Dräger

H1/2004 report
Dräger Group

Dräger Group

- Repeated growth in sales, order intake and EBIT
- Dräger Medical and Dräger Safety business buoyant in America
- Divestment of ProTech GmbH seals the outsourcing of services previously insourced

Order intake and sales again up

By the end of June 2004, both order intake and sales outperformed H1/2003 by 7.6 and 9.5 percent, respectively; in terms of like-for-like currency parities, order intake even climbed 9.5 percent and sales 11.5. For seasonal reasons, order intake at €716.3 million is well over sales at €674.7 million.

Sales gains in America were most pronounced where sales surged by 20.5 percent (LFL parity 30.6 percent) even though the reorganization of Dräger Medical's USA distribution network has yet to take full effect. Outside of Germany and inside Europe, growth was a better-than-average 12.7 percent (parity-adjusted 13.1 percent). In the Asia/Pacific region, group sales mounted 8.3 percent (LFL parities 10.9 percent). In Germany, in contrast, sales inched up a mere 0.2 percent although deducting the 2003 revenues contributed by Dräger Aerospace (sold in June 2003), the improvement is 6.7 percent.

Earnings steady

As in previous years, the Dräger Group generated less than one-half of its annual sales in the first half of 2004. Monitoring business progressed as budgeted. Given the basically regular incurrence of fixed costs, the H1 earnings do match expectations. EBIT before one-time expenses of €4.8 million at Dräger Medical reached €41.0 million (up 6.2 percent) or 6.1 percent of sales (compared with €38.6 million or 6.3 percent for H1/2003).

Net after one-time expenses, the H1/2004 EBIT rose by 8.1 percent to €36.2 million. At €25.2 million, the Group's net income was short of the year-earlier €34.2 million which had included an extraordinary gain of €20.5 million from the disposal of Dräger Aerospace. This year's figure includes an extraordinary gain of €9.0 million from the divestment of various service companies. The remaining income statement lines developed according to budget. The higher percentage of the cost of materials is related to the elevated H1 inventory level and the purchases required in the wake of production outsourcing. The components raising the other operating expenses were marketing and selling expenses, legal, consultancy and audit fees, other services outsourced and prorated future expenses. Part of the increase in this caption is attributable to the outsourcing of services after the disposal of the service companies.

€54.4 million went toward R&D in H1/2004, equivalent to 8.1 percent of the Group's sales in the period.

Asset and capital structure, financial position

Net income for H1/2004 and currency translation differences stepped up the Dräger Group's total equity (after payout of the cash dividends for fiscal 2003) to €520.0 million and the equity ratio to 41.9 percent (up from €499.2 million and 41.7 percent, respectively, as of December 31, 2003).

Capital employed moved up to €907.2 million from the year-end 2003 level of €857.3 million, with inventories increasing for seasonal reasons as well as receivables from the sale and transfer of the service companies and a loan for a yet unconsolidated company for the Air-Shields acquisition being added whereas trade receivables shrank. The higher capital employed drove up net financial debts to €75.6 million (up from €36.7 million as of December 31, 2003).

General remarks

The Dräger Group's quarterly and semiannual financial statements have been prepared in conformity with the German Commercial Code and derived unaudited from Drägerwerk AG's group accounting system. The accounting, valuation and consolidation principles underlying the financial statements as of December 31, 2003, have been consistently applied to the present quarterly and semiannual accounts.

Dräger Group

		Q2/2004	Q2/2003	H1/2004	H1/2003
Order intake	**€ mill.**	**366.4**	**335.7**	**716.3**	**665.7**
Sales by regions					
Germany	€ mill.	100.1	99.7	174.0	173.6
Other Europe	€ mill.	134.0	118.9	263.8	234.0
Americas	€ mill.	65.4	56.6	118.8	98.6
Asia/Pacific	€ mill.	44.1	46.8	85.8	79.2
Other	€ mill.	18.1	14.1	32.3	30.9
Total sales	**€ mill.**	**361.7**	**336.1**	**674.7**	**616.3**
Adjusted EBITDA•	**€ mill.**	**35.2**	**36.9**	**61.7**	**61.3**
depreciation/amortization	€ mill.	9.0	10.8	20.7	22.7
Adjusted EBIT ••	**€ mill.**	**26.2**	**26.1**	**41.0**	**38.6**
one-time expenses for Siemens JV / Air-Shields	€ mill.	4.4	3.1	4.8	5.1
EBIT••	**€ mill.**	**21.8**	**23.0**	**36.2**	**33.5**
Capital employed•••	**€ mill.**	**907.2**	**542.8**	**907.2**	**542.8**
Capital expenditures	**€ mill.**	**11.2**	**10.0**	**25.8**	**22.2**
Net financial debts	**€ mill.**	**75.6**	**173.9**	**75.6**	**173.9**
Adjusted EBIT margin	**%**	**7.2**	**7.8**	**6.1**	**6.3**
Adjusted ROCE	**%**	**2.9**	**4.8**	**4.5**	**7.1**
Net financial debts ÷ adjusted EBITDA	**factor**	**2.1**	**4.7**	**1.2**	**2.8**
Period's average headcount					
Germany		5,001	5,835	5,051	5,838
Abroad		5,110	4,373	5,064	4,375
Total		**10,111**	**10,208**	**10,115**	**10,213**

• EBITDA = earnings before interest expense, all taxes, depreciation and amortization
•• EBIT = earnings before interest expense and all taxes
••• total capital less non-interest debt as of June 30

Quarterly and semiannual accounts of the Dräger Group

Consolidated income statement •		Q2/2004	Q2/2003	H1/2004	H1/2003
		€ million	€ million	€ million	€ million
Net sales		**361.7**	**336.1**	**674.7**	**616.3**
Net inventory change, other work and material capitalized		9.2	(14.0)	36.7	11.3
Total operating performance		**370.9**	**322.1**	**711.4**	**627.6**
Other operating income		19.1	15.0	29.3	24.2
Cost of materials		(122.0)	(97.0)	(240.8)	(198.4)
Personnel expenses		(143.2)	(134.4)	(283.0)	(264.0)
Amortization of intangible and depreciation of tangible assets		(9.4)	(10.7)	(20.6)	(22.6)
Other operating expenses		(94.6)	(72.5)	(162.2)	(134.6)
Income from investments		0.0	0.1	0.3	0.3
Write-down of financial assets and short-term securities		(0.0)	(0.1)	(0.0)	(0.1)
Interest income		1.0	0.5	1.8	1.1
EBIT		**21.8**	**23.0**	**36.2**	**33.5**
Interest expense		(2.8)	(3.7)	(6.1)	(6.8)
Extraordinary result		0.0	20.5	9.0	20.5
Income taxes		(5.1)	(6.0)	(9.8)	(9.4)
Other taxes		(0.7)	(0.6)	(1.3)	(1.2)
Profit before distribution for participation capital		**13.2**	**33.2**	**28.0**	**36.6**
Distribution for participation capital (prorated)		(1.4)	(1.2)	(2.8)	(2.4)
Net income		**11.8**	**32.0**	**25.2**	**34.2**
Minority interests in net income		3.8	0.3	6.6	1.2
EpS after minority interests	€	0.63	2.50	1.46	2.60

• unaudited

Consolidated balance sheet	6/30/2004•	12/31/2003
	€ million	€ million
Fixed assets	345.3	336.9
Inventories	259.4	203.0
Trade receivables	357.0	418.6
Cash & cash equivalents	157.7	186.2
Short-term securities	20.6	0.0
All other assets	102.2	51.8
Total assets	**1,242.2**	**1,196.5**
Equity	520.0	499.2
Equity ratio	41.9%	41.7%
Accruals for pensions and similar obligations	133.2	134.4
Other accruals	184.8	173.0
Due to banks	253.9	222.9
All other liabilities	150.3	167.0
Total equity & liabilities	**1,242.2**	**1,196.5**
Capital employed	**907.2**	**857.3**
Net financial debts	**75.6**	**36.7**

• unaudited

Statement of changes in equity, Dräger Group

	Capital stock	Additional paid-in capital	Reserves retained from earnings	Group earnings	Partici-pation capital	Minority interests	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Balance at 12/31/2002	**32.512**	**38.867**	**13.865**	**4.064**	**74.797**	**6.028**	**170.133**
Dividend payout for prior years	–	–	–	(4.064)	–	(1.968)	(6.032)
Group net income	–	–	–	37.807	–	–	37.807
Minority interests in profit	–	–	–	(10.964)	–	10.964	0
Minority interests in loss	–	–	–	0.028	–	(0.028)	0
Transfer to/(from) reserves	–	–	22.172	(22.172)	–	–	0
Prorated offset of goodwill	–	–	(3.721)	–	–	–	(3.721)
Offset of goodwill from initial consolidation	–	–	(0.007)	–	–	–	(0.007)
Currency translation differences	–	–	(15.474)	–	–	(0.377)	(15.851)
Initial consolidation of previous associated affiliates	–	–	(4.192)	–	–	1.065	(3.127)
All other changes	–	–	(1.500)	–	–	0.404	(1.096)
Effects of the Siemens JV							
Reclassification into minority interests	–	–	(93.557)	–	–	93.557	0
Addition of the new operations	–	–	208.700	–	–	112.376	321.076
Balance at 12/31/2003	**32.512**	**38.867**	**126.286**	**4.699**	**74.797**	**222.021**	**499.182**
Dividend payout for prior years	–	–	–	(4.699)	–	(3.322)	(8.021)
Group net income	–	–	–	25.176	–	–	25.176
Minority interests in profit	–	–	–	(6.599)	–	6.599	0
Minority interests in loss	–	–	–	0.048	–	(0.048)	0
Transfer due to rescission of P&L transfer agreement	–	–	4.168	–	–	(4.168)	0
Minority interests in Dräger Medical's additional paid-in capital	–	–	(1.178)	–	–	1.178	0
Prorated offset of goodwill	–	–	(2.203)	–	–	(1.186)	(3.389)
Currency translation differences	–	–	4.348	–	–	1.329	5.677
Deconsolidation of companies	–	–	1.442	–	–	(0.043)	1.399
All other changes	–	–	0.084	–	–	(0.069)	0.015
Balance at 6/30/2004	**32.512**	**38.867**	**132.947**	**18.625**	**74.797**	**222.291**	**520.039**

Consolidated statement of cash flows, Dräger Group

	H1/2004 € million	H1/2003 € million
Operating activities		
Group net income	25.176	34.198
amortization/depreciation of fixed assets	20.667	22.717
increase/(decrease) in accruals	10.636	9.771
(gain)/loss from fixed-asset disposal and translation differences	(1.187)	(1.589)
(gain)/loss from the disposal of subsidiaries	(9.073)	(20.200)
(increase)/decrease in inventories	(56.439)	(8.638)
decrease/(increase) in trade receivables and other assets	2.760	(9.073)
(decrease)/increase in trade payables and other liability items	(10.271)	(7.726)
Net cash (used in)/provided by operating activities	**(17.731)**	**19.460**
Investing activities		
cash outflow for additions to intangible assets	(2.666)	(2.232)
cash inflow from the disposal of intangible and tangible assets	4.976	0
cash outflow for additions to tangible assets	(23.093)	(20.000)
cash outflow for additions to financial assets	(9.641)	(0.096)
cash inflow from the disposal of financial assets	14.000	23.329
Net cash (used in)/provided by investing activities	**(16.424)**	**1.001**
Financing activities		
net balance of bank loans and other financial debts raised/redeemed	30.964	0.486
increase in minority interests in equity	6.281	0.118
minority interests in loss	0.048	0.393
minority interests in profit	(6.599)	(1.587)
distribution of prior-year net earnings	(4.699)	(4.064)
Net cash provided by/(used in) financing activities	**25.995**	**(4.654)**
Cash-based changes in cash in the period	(8.160)	15.807
Cash & cash equivalents at beginning of period	186.213	42.442
Cash & cash equivalents at end of period •	**178.053**	**58.249**

• Cash & cash equivalents include short-term securities available for sale.

Dräger Medical subgroup

- Sales and order inflow rising by double-digit percentages
- Air-Shields takeover approved and operations running
- Dräger Medical unveiling new Infinity solutions for patient monitoring at the German Anesthesia Congress

Virtually unchanged from the year-earlier level of €28.6 million, Dräger Medical closed H1/2004 with an operating result of €28.7 million (before the one-time expenses of €4.8 million for the Siemens joint venture and Air-Shields integration). At 6.6 percent the EBIT margin was down by one percentage point. As in Q1, ongoing restructuring efforts and the resulting cost structure improvements impacted favorably on the operating result, even though the continuing cost input for reshaping the US distribution organization did erode earnings and shrink the EBIT margin as budgeted. Nonetheless, North American sales rose by 37 percent over H1/2003 and order intake by 13 percent.

Factors gaining significance are the continuing price squeeze and fiercer competition, prevailing mainly in the United States and in Europe for respiration, monitoring and anesthesia products.

On balance, the Dräger Medical subgroup did lift both sales and order intake over H1/2003. New orders were booked for €454.7 million (up 12 percent from €405.8 million). Sales advanced 15 percent to €435.0 million (up from €377 million a year ago). Exchange rate-adjusted, the increase was around 2 percent higher in each instance. Significant sales growth was registered mainly in Germany, France, Italy, the Benelux, and Great Britain.

Q2/2004 sales and order intake were likewise pushed up, in some cases by double-digit percentages. Compared with Q2/2003, new orders rose by around 10 percent to €234.4 million (up from €214 million). In the same period, sales mounted 11 percent from €211 million to €234.2 million. Parity-adjusted, the advances were 13.0 percent (sales) and 10.5 percent (order intake). EBIT at €17.5 million was just short of the Q2/2003 €18.2 million. The Q2 EBIT margin was 7.5 percent (down from 8.6 percent).

The Air-Shields takeover received official approval in June and the operational start-up took place in the course of the period. In ten countries Air-Shields has already been assimilated into the Dräger Medical process environment and organization. The related preparation and integration bill added up in Q2/2004 to around €2.7 million. The integration of operations into the subgroup will be completed by the end of August, the implementation of further organizational steps (such as the realignment of sales channels) being scheduled for Q1/2005.

Q1/2004 had seen the US presentation of the new IT system Innovian™ Anesthesia specifically devised for anesthesiological workstations. This was followed in April by the European rollout at the Paris World Congress of Anesthesia. Also unveiled were a number of patient monitoring solutions. Among the products presented by Dräger Medical at this year's German Anesthesia Congress was the new Infinity® Kappa XLT monitor with a split screen that visualizes real-time vital parameters, patient data, as well as other relevant documentation and information.

€40.2 million went toward R&D in H1/2004, corresponding to 9.2 percent of the subgroup's sales.

In an ever fiercer competitive environment, Dräger Medical has generally upheld its position well and widened its market shares, despite the unchanged incertitude in German public health care policy and the still stifled propensity to invest.

Dräger Medical

		Q2/2004	Q2/2003	H1/2004	H1/2003
Order intake	**€ mill.**	**234.4**	**213.7**	**454.7**	**405.8**
Sales by regions					
Germany	€ mill.	73.0	67.6	124.2	113.0
Other Europe	€ mill.	76.2	65.3	156.8	131.1
Americas	€ mill.	40.5	35.6	74.2	58.5
Asia/Pacific	€ mill.	29.7	32.6	55.9	54.7
Other	€ mill.	14.8	9.8	23.9	20.2
Total sales	**€ mill.**	**234.2**	**210.9**	**435.0**	**377.5**
% of group sales	%	64.7	62.7	64.5	61.3
thereof inter-segment	€ mill.	1.2	1.0	3.2	2.8
Adjusted EBITDA•	**€ mill.**	**21.7**	**22.4**	**38.4**	**36.7**
depreciation/amortization	€ mill.	4.2	4.2	9.7	8.1
Adjusted EBIT••	**€ mill.**	**17.5**	**18.2**	**28.7**	**28.6**
one-time expenses for Siemens JV / Air-Shields	€ mill.	4.4	3.1	4.8	5.1
EBIT••	**€ mill.**	**13.1**	**15.1**	**23.9**	**23.5**
Capital employed•••	**€ mill.**	**715.1**	**304.0**	**715.1**	**304.0**
Capital expenditures	**€ mill.**	**5.9**	**4.1**	**12.2**	**8.1**
Net financial debts••••	**€ mill.**	**(151.8)**	**31.4**	**(151.8)**	**31.4**
Adjusted EBIT margin	**%**	**7.5**	**8.6**	**6.6**	**7.6**
Adjusted ROCE	**%**	**2.4**	**6.0**	**4.0**	**9.4**
Net financial debts ÷ adjusted EBITDA	**factor**	**(7.0)**	**1.4**	**(4.0)**	**0.9**
Period’s average headcount					
Germany		2,588	2,637	2,584	2,643
Abroad		3,244	2,530	3,201	2,532
Total		**5,832**	**5,167**	**5,785**	**5,175**

• EBITDA = earnings before interest expense, all taxes, depreciation and amortization
•• EBIT = earnings before interest expense and all taxes
••• total capital less non-interest debt as of June 30
•••• including receivables and payables from cash management systems as of June 30

Dräger Safety subgroup

- EBIT outpacing sales and up by 8.8 percent
- Processes improved and costs pruned for successful business

H1/2004 saw Dräger Safety generate an EBIT of €21.0 million, up 8.8 percent over the year-earlier €19.3 million and the reward for effective process improvement and cost-cutting programs. The EBIT margin climbed from 8.4 to 8.7 percent.

Worldwide H1/2004 sales by Dräger Safety mounted by 4.6 percent to €240.9 million (up from €230.2 million). In terms of LFL exchange rates, the gain was 6.4 percent, meaning that Dräger Safety's H1 earnings again outpaced sales.

Order intake grew to €262.3 million (up from €248.8 million by 5.4 percent or a parity-adjusted 7.2 percent).

It was the sharp surge in Q2 orders and sales that upgraded H1/2004 performance: Q2 order intake rose 11.0 percent (LFL parities 11.5 percent) to €131.6 million and sales 5.6 percent (LFL parities 6.6 percent) to €127.7 million, both well ahead of the year-earlier figures. The Q2 EBIT amounted to €11.6 million (up from €11.4 million).

The tangible assets newly added in the first six months of 2004 totaled €10.4 million (up from €9.1 million), again at a high level. Measuring 5.1 percent of sales, R&D expenditure added up to €12.4 million and mainly went toward work on new products. The new Polytron 7000 gas detection and measuring system typifies the direction in which this subgroup is heading, its modularity enabling users to themselves preselect ambient properties necessary for their monitoring duties. The resulting product is an entirely customized gas detection system. The two new X-am 3000 and X-am 7000 portable gas detectors firmed their footing in the marketplace. The two enable a multitude of pollution and contaminant sensors to be combined for a wide variety of measuring and monitoring functions in hazard management for industrial, utilities, waste disposal, firefighting and mining environments.

The subgroup's strategy of customer-driven safety systems solutions also met with a ready reception as demonstrated by a contract to develop, build and deliver rescue and firefighting trains for operation in stretches of Austrian Rail (ÖBB) tunnels. The underlying concept is a joint ÖBB-Dräger effort that has now been translated into practice.

America business was especially buoyant, with LFL-parity order influx up by some 21 percent. The sales uptrend was mainly driven by standard business and produced a parity-adjusted growth of 20.6 percent. Dräger Safety again successfully marketed the innovative technology of its products and services in America. Many US and Canadian companies increasingly opt for safety solutions from Lübeck.

While Asia/Pacific order intake was no longer driven by the SARS epidemic, volume business branched out. It was the firefighting, mining and maritime customers in particular that were ordering Dräger's safety gear to protect their staff and production facilities. Parity-adjusted sales surged 23.6 percent.

In many European countries, H1 business made good progress, too, with Europe in all advancing by 4.4 percent (order intake) and 2 percent (sales). Inside Germany, strained public-sector budgets depressed sales by a slight 2.0 percent. Elsewhere, the €2.3 million sales slide was caused exclusively by nonrecurring year-earlier project contracts, albeit here, too, volume business forged ahead. The new Dräger DrugTest found an eager echo on the European market. Extensive field tests of this innovative drug detection technology have been conducted in several countries with resounding success.

Dräger Safety

		Q2/2004	Q2/2003	H1/2004	H1/2003
Order intake	**€ mill.**	**131.6**	**118.6**	**262,3**	**248,8**
Sales by regions					
Germany	€ mill.	27.3	27.8	51.0	52.0
Other Europe	€ mill.	57.8	53.6	107.0	102.9
Americas	€ mill.	24.9	21.0	44.6	40.1
Asia/Pacific	€ mill.	14.4	14.2	29.9	24.5
Other	€ mill.	3.3	4.3	8.4	10.7
Total sales	**€ mill.**	**127.7**	**120.9**	**240.9**	**230.2**
% of group sales	%	35.3	36.0	35.7	37.4
thereof inter-segment	€ mill.	2.4	2.9	5.1	5.3
Adjusted EBITDA•	**€ mill.**	**15.2**	**14.8**	**28.1**	**26.1**
depreciation/amortization	€ mill.	3.6	3.4	7.1	6.8
Adjusted EBIT••	**€ mill.**	**11.6**	**11.4**	**21.0**	**19.3**
one-time expenses	€ mill.	0.0	0.0	0.0	0.0
EBIT••	**€ mill.**	**11.6**	**11.4**	**21.0**	**19.3**
Capital employed•••	**€ mill.**	**184.8**	**175.1**	**184.8**	**175.1**
Capital expenditures	**€ mill.**	**4.5**	**3.6**	**10.4**	**9.1**
Net financial debts••••	**€ mill.**	**25.4**	**26.8**	**25.4**	**26.8**
Adjusted EBIT margin	**%**	**9.1**	**9.4**	**8.7**	**8.4**
Adjusted ROCE	**%**	**6.3**	**6.5**	**11.4**	**11.0**
Net financial debts ÷ adjusted EBITDA	**factor**	**1.7**	**1.8**	**0.9**	**1.0**
Period's average headcount					
Germany		1,546	1,574	1,549	1,569
Abroad		1,859	1,832	1,856	1,831
Total		**3,405**	**3,406**	**3,405**	**3,400**

• EBITDA = earnings before interest expense, all taxes, depreciation and amortization

•• EBIT = earnings before interest expense and all taxes

••• total capital less non-interest debt as of June 30

•••• including receivables and payables from cash management systems as of June 30

Segment business trends

Holding Company, Others, Consolidation

Drägerwerk AG as holding company is an intragroup service provider, while its service and production companies mostly supply products or render services within the Dräger Group. The order intake and net sales reported for this segment include also third-party transactions, albeit to a minor extent, the negative data being attributable to inter-subgroup consolidation.

The group of service companies was downsized when, as of March 1, 2004, the IT companies were sold and transferred to Capgemini. Moreover, ProTech GmbH was taken over by Concord GmbH as of July 1, 2004. The residual service companies, viz. Dräger Interservices GmbH (logistics) and Dräger InTek GmbH (facility management), strongly intermesh with operational processes and remain part of the Dräger Group. Therefore, Drägerwerk AG will in future incur only minor expenses for structural and groupwide projects.

Prospects

With the takeover of Air-Shields and this company's actual inception in June, Dräger Medical is set to complete the integration of operations into the subgroup by the end of August. The expenses for further organizational measures after that date are covered by the €20 million budgeted in 2004 for the integration of the Siemens joint venture and other one-time programs.

Dräger Medical expects to achieve the budgeted targets for all of 2004.

Dräger Safety's business in H1 was supported by all product and service lines, thus endorsing this subgroup's market position. Dräger Safety has in 2004 consistently pursued its policy of product and technology portfolio enlargement and thereby cemented its position as provider of system solutions for holistic hazard management.

For the entire year 2004, Dräger Safety looks forward to achieving its targets.

The Dräger Group as a whole is confident regarding the achievability of the expected sales gain of 10+ percent and budgeted earnings improvement for fiscal 2004.

Holding Company
Others
Consolidation

		Q2/2004	Q2/2003	H1/2004	H1/2003
Order intake	**€ mill.**	**0.4**	**3.4**	**(0.7)**	**11.1**
Sales by regions					
Germany	€ mill.	(0.2)	4.3	(1.2)	8.6
Other Europe	€ mill.				
Americas	€ mill.				
Asia/Pacific	€ mill.				
Other	€ mill.				
Total sales	**€ mill.**	**(0.2)**	**4.3**	**(1.2)**	**8.6**
% of group sales	%	(0.1)	1.3	(0.2)	1.4
Adjusted EBITDA•	**€ mill.**	**(1.7)**	**(0.3)**	**(4.8)**	**(1.5)**
depreciation/amortization	€ mill.	1.2	3.2	3.9	7.8
Adjusted EBIT••	**€ mill.**	**(2.9)**	**(3.5)**	**(8.7)**	**(9.3)**
one-time expenses	€ mill.	0.0	0.0	0.0	0.0
EBIT••	**€ mill.**	**(2.9)**	**(3.5)**	**(8.7)**	**(9.3)**
Capital employed•••	**€ mill.**	**7.3**	**63.7**	**7.3**	**63.7**
Capital expenditures	**€ mill.**	**0.8**	**2.3**	**3.2**	**5.0**
Net financial debts••••	**€ mill.**	**202.0**	**115.7**	**202.0**	**115.7**
Period's average headcount					
Germany		867	1,624	918	1,626
Abroad		7	11	7	12
Total		**874**	**1,635**	**925**	**1,638**

• EBITDA = earnings before interest expense, all taxes, depreciation and amortization
•• EBIT = earnings before interest expense and all taxes
••• total capital less non-interest debt as of June 30
•••• including receivables and payables from cash management systems as of June 30

Future-oriented statements

This interim report contains statements and forecasts referring to the Dräger Group's and its companies' future development, as well as economic and political trends. These forecasts are estimates based on all the information available to us to date. If the underlying assumptions do not materialize, or if further risks surface, the actual figures may differ from such estimates and currently expected results. We therefore do not give any warranty for such statements and estimates.

Financial diary

H1/2004 report Conference call	August 12, 2004
3Q/2004 report Conference call	November 11, 2004
Annual stockholders' meeting	June 10, 2005
Annual stockholders' meeting	June 2, 2006

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