

Ad-hoc notification in accordance with Sec. 17 of the MAR

Drägerwerk AG & Co. KGaA: Dräger reports lower turnover in second quarter; EBIT on prior year level

Based on preliminary figures, Drägerwerk AG & Co. KGaA recorded net of currency effects a 0.9 percent (nominally -2.0 percent) increase in order intake year-on-year in the second quarter of 2016. Net sales declined net of currency effects by 6.3 percent (nominally -8.7 percent) to EUR 579.0 million. The gross margin stood at 45.5 percent (Q2 2015: 44.6 percent). The decline in net sales was nearly offset by a reduction in functional expenses. EBIT for the quarter stood at EUR 21.2 million, on par with the prior-year quarter (Q2 2015: EUR 21.7 million).

For the first half of the year, this resulted in a year-on-year increase in order intake of 0.5 percent net of currency effects (nominally -2.3 percent) and a decline in net sales by 3.3 percent net of currency effects (nominally -5.8 percent). The gross margin was 43.8 percent (6 months 2015: 45.8 percent). Compared to the prior-year period, functional expenses decreased net of currency effects by 5.0 percent (nominally -6.4 percent) due to the effects of the efficiency program in the first half of 2016. Total EBIT was EUR 5.5 million (6 months 2015: EUR 22.7 million). The EBIT margin fell from 1.9 percent in the prior-year period to 0.5 percent. Negative currency effects impacted the EBIT margin by roughly 2 percentage points.

Weak demand in South America and the Middle East is primarily responsible for the subdued business performance. Demand in many other European countries also failed to meet the strong prior-year figures.

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

Dräger will publish its full results for the first six months of the fiscal year on July 28, 2016.

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