+0.5	1,218.1	1,235.0	–1.4	+0.9
thereof safety business	210.6	225.2	–6.5	–5.9	631.0	660.0	–4.4	–2.3

[1] Value for 2015 adjusted due to new segmentation

ORDER INTAKE

Order intake fell slightly in the first nine months of the year net of currency effects. The development in some regional segments ran counter to this trend. In the Americas segment, orders increased by 5.4 percent (net of currency effects). Both product areas contributed to this trend, although the rise in order intake for medical products in the third quarter was stronger (net of currency effects). We recorded stable development in the Europe segment in the first nine months of the year. Order intake in Germany actually rose considerably by 6.1 percent. High demand in our service business, business with government agencies, industrial occupational health and safety, and patient monitoring and clinical data management had a positive impact, while demand for anesthesia devices declined considerably. In the Africa, Asia, and Australia segment, order intake declined by 5.0 percent (net of currency effects) in the first nine months of the year. Relatively stable demand for medical products was offset by a significant fall in orders for safety products, which was particularly pronounced in the third quarter.

Order intake for medical products rose in the first nine months of the year in the service business, in business with anesthesia devices and in the area of workplace infrastructure, but remained stable in business with hospital consumables. Demand fell considerably in patient monitoring and clinical data management, as well as for respiratory care and thermoregulation equipment.

In the safety business, we concluded a number of major orders for engineered solutions in the first nine months of the year. Demand also rose in our rental and safety service business. Orders in business with government agencies increased in the first nine months of the year, whereas demand in service business was stable. Demand for industrial occupational health and safety and plant safety equipment declined.

NET SALES

in € million	Third quarter 2016	2015	Changes in %	Net of currency effects in %	Nine Months 2016	2015	Changes in %	Net of currency effects in %
Europe[1]	325.0	339.3	–4.2	–3.0	949.2	985.6	–3.7	–2.3
Americas[1]	119.7	115.8	+3.4	+4.5	335.9	348.5	–3.6	–0.3
Africa, Asia, Australia[1]	148.2	149.0	–0.5	–1.2	419.3	449.4	–6.7	–4.9
Total	**592.9**	**604.0**	**–1.8**	**–1.1**	**1,704.3**	**1,783.6**	**–4.4**	**–2.6**
thereof medical business	389.8	388.1	+0.5	+1.2	1,093.9	1,148.2	–4.7	–2.9
thereof safety business	203.1	216.0	–6.0	–5.3	610.4	635.3	–3.9	–2.0

[1] Value for 2015 adjusted due to new segmentation

NET SALES

Net sales declined in the first nine months of the year net of currency effects, although the decline in the third quarter was not as sharp (net of currency effects). Deliveries were down across all regional segments in the first nine months of the year. In the Americas segment, net sales were marginally down year on year in the first nine months of 2016 (net of currency effects). The third quarter saw a significant rise in net sales net of currency effects which was fueled in particular by deliveries of safety products. Net sales in the Europe segment declined by 2.3 percent net of currency effects in the first nine months of the year. Deliveries of safety products fell just short of the prior-year figure, whereas deliveries of medical products fell considerably. Net sales in Germany increased by 7.1 percent in the first nine months of the year. Increases were recorded in particular in service business and in deliveries in the areas of workplace infrastructure, business with government agencies and industrial occupational health and safety. By contrast, business involving anesthesia devices decreased. Dräger recorded a significant decline in net sales of 4.9 percent net of currency effects in the Africa, Asia, and Australia segment in the first nine months of the year. Deliveries of safety products experienced a particular decline.

In terms of medical products, Dräger only generated net sales growth in its service business in the first nine months of the year, with net sales declining in all other medical product areas. Deliveries fell in particular in the areas of patient monitoring and clinical data management, business with workplace infrastructure, and anesthesiology products. Net sales for respiratory care and thermoregulation equipment and hospital consumables were just short of the prior-year figure.

In the safety business, Dräger recorded a particular increase in net sales in its rental and safety service business in the first nine months of the year. Net sales also rose in service business. However, deliveries declined in business with government agencies, plant safety equipment and industrial occupational health and safety. Business for engineered solutions also fell year on year.

EARNINGS

Gross profit in the first nine months of 2016 recorded a decline of EUR 45.9 million to EUR 747.6 million (9 months 2015: EUR 793.5 million). At 43.9 percent, our gross margin was

0.6 percentage points lower than in the prior year. In the Americas, and Africa, Asia, and Australia segments it rose year on year in the first nine months of 2016. However, gross profit during the period declined year on year in all segments in absolute terms due in particular to lower net sales and currency effects.

Dräger did record an increase in the gross margin in all segments in the third quarter. In the third quarter of the prior year gross margin had been burdened by higher extraordinary effects and negative valuation effects from exchange rates. The positive gross margin trend was most pronounced in the Americas segment.

Functional costs declined by 7.5 percent net of currency effects in the first nine months of the year. Furthermore, currency effects provided relief for functional costs; as a result, the decline in nominal terms amounted to 8.5 percent. Net of relief effects related to currency, selling and marketing costs were down 7.9 percent year-on-year. Cost-saving measures are having an effect in all three segments. Expenditure on research and development fell by 6.2 percent (net of currency effects). At 9.6 percent of net sales, the research and development (R&D) ratio was slightly down on the prior year (9 months 2015: 9.8 percent). Administrative costs were down by 8.0 percent year on year net of currency effects, partly as a result of savings relating to the Fit for Growth efficiency program. As in the prior year, these costs included one-off expenses, which consisted of costs for the efficiency program and for the closure of the Dräger site in Pittsburgh, USA, which totaled EUR 8.8 million in 2016. Administrative costs in the prior year also included expenses for the site closure in Pittsburgh, as well as additional provisions for severance payments of a similar amount. Personnel costs declined by 1.1 percent (net of currency effects), or by 2.1 percent in nominal terms.

At EUR +0.6 million, the other financial result increased by a significant margin year on year (9 months 2015: EUR –6.1 million). The improvement is due primarily to the fact that, unlike in the prior year, slight currency-related valuation gains were recorded overall instead of valuation losses.

Total Group earnings before interest and taxes (EBIT) amounted to EUR 28.1 million in the first nine months of the year (9 months 2015: EUR 0.2 million). This caused the EBIT margin to rise to 1.6 percent (9 months 2015: 0.0 percent). Despite the fall in net sales volume, EBIT still rose considerably year on year in the third quarter. This was due to cost savings from efficiency measures, lower one-off selling expenses and production costs, and positive currency effects, among other things.

The interest result improved to EUR –12.3 million (9 months 2015: EUR –14.4 million). The effective tax rate remained roughly stable year on year at 21.2 percent (9 months 2015: 21.6 percent). Effects from other periods were recorded in the first nine months of 2016, as in the prior year. Excluding these prior-year taxes, the effective tax rate for the current period and the comparison period comes to 32.5 percent.

INVESTMENTS

In the first nine months of 2016, Dräger invested EUR 65.8 million in property, plant, and equipment (9 months 2015: EUR 89.8 million) and EUR 5.3 million in intangible assets

(9 months 2015: EUR 66.9 million). Within the scope of the “factory of the future” project for modernizing the production site in Lübeck, Dräger invested an additional EUR 21.2 million in property, plant, and equipment (9 months 2015: EUR 30.0 million). The sharp fall in investments compared to the first nine months of the prior year is predominantly due to the inclusion of the acquisition of GasSecure AS, Oslo, Norway, in the prior-year figure and a rise in investments in the factory of the future project. The factory of the future project is now all but complete. Depreciation and amortization in the first nine months of 2016 stood at EUR 61.7 million (9 months 2015: EUR 61.8 million). Investments covered 115.3 percent of depreciation, meaning that non-current assets rose by EUR 9.4 million net.

CASH FLOW STATEMENT [1]

In the first nine months of fiscal year 2016, the Dräger Group generated cash inflow from operating activities of EUR 90.9 million compared to cash outflow of EUR 7.2 million in the prior-year period. The primary factor in this development was the fact that, at EUR 133.2 million, trade receivables decreased by a greater margin than in the prior-year period (EUR 71.3 million). In addition, other assets only rose by EUR 2.5 million (9 months 2015: EUR 29.9 million) and inventories by a mere EUR 59.1 million (9 months 2015: EUR 76.4 million). Earnings before net interest result, income taxes, depreciation, and amortization (EBITDA)—adjusted for cash-neutral changes to provisions and other non-cash earnings/expenses—declined from EUR 75.8 million by EUR 2.2 million to EUR 73.7 million.

Cash outflow from investing activities fell to EUR 59.6 million (9 months 2015: EUR 141.2 million). These mainly consisted of replacement investments. The decrease was primarily due to the fact that the EUR 58.1 million purchase price payment for the shares in GasSecure AS, was included in the prior-year period. In addition, cash investments in the factory of the future project totaled 21.2 million (9 months 2015: EUR 30.0 million).

Cash outflow from financing activities totaling EUR 28.2 million (9 months 2015: EUR 23.6 million) was primarily due to the arrangement of a note loan in the amount of EUR 60.0 million and the concurrent repayment of bank loans and liabilities to banks totaling EUR 83.1 million.

Cash and cash equivalents as of September 30, 2016 amounted to EUR 173.9 million (September 30, 2015: EUR 128.7 million) and exclusively comprised cash, of which EUR 7.8 million (December 31, 2015: EUR 8.9 million) is subject to use restrictions.

[1] Due to the elimination of exchange rate effects, the underlying changes recognized in the cash flow statement cannot be directly reconciled with the items of the published balance sheet.

Financial management

BORROWING

In the first quarter of 2016, Dräger took out a note loan in the amount of EUR 60.0 million. As of September 30, 2016, total note loans amounted to EUR 155.9 million (December 31, 2015: EUR 95.9 million).

NET ASSETS

Dräger's equity declined by EUR 51.9 million to EUR 894.1 million in the first nine months of 2016. The equity ratio came to 39.4 percent as of September 30, 2016, slightly below the figure from December 31, 2015 (40.9 percent). The adjustment of the underlying interest rate for German pension provisions from 2.25 percent to 1.25 percent increased pension provisions by EUR 70.5 million; the net amount of this adjustment of EUR 48.3 million after deferred tax liabilities reduced reserves from retained earnings recognized directly in equity.

Total assets decreased by EUR 39.3 million to EUR 2,272.1 million in the first nine months of 2016. On the assets side, Dräger reduced trade receivables by EUR 139.7 million. In contrast, inventories increased by EUR 55.6 million and other current assets by EUR 20.7 million. Deferred tax assets also rose by EUR 30.2 million, largely due to the adjustment of the underlying interest rate for German pension provisions.

On the liabilities side, the change primarily resulted from lower current provisions (EUR –17.0 million), particularly for personnel costs and the reduction in trade payables (EUR –30.8 million). An increase in other current liabilities (EUR +7.0 million), mainly for advanced payments received and deferred income and the increase in other current financial liabilities (EUR +7.3 million), offset this effect. Loans and liabilities to banks fell by EUR 22.3 million, with the reduction in short-term loans more than compensating for the arrangement of a EUR 60 million note loan.

DRÄGER VALUE ADDED

Dräger Value Added (DVA) climbed by EUR 18.5 million to EUR 6.7 million year on year in the twelve months to September 30, 2016 (12 months to September 30, 2015: EUR –11.8 million). Rolling EBIT fell slightly by EUR 3.0 million year on year. Despite an increase in average invested capital, capital costs decreased by EUR 21.5 million, as Dräger has used a lower weighted average cost of capital to calculate average capital employed since 2016. This weighted average cost of capital was revalued and reduced by two percentage points to a current level of 7 percent to take into account the fall in interest rates. Average capital employed rose by 3.3 percent to EUR 1,255.6 million, which was mainly due to a rise in non-current assets and higher trade receivables on average. However, capital employed fell as of the reporting date due to a reduction in receivables and current provisions, among other factors.

Average current assets may have fallen slightly, but their ratio to net sales increased by a small margin. This is reflected in the development of days of working capital, which rose marginally by 0.6 days to 122.3 days.

BUSINESS PERFORMANCE OF EUROPE SEGMENT

		Third quarter			Nine months		
		2016	2015	Changes in %	2016	2015	Changes in %
Order intake with third parties [6]	**€ million**	**336.7**	**345.1**	**–2.4**	**1,009.9**	**1,024.2**	**–1.4**
Net sales with third parties [6]	**€ million**	**325.0**	**339.3**	**–4.2**	**949.2**	**985.6**	**–3.7**
EBITDA	**€ million**	**25.8**	**14.7**	**+75.5**	**56.2**	**55.3**	**+1.6**
Depreciation	€ million	–10.3	–11.7	+11.5	–30.5	–31.5	+3.3
EBIT [1]	**€ million**	**15.5**	**3.0**	**> +100.0**	**25.7**	**23.8**	**+8.0**
Capital employed [2,3]	€ million	572.5	597.3	–4.2	572.5	597.3	–4.2
EBIT [1]/net sales	%	4.8	0.9		2.7	2.4	
EBIT [1,4]/capital employed [2,3] (ROCE)	%	10.7	15.2		10.7	15.2	
DVA [4,5]	€ million	20.8	39.5	–47.3	20.8	39.5	–47.3

1 EBIT = Earnings before net interest result and income taxes
2 Capital employed = total assets less deferred tax assets, current securities, cash and cash equivalents and non-interest-bearing liabilities
3 Value as of reporting date
4 Value of the last twelve months
5 Dräger Value Added = EBIT less cost of capital (until 2015: 9 %, from 2016: 7 %) of average invested capital
6 Value for 2015 adjusted due to new segmentation

Business performance of Europe Segment

ORDER INTAKE

in € million	Third quarter 2016	2015	Changes in %	Net of currency effects in %	Nine months 2016	2015	Changes in %	Net of currency effects in %
Medical business[1]	206.1	208.8	–1.3	+0.1	614.5	620.9	–1.0	+0.4
Safety business[1]	130.6	136.3	–4.2	–3.1	395.4	403.2	–1.9	–0.5
Total	**336.7**	**345.1**	**–2.4**	**–1.2**	**1.009.9**	**1.024.2**	**–1.4**	**+0.1**
thereof Germany	133.3	124.8	+6.8	+6.8	390.3	367.8	+6.1	+6.1

[1] Value for 2015 adjusted due to new segmentation

ORDER INTAKE

Order intake in Europe was just over the prior-year figure in the first nine months of the year (net of currency effects). This was mainly due to a rise in demand, particularly in Germany. Dräger increased orders in the medical business in the first nine months of the year, whereas demand for safety products declined.

The demand trends in Germany, Switzerland, and Russia were particular drivers of order intake growth during the first nine months of 2016. This was offset by declines in orders in countries such as the United Kingdom, France, Turkey, and Spain, partly due to large orders in the previous year. In terms of products, order intake involving business with engineered solutions grew significantly thanks to another major order in the third quarter. Orders also increased in service business, in the workplace infrastructure business, and in business with hospital consumables in the first nine months of the year. Demand for business with government agencies, respiratory care and thermoregulation equipment, and anesthesia devices declined. Orders in the area of industrial occupational health and safety and patient monitoring and clinical data management also fell.

NET SALES

in € million	Third quarter 2016	2015	Changes in %	Net of currency effects in %	Nine months 2016	2015	Changes in %	Net of currency effects in %
Medical business[1]	199.9	202.8	–1.4	–0.2	558.5	588.0	–5.0	–3.7
Safety business[1]	125.1	136.4	–8.3	–7.2	390.7	397.6	–1.7	–0.2
Total	**325.0**	**339.3**	**–4.2**	**–3.0**	**949.2**	**985.6**	**–3.7**	**–2.3**
thereof Germany	132.4	124.2	+6.6	+6.6	380.2	355.0	+7.1	+7.1

[1] Value for 2015 adjusted due to new segmentation

NET SALES

Net sales in Europe declined by 2.3 percent net of currency effects in the first nine months of the year, largely as a result of figures for medical products. A particularly sharp decline in net sales of safety products was recorded in the third quarter, while deliveries of medical products stabilized.

Dräger boosted its net sales in Germany, Norway, Russia, and Switzerland, while net sales fell — in some cases significantly — in the United Kingdom, Spain, certain south-eastern European countries, and the Netherlands. Net sales growth in terms of products came in service business, industrial occupational health and safety, hospital consumables, and engineered solutions in the first nine months of the year. By contrast, there were declines — some of which were considerable — in net sales of anesthesia devices, business with government agencies, respiratory care and thermoregulation equipment, and patient monitoring and clinical data management.

EARNINGS

Gross profit declined by EUR 27.9 million in the first nine months of 2016 due to negative margin, currency, and volume effects. The higher share of net sales attributed to products with below-average margins had a negative impact on the gross margin. The gross margin decreased year on year by 1.3 percentage points.

Functional costs fell by 6.8 percent (–5.9 percent net of currency effects) due to savings related to sales and marketing costs, bolstered by a favorable development of exchange rates and the fall in cross-segment functional costs.

In total, earnings before interest and taxes (EBIT) for the Europe segment amounted to EUR 25.7 million (9 months 2015: EUR 23.8 million). The EBIT margin rose slightly by 0.3 percentage points to 2.7 percent.

BUSINESS PERFORMANCE OF AMERICAS SEGMENT

		Third quarter			Nine months		
		2016	2015	Changes in %	2016	2015	Changes in %
Order intake with third parties [6]	**€ million**	**134.7**	**129.0**	**+4.4**	**371.2**	**368.2**	**+0.8**
Net sales with third parties [6]	**€ million**	**119.7**	**115.8**	**+3.4**	**335.9**	**348.5**	**–3.6**
EBITDA	**€ million**	**5.9**	**–10.3**	**> +100.0**	**7.6**	**–6.8**	**> +100.0**
Depreciation	€ million	–5.6	–5.4	–5.0	–16.3	–15.9	–2.3
EBIT [1]	**€ million**	**0.3**	**–15.7**	**> +100.0**	**–8.7**	**–22.8**	**+61.8**
Capital employed [2,3]	€ million	298.5	270.5	+10.4	298.5	270.5	+10.4
EBIT [1]/net sales	%	0.2	–13.5		–2.6	–6.5	
EBIT [1,4]/capital employed [2,3] (ROCE)	%	–1.5	–5.8		–1.5	–5.8	
DVA [4,5]	€ million	–24.9	–39.9	+37.6	–24.9	–39.9	+37.6

[1] EBIT = Earnings before net interest result and income taxes
[2] Capital employed = total assets less deferred tax assets, current securities, cash and cash equivalents and non-interest-bearing liabilities
[3] Value as of reporting date
[4] Value of the last twelve months
[5] Dräger Value Added = EBIT less cost of capital (until 2015: 9 %, from 2016: 7 %) of average invested capital
[6] Value for 2015 adjusted due to new segmentation

Business performance of Americas Segment

ORDER INTAKE

	Third quarter				Nine months			
in € million	2016	2015	Changes in %	Net of currency effects in %	2016	2015	Changes in %	Net of currency effects in %
Medical business[1]	96.3	89.8	+7.2	+10.2	256.2	255.1	+0.5	+5.4
Safety business[1]	38.4	39.2	–2.1	–1.5	115.0	113.2	+1.6	+5.2
Total	**134.7**	**129.0**	**+4.4**	**+6.7**	**371.2**	**368.2**	**+0.8**	**+5.4**

[1] Value for 2015 adjusted due to new segmentation

ORDER INTAKE

Order intake in the Americas segment rose by 5.4 percent net of currency effects in the first nine months of the year. Demand for medical products rose significantly in the third quarter, whereas orders of safety products declined.

Demand increased in the US, and Canada in particular in the first nine months of the year. Dräger recorded slight growth in Central and South America. Order intake in Argentina, and Peru increased, but this was offset by a decline particularly in Brazil. There was a significant rise in orders of anesthesia devices, respiratory care and thermoregulation products and in business with government agencies, which was largely driven by orders for personal protective equipment for fire services. Demand for hospital consumables, service business and plant safety equipment also increased. Orders in workplace infrastructure business and patient monitoring and clinical data management, on the other hand, declined considerably. Demand also fell in industrial occupational health and safety.

NET SALES

	Third quarter				Nine months			
in € million	2016	2015	Changes in %	Net of currency effects in %	2016	2015	Changes in %	Net of currency effects in %
Medical business[1]	81.4	79.5	+2.3	+3.8	230.0	239.6	–4.0	–0.3
Safety business[1]	38.4	36.3	+5.8	+6.2	105.8	109.0	–2.9	–0.2
Total	**119.7**	**115.8**	**+3.4**	**+4.5**	**335.9**	**348.5**	**–3.6**	**–0.3**

[1] Value for 2015 adjusted due to new segmentation

NET SALES

Dräger's net sales in the Americas region fell slightly by 0.3 percent in the first nine months of 2016 (net of currency effects). Deliveries of medical products and of safety products decreased. Dräger recorded a rise in deliveries in the third quarter (net of currency effects) to which safety products but also medical products contributed.

A rise in deliveries in Brazil, Cuba, Argentina, and Peru in the first nine months of the year was not able to offset the declines recorded in Mexico, Ecuador, and the US. In terms of products, net sales experienced particular increases in service business, business with government agencies, business with hospital consumables, respiratory care and thermoregulation products, and workplace infrastructure business. Deliveries of anesthesia devices, patient monitoring and clinical data management products, and in industrial occupational health and safety business declined sharply.

EARNINGS

Gross profit fell in the first nine months of the year by EUR 5.0 million, largely as a result of the fall in net sales. The gross profit margin, however, rose marginally by 0.3 percentage points. Positive net sales development in the third quarter, bolstered by products with above-average margins, helped to bring the gross profit margin on a par with the prior-year figure.

Functional costs fell by 9.3 percent (net of currency effects: –7.7 percent) in the first nine months of the year, partially due to staff reductions and targeted cost savings, positive currency effects and a decline in cross-segmental functional costs.

Earnings before interest and taxes (EBIT) for the Americas segment amounted to EUR –8.7 million (9 months 2015: EUR –22.8 million). The EBIT margin rose by 3.9 percentage points to –2.6 percent.

BUSINESS PERFORMANCE OF AFRICA, ASIA AND AUSTRALIA SEGMENT (AAA)

		Third quarter			Nine months		
		2016	2015	Changes in %	2016	2015	Changes in %
Order intake with third parties [6]	**€ million**	**156.6**	**171.6**	**–8.7**	**468.0**	**502.7**	**–6.9**
Net sales with third parties [6]	**€ million**	**148.2**	**149.0**	**–0.5**	**419.3**	**449.4**	**–6.7**
EBITDA	**€ million**	**11.5**	**–5.1**	**> +100.0**	**25.9**	**13.5**	**+91.8**
Depreciation	€ million	–4.7	–4.8	+0.5	–14.9	–14.4	–3.5
EBIT [1]	**€ million**	**6.8**	**–9.9**	**> +100.0**	**11.0**	**–0.9**	**> +100.0**
Capital employed [2,3]	€ million	367.7	388.7	–5.4	367.7	388.7	–5.4
EBIT [1]/net sales	%	4.6	–6.6		2.6	–0.2	
EBIT [1,4]/capital employed [2,3] (ROCE)	%	10.3	5.7		10.3	5.7	
DVA [4,5]	€ million	10.8	–11.4	> +100.0	10.8	–11.4	> +100.0

1 EBIT = Earnings before net interest result and income taxes
2 Capital employed = total assets less deferred tax assets, current securities, cash and cash equivalents and non-interest-bearing liabilities
3 Value as of reporting date
4 Value of the last twelve months
5 Dräger Value Added = EBIT less cost of capital (until 2015: 9 %, from 2016: 7 %) of average invested capital
6 Value for 2015 adjusted due to new segmentation

Business performance of Africa, Asia and Australia Segment (AAA)

ORDER INTAKE

in € million	Third quarter 2016	2015	Changes in %	Net of currency effects in %	Nine months 2016	2015	Changes in %	Net of currency effects in %
Medical business[1]	115.0	122.0	–5.8	–6.1	347.4	359.0	–3.2	–1.6
Safety business[1]	41.7	49.6	–16.1	–16.9	120.5	143.7	–16.1	–13.5
Total	**156.6**	**171.6**	**–8.7**	**–9.3**	**468.0**	**502.7**	**–6.9**	**–5.0**

[1] Value for 2015 adjusted due to new segmentation

ORDER INTAKE

In the Africa, Asia, and Australia segment, order intake declined by 5.0 percent (net of currency effects) in the first nine months of the year. This development was driven by a weak third quarter with a decline of nearly 10 percent (net of currency effects), due especially to the sharp decrease in demand for products from the safety business.

The increase in order intake in India, China, and Japan was unable to compensate for the slump in demand in Saudi Arabia, the United Arab Emirates, Singapore, and New Zealand. In China, a substantial rise in order intake for products from the medical business in the third quarter in this market helped generate order growth over the first nine months of 2016. There was growth in order intake for anesthesia devices as well as in workplace infrastructure and service business in the first nine months of the year in terms of products. There were, however, some significant declines in plant safety equipment, hospital consumables, business with government agencies, respiratory care and thermoregulation devices, patient monitoring and clinical data management business, and in industrial occupational health and safety. These declines were partly attributable to larger orders recorded in the prior-year period.

NET SALES

in € million	Third quarter 2016	2015	Changes in %	Net of currency effects in %	Nine months 2016	2015	Changes in %	Net of currency effects in %
Medical business[1]	108.6	105.7	+2.7	+2.0	305.4	320.6	–4.7	–3.3
Safety business[1]	39.6	43.3	–8.4	–9.1	113.9	128.7	–11.6	–8.9
Total	**148.2**	**149.0**	**–0.5**	**–1.2**	**419.3**	**449.4**	**–6.7**	**–4.9**

[1] Value for 2015 adjusted due to new segmentation

NET SALES

Net sales declined by 4.9 percent (net of currency effects) during the first nine months. The decrease was less severe in the third quarter at 1.2 percent (net of currency effects) due to a rise in deliveries of medical products.

A sharp decline in net sales in Saudi Arabia, China, Singapore, and Japan in the first nine months was partially offset by strong growth in Indonesia, India, South Africa, and Australia.

In product-related terms, Dräger recorded an increase in net sales of anesthesia devices, in service business, and of respiratory care and thermoregulation devices. On the other hand, deliveries in the workplace infrastructure business and of hospital consumables and plant safety equipment fell significantly. Net sales also fell over the first nine months of 2016 in the areas of patient monitoring and clinical data management, business with government agencies, and industrial occupational health and safety.

EARNINGS

Gross profit fell by EUR 13.0 million in the first nine months of the year due to lower net sales volume and negative currency effects. This effect was mitigated by an improvement in the gross profit margin of 0.3 percentage points.

Functional costs declined by 10.8 percent (–10.0 percent net of currency effects) due to a fall in sales costs and a decline in cross-segment functional costs over the first nine months of the year.

Earnings before interest and taxes (EBIT) in the Africa, Asia, and Australia segment improved by EUR 11.9 million to EUR 11.0 million in the nine-month period (9 months 2015: EUR –0.9 million). The EBIT margin rose by 2.8 percentage points to 2.6 percent.

Additional information on the medical and safety business

INFORMATION ON THE MEDICAL BUSINESS

		Third quarter				Nine months			
		2016	2015	Changes in %	Net of currency effects in %	2016	2015	Changes in %	Net of currency effects in %
Order intake with third parties	**€ million**	**417.4**	**420.6**	**–0.8**	**+0.5**	**1,218.1**	**1,235.0**	**–1.4**	**+0.9**
Europe [1]	€ million	206.1	208.8	–1.3	+0.1	614.5	620.9	–1.0	+0.4
Americas [1]	€ million	96.3	89.8	+7.2	+10.2	256.2	255.1	+0.5	+5.4
Africa, Asia, Australia [1]	€ million	115.0	122.0	–5.8	–6.1	347.4	359.0	–3.2	–1.6
Net sales with third parties	**€ million**	**389.8**	**388.1**	**+0.5**	**+1.2**	**1,093.9**	**1,148.2**	**–4.7**	**–2.9**
Europe [1]	€ million	199.9	202.8	–1.4	–0.2	558.5	588.0	–5.0	–3.7
Americas [1]	€ million	81.4	79.5	+2.3	+3.8	230.0	239.6	–4.0	–0.3
Africa, Asia, Australia [1]	€ million	108.6	105.7	+2.7	+2.0	305.4	320.6	–4.7	–3.3
EBIT [2]	**€ million**	**16.8**	**–24.1**	**> +100.0**		**7.7**	**–9.1**	**> +100.0**	
Research and development costs	€ million	–38.9	–42.5	+8.5		–117.9	–126.1	+6.5	
EBIT [2]/net sales	%	4.3	–6.2			0.7	–0.8		

[1] Value for 2015 adjusted due to new segmentation
[2] EBIT = Earnings before net interest result and income taxes

INFORMATION ON THE SAFETY BUSINESS

		Third quarter				Nine months			
		2016	2015	Changes in %	Net of currency effects in %	2016	2015	Changes in %	Net of currency effects in %
Order intake with third parties	**€ million**	**210.6**	**225.2**	**–6.5**	**–5.9**	**631.0**	**660.0**	**–4.4**	**–2.3**
Europe [1]	€ million	130.6	136.3	–4.2	–3.1	395.4	403.2	–1.9	–0.5
Americas [1]	€ million	38.4	39.2	–2.1	–1.5	115.0	113.2	+1.6	+5.2
Africa, Asia, Australia [1]	€ million	41.7	49.6	–16.1	–16.9	120.5	143.7	–16.1	–13.5
Net sales with third parties	**€ million**	**203.1**	**216.0**	**–6.0**	**–5.3**	**610.4**	**635.3**	**–3.9**	**–2.0**
Europe [1]	€ million	125.1	136.4	–8.3	–7.2	390.7	397.6	–1.7	–0.2
Americas [1]	€ million	38.4	36.3	+5.8	+6.2	105.8	109.0	–2.9	–0.2
Africa, Asia, Australia [1]	€ million	39.6	43.3	–8.4	–9.1	113.9	128.7	–11.6	–8.9
EBIT [2]	**€ million**	**5.7**	**1.5**	**> +100.0**		**20.4**	**9.3**	**> +100.0**	
Research and development costs	€ million	–14.5	–17.5	+17.1		–45.5	–48.8	+6.8	
EBIT [2]/net sales	%	2.8	0.7			3.3	1.5		

[1] Value for 2015 adjusted due to new segmentation
[2] EBIT = Earnings before net interest result and income taxes

CHANGED CONDITIONS AFTER THE CLOSING OF THE INTERIM REPORTING PERIOD

There were no significant changes between the end of the first nine months of 2016 and the time this interim financial report was prepared.

RISKS TO FUTURE DEVELOPMENT

The material risks to our net assets, financial position, and results of operations as well as the structure of our risk management system are outlined in the annual report for fiscal year 2015 on pages 111 et seq. The annual report may be downloaded online at **www.draeger.com.**

There were no material changes compared to the 2015 annual report. In addition, Dräger has not currently identified any individual or aggregated risks that could have a material impact on the company's continued existence as a going concern.

Outlook

FUTURE SITUATION OF THE COMPANY

The following section should be read in conjunction with the "Future situation of the company" section in the management report of the 2015 annual report (pages 125 et seq.), which describes expectations for 2016 in detail. The following table provides an overview of the expectations regarding the development of various forecast figures. The forecast horizon is the fiscal year.

EXPECTATIONS FOR FISCAL YEAR 2016

	Results achieved in 2015	Forecast 2016 according to the annual report	Current forecast
Net sales	+2.9 % (net of currency effects)	0.0–3.0 % (net of currency effects)	Lower end of range
EBIT margin	2.6 %	3.5–5.5 % [1]	Confirmed
DVA	EUR −46.3 million	Improvement	Confirmed
Other forecast figures			
Gross margin	44.9 %	Down year-on-year	Confirmed
Research and development costs	EUR 231.1 million	EUR 225–235 million	EUR 215–225 million
Net interest result	EUR −17.2 million	On par with prior year	Slightly down year on year
Effective tax rate	32.8 %	30–33 %	Confirmed
Days working capital (DWC)	121.2 days	119–121 days	Confirmed
Operating cash flow	59.8 % of EBIT	> 60 % of EBIT	Confirmed
Investment volume	EUR 196.8 million	EUR 110–120 million	EUR 90–100 million
Equity ratio	40.9 %	Increase	Confirmed
Net financial debt	EUR 145.3 million	Improvement	Confirmed

[1] Based on exchange rates at the start of fiscal year 2016

Dräger's net sales growth in fiscal year 2016 is likely to come in at the lower end of the forecast range of 0.0 — 3.0 percent based on the restrained business performance so far this year.

The effects from our cost reduction program are taking effect earlier than anticipated in some cases. As a result, we anticipate that investment volume and research and development costs will be lower than previously forecast in 2016.

Due to the continuing low level of interest rates, we now expect there to be a slight improvement year-on-year in the net interest result.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. The statements are based on the current expectations, presumptions and forecasts of the Executive Board of Drägerwerk Verwaltungs AG as well as the information available to it to date. The forward-looking statements do not provide any warranty for the future developments and results contained therein. Rather, the future developments and results are dependent on a number of factors; they entail various risks and uncertainties and are based on assumptions that could prove to be incorrect. Dräger does not assume any responsibility for updating the forward-looking statements made in this report.

This document constitutes a quarterly statement pursuant to Section 51a of the exchange rules for the Frankfurt Stock Exchange.

Lübeck, November 2, 2016

The general partner
Drägerwerk Verwaltungs AG
represented by its Executive Board

Stefan Dräger
Rainer Klug
Gert-Hartwig Lescow
Dr. Reiner Piske
Anton Schrofner

Further financial information

CONSOLIDATED INCOME STATEMENT OF THE DRÄGER GROUP

in € thousand	Third quarter 2016	Third quarter 2015	Nine months 2016	Nine months 2015
Net sales	592,904	604,008	1,704,338	1,783,553
Cost of sales	–331,824	–351,268	–956,691	–990,032
Gross profit	**261,079**	**252,740**	**747,647**	**793,521**
Research and development costs	–53,447	–60,071	–163,360	–174,891
Marketing and selling expenses	–135,886	–152,514	–404,402	–445,580
General administrative costs	–48,269	–57,491	–150,122	–164,791
Other operating income	2,462	1,426	5,871	4,735
Other operating expenses	–3,262	–3,940	–8,531	–6,929
	–238,402	**–272,590**	**–720,545**	**–787,455**
	22,677	**–19,850**	**27,103**	**6,065**
Profit from investments in associates	179	–	179	102
Profit from other investments	73	69	154	96
Other financial result	–412	–2,775	624	–6,085
Financial result (before interest result)	**–160**	**–2,706**	**958**	**–5,887**
EBIT	**22,518**	**–22,556**	**28,060**	**178**
Interest result	–3,859	–3,094	–12,261	–14,357
Earnings before income taxes	**18,659**	**–25,649**	**15,799**	**–14,179**
Income taxes	–5,126	6,792	–3,344	3,066
Earnings after income taxes	**13,532**	**–18,857**	**12,455**	**–11,113**
Earnings after income taxes	**13,532**	**–18,857**	**12,455**	**–11,113**
Non-controlling interests in net profit	251	–443	428	–407
Earnings attributable to participation certificates (excluding minimum dividend, after taxes) [1]	–	–602	–	–
Earnings attributable to shareholders	13,281	–17,812	12,027	–10,707
Undiluted/diluted earnings per share on full distribution [2]				
per preferred share (in €)	0.77	–0.93	0.54	–0.58
per common share (in €)	0.75	–0.95	0.49	–0.63

[1] The figure is calculated by accruing a dividend for participation certificates of EUR 1.90 (September 30, 2015: EUR 0.00) based on earnings in the first nine months of 2016 and the temporary amendment of Dräger`s dividend policy announced in the capital market information on March 9th, 2016, to distribute EUR 0.19 per preferred share and a dividend of EUR 0.13 per common share until earnings have improved significantly and stabilized (September 30, 2015: Distribution of around 30% of total Group net profit less earnings attributable to non-controlling interests).

[2] The dividend premium of EUR 0.06 on preferred shares is recognized pro rata on a quarterly basis.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE DRÄGER GROUP

in € thousand	Nine months 2016	Nine months 2015
Earnings after income taxes	**12,455**	**–11,113**
Items that cannot be reclassified into the income statement		
Remeasurements of defined benefit pension plans	–70,504	13,647
Deferred taxes on remeasurements of defined benefit pension plans	22,209	–4,210
Items that may be reclassified into the income statement in the future		
Currency translation adjustment for foreign subsidiaries	–12,140	10,040
Change in the fair value of derivative financial instruments recognized directly in equity	–226	243
Deferred taxes on changes in the fair value of derivative financial instruments recognized directly in equity	71	–120
Other comprehensive income (after taxes)	**–60,590**	**19,599**
Total comprehensive income	**–48,135**	**8,486**
thereof earnings attributable to non-controlling interests	534	–572
thereof earnings attributable to participation certificates (excluding minimum dividend, after taxes) [1]	–	–
thereof earnings attributable to shareholders	–48,670	9,058

[1] The figure is calculated by accruing a dividend for participation certificates of EUR 1.90 (September 30, 2015: EUR 0.00) based on earnings in the first nine months of 2016 and the temporary amendment of Dräger`s dividend policy announced in the capital market information on March 9th, 2016, to distribute EUR 0.19 per preferred share and a dividend of EUR 0.13 per common share until earnings have improved significantly and stabilized (September 30, 2015: Distribution of around 30% of total Group net profit less earnings attributable to non-controlling interests).

CONSOLIDATED BALANCE SHEET OF THE DRÄGER GROUP

in € thousand	September 30, 2016	December 31, 2015
Assets		
Intangible assets	347,638	351,776
Property, plant and equipment	414,971	406,355
Investments in associates	231	231
Other non-current financial assets	10,260	11,613
Deferred tax assets	165,479	135,322
Other non-current assets	1,667	1,881
Non-current assets	**940,246**	**907,177**
Inventories	457,619	401,978
Trade receivables and receivables from construction contracts	571,663	711,323
Other current financial assets	38,775	47,708
Cash and cash equivalents	173,872	172,767
Current income tax refund claims	21,427	19,386
Other current assets	68,469	47,724
	1,331,824	**1,400,885**
Assets held for sale	–	3,334
Current assets	**1,331,824**	**1,404,220**
Total assets	**2,272,070**	**2,311,397**
Equity and liabilities		
Capital stock	45,466	45,466
Capital reserves	234,028	234,028
Reserves retained from earnings, incl. group result	586,729	626,634
Participation capital	29,497	29,497
Other comprehensive income	–3,710	8,691
Non-controlling interests	2,068	1,614
Equity	**894,077**	**945,929**
Liabilities from participation certificates	22,460	21,779
Provisions for pensions and similar obligations	363,742	288,147
Other non-current provisions	56,029	56,646
Non-current interest-bearing loans	190,971	138,118
Other non-current financial liabilities	28,192	27,604
Non-current income tax liabilities	4,213	4,392
Deferred tax liabilities	2,904	3,431
Other non-current liabilities	6,502	5,762
Non-current liabilities	**675,012**	**545,880**
Other current provisions	216,030	232,984
Current interest-bearing loans and liabilities to banks	94,527	169,662
Trade payables	155,607	186,405
Other current financial liabilities	32,664	25,343
Current income tax liabilities	29,678	37,751
Other current liabilities	174,475	167,442
Current liabilities	**702,982**	**819,588**
Total equity and liabilities	**2,272,070**	**2,311,397**

CONSOLIDATED CASH FLOW STATEMENT OF THE DRÄGER GROUP

	in € thousand	Third quarter 2016	Third quarter 2015	Nine months 2016	Nine months 2015
Operating activities					
	Earnings after income taxes	13,532	–18,857	12,455	–11,113
+	Write-down/write-up of non-current assets	20,702	21,930	61,649	61,946
+	Interest result	3,859	3,133	12,261	14,397
+/–	Income taxes	5,126	–6,753	3,344	–3,027
+/–	Increase/decrease in provisions	18,439	39,871	–15,833	10,301
+/–	Other non-cash expenses/income	3,370	17,922	–213	3,315
+/–	Losses/gains from the disposal of non-current assets	–655	90	–676	68
–	Increase in inventories	–20,960	–15,464	–59,078	–76,410
–	Increase in leased equipment	–2,697	–4,670	–9,811	–8,538
+	Decrease in trade receivables	10,497	25,611	133,211	71,270
+/–	Decrease/increase in other assets	14,400	11,382	–2,496	–29,913
+/–	Increase/decrease in trade payables	161	10,605	–30,969	–25,008
+/–	Increase/decrease in other liabilities	–11,662	–20,259	16,063	16,747
–	Cash outflow for income taxes	–4,585	–4,020	–24,961	–20,974
–	Cash outflow for interests	–2,129	–1,848	–6,184	–12,360
+	Cash inflow from interests	1,109	574	2,133	2,095
	Cash inflow/outflow from operating activities	**48,508**	**59,246**	**90,894**	**–7,204**
Investing activities					
–	Cash outflow for investments in intangible assets	–1,288	–1,743	–4,814	–4,653
+	Cash inflow from the disposal of intangible assets	0	–	1	191
–	Cash outflow for investments in property, plant and equipment	–17,552	–28,705	–56,837	–80,331
+	Cash inflow from disposals of property, plant and equipment	1,244	912	1,872	2,339
–	Cash outflow for investments in non-current financial assets	–14	–224	–38	–1,048
+	Cash inflow from the disposal of non-current financial assets	231	27	232	403
–	Cash outflow from the acquisition of subsidiaries	–	–	–	–58,063
	Cash outflow from investing activities	**–17,379**	**–29,733**	**–59,584**	**–141,163**
Financing activities					
–	Distribution of dividends (including dividends for participation certificates)	–	–	–4,001	–34,601
+	Cash inflow from the exercise of option rights to preferred shares	–	–	–	31,548
–	Cash outflow from the acquisition of treasury shares for the employee share program	–	–	–	–1,143
+	Cash provided by raising loans	9	40	59,966	48,199
–	Cash used to redeem loans	–2,250	–2,395	–6,361	–91,287
+/–	Net balance of other liabilities to banks	–15,733	–24,348	–76,707	29,181
–	Net balance of finance lease liabilities repaid/incurred	–360	–686	–1,013	–1,485
–	Outflow from the changes in shareholdings in subsidiaries	–	–	–	–4,000
–	Profit distributed to non-controlling interests	–80	–40	–80	–42
	Cash outflow/inflow from financing activities	**–18,413**	**–27,429**	**–28,196**	**–23,631**
Change in cash and cash equivalents in the reporting period		**12,716**	**2,085**	**3,113**	**–171,998**
+/–	Effect of exchange rates on cash and cash equivalents	–1,006	–5,511	–2,009	3,818
+	Cash and cash equivalents at the beginning of the reporting period	162,162	132,102	172,767	296,855
	Cash and cash equivalents on reporting date	**173,872**	**128,675**	**173,872**	**128,675**

For notes to the cash flow statement, please see page 8.

BUSINESS PERFORMANCE OF THE SEGMENTS

		Europe		Americas		Africa, Asia, Australia		Dräger Group	
		Nine months 2016	Nine months 2015	Nine months 2016	Nine months 2015	Nine months 2016	Nine months 2015	Nine months 2016	Nine months 2015
Order intake with third parties [6]	**€ million**	**1,009.9**	**1,024.2**	**371.2**	**368.2**	**468.0**	**502.7**	**1,849.1**	**1,895.1**
Net sales with third parties [6]	**€ million**	**949.2**	**985.6**	**335.9**	**348.5**	**419.3**	**449.4**	**1,704.3**	**1,783.6**
EBITDA	**€ million**	**56.2**	**55.3**	**7.6**	**–6.8**	**25.9**	**13.5**	**89.7**	**62.0**
Depreciation/Amortization	€ million	–30.5	–31.5	–16.3	–15.9	–14.9	–14.4	–61.7	–61.8
EBIT [1]	**€ million**	**25.7**	**23.8**	**–8.7**	**–22.8**	**11.0**	**–0.9**	**28.1**	**0.2**
Capital employed [2,3]	€ million	572.5	597.3	298.5	270.5	367.7	388.7	1,238.7	1,256.4
EBIT [1]/Net sales	%	2.7	2.4	–2.6	–6.5	2.6	–0.2	1.6	0.0
EBIT [1,4]/Capital employed [2,3] (ROCE)	%	10.7	15.2	–1.5	–5.8	10.3	5.7	7.6	7.8
DVA [4,5]	€ million	20.8	39.5	–24.9	–39.9	10.8	–11.4	6.7	–11.8

1 EBIT = Earnings before net interest result and income taxes
2 Capital employed in segments = Trade receivables, inventories incl. prepayments received;
Capital employed Group = Total assets less deferred tax assets, current securities, cash and cash equivalents and non-interest bearing liabilities
3 Value as of reporting date
4 Value of the last twelve months
5 Dräger Value Added = EBIT less cost of capital (until 2015: 9 %, from 2016: 7 %) of average invested capital
6 Values within segments for 2015 adjusted due to new segmentation

FINANCIAL CALENDAR

Report as of September 30, 2016, Conference call	November 3, 2016
Annual accounts press conference	March 8, 2017
Analysts' meeting	March 8, 2017
Report as of March 31, 2017, Conference call	May 4, 2017
Annual shareholders' meeting, Lübeck, Germany	May 10, 2017
Report as of June 30, 2017, Conference call	July 27, 2017
Report as of September 30, 2017, Conference call	November 2, 2017

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