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Drägerwerk AG & Co. KGaA

German Investment Conference
UniCredit

Munich, September 28, 2011

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Interim financial reports as well as preliminaries are not audited.

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Overview and highlights



Our products must be absolutely reliable at all times.

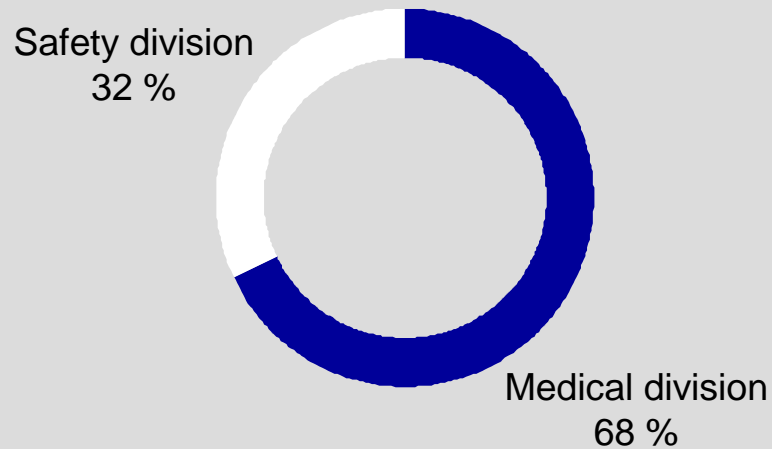
People trust us with their most precious possession – their lives.

Dräger at a glance in financial year 2010

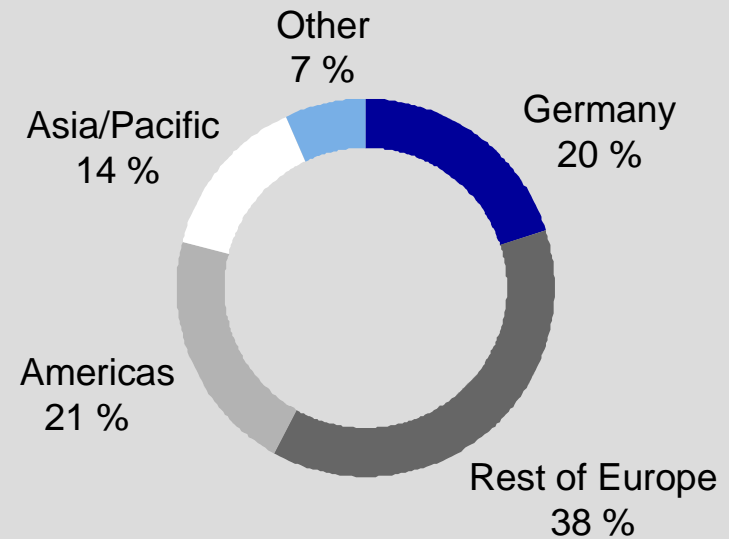


Net sales	EUR 2,177 million	EBITDA	EUR 247 million (11.3 % margin)
Employees	11,291	EBIT	EUR 193 million (8.9 % margin)

Net sales by division¹



Net sales by region



¹ Net sales third parties

Strong growth track record resulting from continuous innovation and market penetration

Dräger net sales development



Source: International Monetary Fund, World Economic Outlook Database, October 2010.

The diversified target markets, in which Dräger either holds a leading market position or targets such position in the mid-term, offer attractive growth and margin profiles.

Medical division

Anesthesiology



- #1 in Europe
- #2 in the US market for anesthesia devices and vaporizers

Respiratory Care



- #1 in Europe
- #3 in the US market for ventilators

Neonatal Care & Thermoregulation



- #2 worldwide
- #1 in Europe for incubators and phototherapy

Monitoring, Systems & IT



- #3 worldwide for monitoring
- Infinity Acute Care System
- IT network solutions
- Telemetry and IT solutions

Infrastructure Projects



- Integrated workplace solutions
- Project business
- Gas management, architectural systems
- Medical lights

Lifecycle Solutions



- Training and service
- Consumables and accessories
- Multivendor services

Note: Market position based on Dräger's market knowledge and its own assessment of market position; positions ranked according to net sales, for monitoring depending on market definition.

The market leading technologies to save, support and protect peoples' lives, assets and the environment offer strong growth and margin prospects for Dräger in its attractive niche markets.

Safety division

Gas Detection Systems



- #1 position worldwide and in Europe
- #3 in the US market

Occupational Safety Equipment



- Breathing protection and air purifying respiratory protection

Alcohol Detection



- #1 worldwide

Protecting Equipment



- Protection equipment for hazardous working environments

Firefighter Breathing Apparatus



- #2 worldwide in integrated breathing protection for fire departments

Engineered Solutions



- Project business
- Engineered systems solutions
- Management of selected customers' safety processes

Note: Market positions based on Dräger's market knowledge and its own assessment of market position; positions ranked according to net sales.

Highlights



- 1 Medical and safety technology providing long-term growth prospects in developed and emerging markets
- 2 Leading market positions in attractive sub- and niche markets
- 3 Technology and innovation leadership
- 4 Strong brand and long-term customer relationships
- 5 Resilient business model
- 6 Successful implementation of “turnaround program”







Medical and safety technology providing long-term growth prospects in developed and emerging markets

	Medical division	Safety division
Attractive growth prospects in sizeable markets ...	<ul style="list-style-type: none"> Global market for medical equipment expected to show 7.3 %¹ average growth p.a. until 2014, significantly exceeding growth in many other sectors Strong growth prospects in both developed and emerging markets Relevant market volume around EUR 7 billion² 	<ul style="list-style-type: none"> Very diversified markets with numerous product and service offerings Attractive growth prospects on the back of positive outlook for target sectors (e.g. oil and gas, mining, chemicals) and growing safety investments Relevant market volume around EUR 5 billion² with ~50 %² accounting for personal protection, 38 %² for gas detection, and 12 %² for engineered solutions
... in Europe and the US ...	<ul style="list-style-type: none"> Rapidly aging population and consequently increasing healthcare expenditure Increasing demand for medical equipment to improve clinical workflows and efficiency Old equipment with limited functionality; requires significant investments into new equipment 	<ul style="list-style-type: none"> Increasingly stricter safety regulations Rising environmental awareness Improved outlook for target markets
... as well as in emerging markets	<ul style="list-style-type: none"> Strong growth of GDP and population resulting in a demand for improved medical services Political benefits from investments in health care sector 	<ul style="list-style-type: none"> Increasingly higher safety standards Increasing industrial hygiene awareness Strong growth of key customer sectors

¹ Espicom Business Intelligence, The World Medical Markets Fact Book, June 2009.

² Dräger Group estimates.

Leading market positions in attractive sub- and niche markets

Selected market leading positions	Anesthesiology		<ul style="list-style-type: none"> ▪ #1 in Europe ▪ #2 in the US market
	Respiratory Care		<ul style="list-style-type: none"> ▪ #1 in Europe ▪ #3 in the US market
	Neonatal Care		<ul style="list-style-type: none"> ▪ #2 worldwide ▪ #1 in Europe
	Gas Detection Systems		<ul style="list-style-type: none"> ▪ #1 worldwide and in Europe ▪ #3 in the US market
	Alcohol Detection		<ul style="list-style-type: none"> ▪ #1 worldwide
	Integrated Breathing Protection		<ul style="list-style-type: none"> ▪ #2 worldwide in integrated breathing protection for fire departments

Combine products to engineered systems and full lifecycle management solutions, including service, accessories and consumables as well as continuous training organized and managed by the Dräger Academy.

Note: Market positions based on Dräger's market knowledge and its own assessment of market position; positions ranked according to net sales.

Strong R&D focus

- Approximately 1,000 employees in R&D around the globe
- EUR 148 million spent for R&D activities in 2010 (6.8 % of net sales)
- Tradition for innovation and quality leadership
- Very close collaboration with customers to develop new and improve existing products
- R&D focus on integration of various products and services, e.g. Infinity M300
- Strong focus on optimization of R&D activities in the context of the turnaround program
- R&D strives to leverage advantage of using same technology for different market segments and products (e.g. in gas sensors)
- Technological competency and high quality standards result in leading market positions and high barriers to entry

Innovations to enhance future growth (examples)



Babylog VN500

Conventional and non-invasive ventilation for premature babies



X-zone 5000

Mobile detection system that emits an alarm signal of around 100dB as soon as hazardous gas is detected



EIT device

Allows to literally look into lungs during ventilation; based on Electric Impedance Tomography (EIT)

Well established “Dräger” brand

- More than 120 years presence in many target markets
- Globally high brand recognition due to high innovation rate and internationality
- Well known for product quality and reliability, e.g. for anesthesiology and respiratory care in medical division and gas detection systems in safety division
- In the US, “Draegerman” is the generic term for mine rescue staff and “Dräger-Tubes®” is synonym for portable gas detectors

In-depth customer understanding

- Strong focus on being very close to the customer
- In many cases, customers have been with Dräger for decades
- Customer intimacy secured by global marketing, sales and service network with more than 5,500 employees
- Allows for targeted product and service offerings for individual markets (e.g. specific solutions for emerging markets)
- Large installed base allows to gather broad market feedback

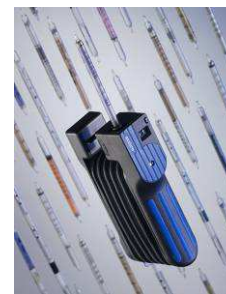
“Draegerman”

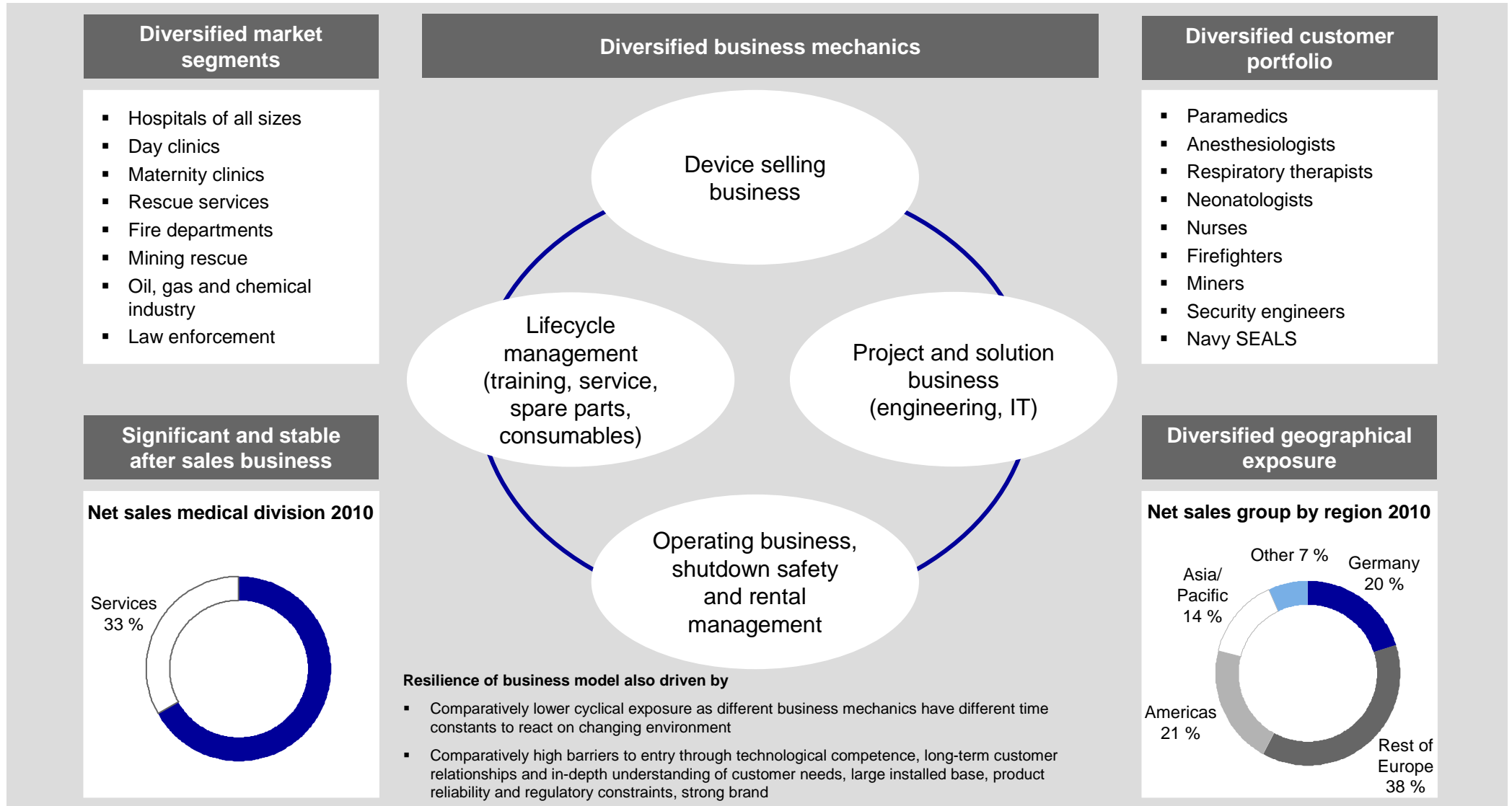
The generic term for mine rescue staff in North America



“Dräger-Tubes®”

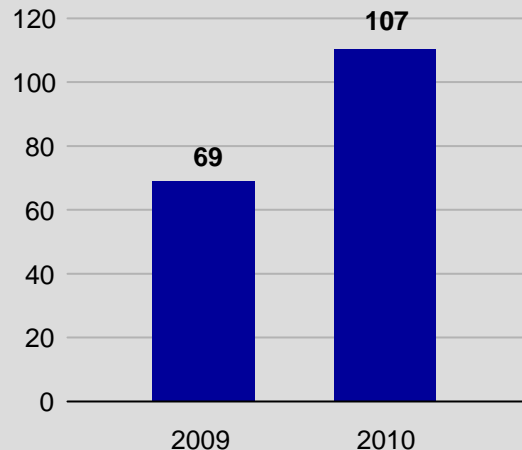
The synonym for hazardous gas spot check in USA





With the turnaround program (initiated in Q2 2009), Dräger has initiated an ambitious cost saving and efficiency program, which has delivered significant results.

Cost saving effects (EUR million)¹



- 2009: EUR 69 million cost savings and efficiency gains realized before EUR 19 million implementation costs
- 2010: EUR 107 million cost savings and efficiency gains realized before EUR 3 million implementation costs

Key initiatives

Reduction of material costs

- Renegotiations of supplier contracts
- Reduction of number of suppliers
- Significant reduction in travel and telecommunication costs

Reduction of personnel costs

- Enhanced efficiency in administrative functions
- Closure of production plant in the Netherlands (completed in Q2 2010)
- Accommodation of capacity to market development (US)

Efficiency enhancements

- Implementation of production efficiency programs
- Improved R&D processes and project management
- Reorganization of global sales and service force
- Consolidation of US facilities

Improved liquidity management

- Already positive effects on cash flow in 2009 due to reduced net working capital
- New tools and processes for working capital management

400 individual measures initially identified and dedicated project team set-up.

¹ Cost savings effects p.a. before implementation costs (against net sales, cost structure and exchange rates in 2008).

Strategy for sustained profitable growth in highly attractive markets



Building on a clearly defined strategy and enjoying the benefits of being a capital-markets-oriented family business, Dräger targets a 10 % Group EBIT margin in the mid-term.

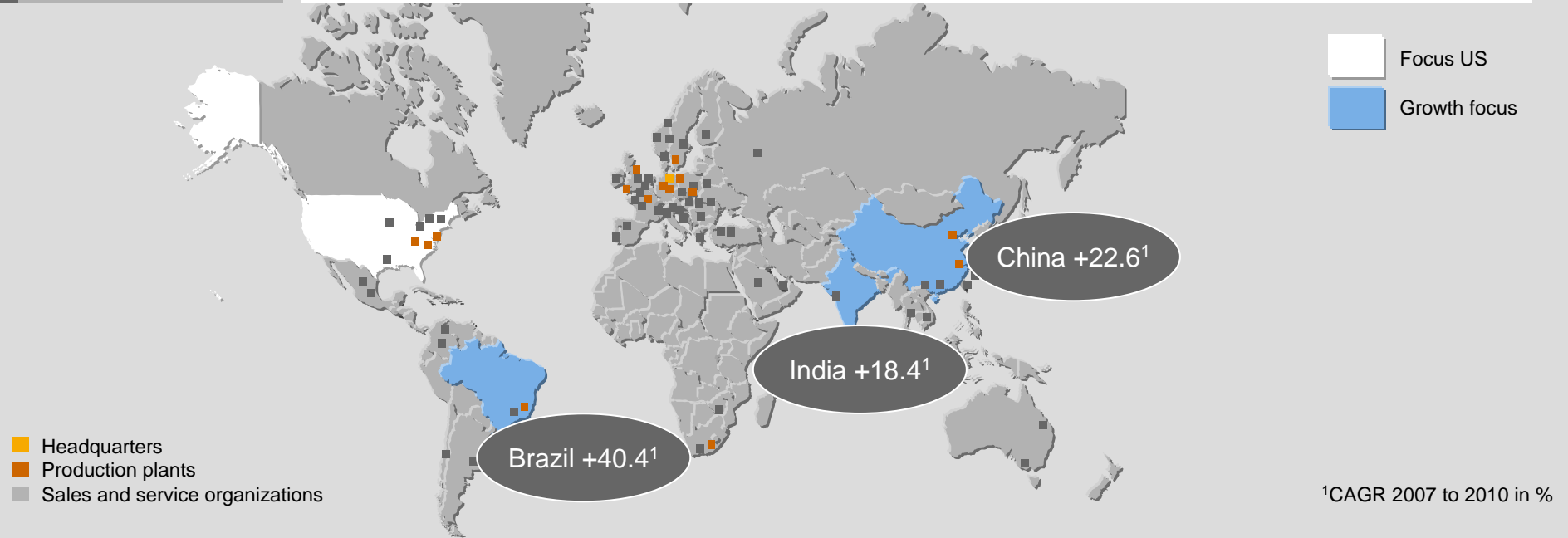


Growth Margin

1	Expansion of leading market positions in attractive markets	✓	
2	Profitable expansion in emerging growth markets	✓	
3	Innovation process improvement	✓	✓
4	Further expansion of service and accessory business	✓	✓
5	Profitability improvements through the turnaround program		✓
6	Manage diversity and capture synergies between the divisions	✓	✓
Continuity as capital-markets-oriented family business			Long-term success

Well-defined strategy to exploit strong growth potential and to grow the bottom line (1)

1	Expansion of leading market positions in attractive markets	<ul style="list-style-type: none"> Continued focus on target markets with above-average growth potential (e.g. US) Build on market leading positions in key target markets Expand market shares through capitalizing on Dräger's competitive strengths
2	Profitable expansion in emerging growth markets	<ul style="list-style-type: none"> Particular growth potential seen in strongly growing markets in China, Brazil and India Capitalize on significant investments into China and Brazil done in previous years, including expansion of sales and service network and a build-up of specific market knowledge Enhance engagement with partners in India to expand locally with R&D, manufacturing, sales and after sales business Enhance focus on the specific needs and product requirements of emerging markets; "walking the pyramid" strategy



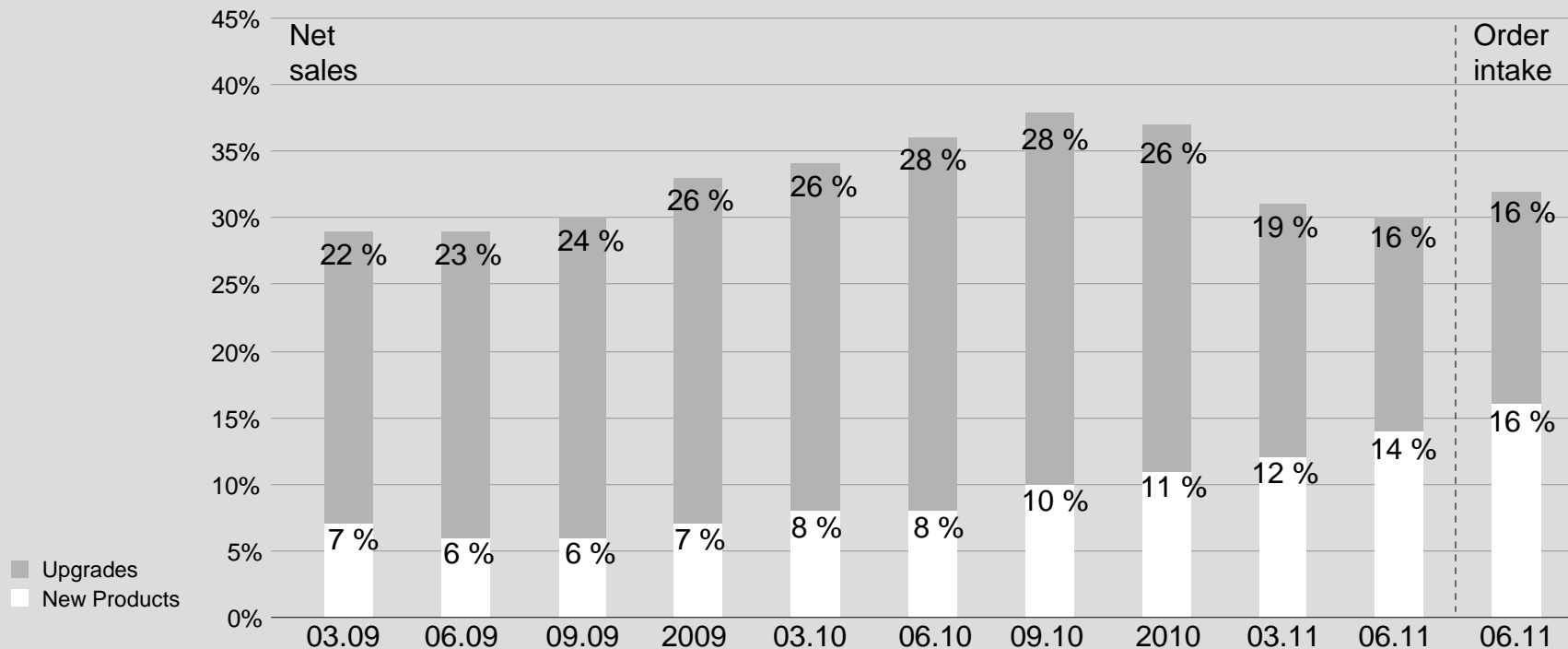
Well defined strategy to exploit strong growth potential and to grow the bottom line (2)

3

Innovation process improvement

- Continued development of new innovative products and introduction of product upgrades
- Increasing net sales share of new products
- Continued strong investments in R&D

Share on new products and upgrades medical division¹

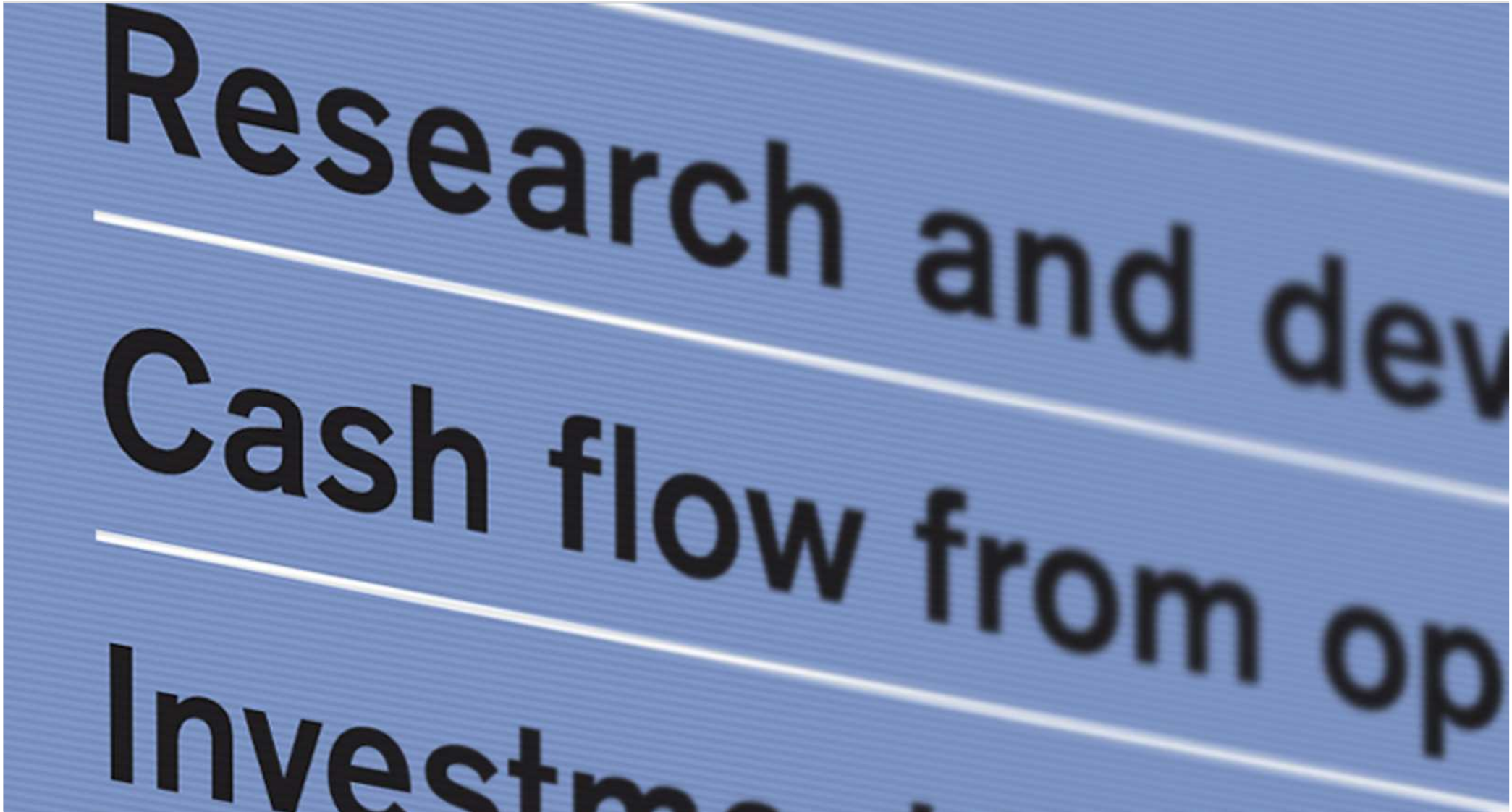


¹ Launched in the last 3 years; products are regarded as new, if they enable Dräger to either enter a new market segment or if products are regarded as completely new according to Dräger's customers and Dräger's sales force. Upgrades are those products, which serve existing Dräger markets, but their functionality is perceived as significantly enhanced by Dräger's customers and Dräger's sales force.

Well-defined strategy to exploit strong growth potential and to grow the bottom line (3)

4	Further expansion of service and accessory business	<ul style="list-style-type: none"> ▪ Capitalize on large installed base to expand after sales business ▪ Continued expansion of service and spare parts offering ▪ Focus on combined sale of equipment and after sales contracts
5	Profitability improvements through the turnaround program	<ul style="list-style-type: none"> ▪ Turnaround program projected to yield significant cost savings <ul style="list-style-type: none"> – Measures clearly defined and implementation completed – Covers cost savings and efficiency enhancements across all functional areas ▪ EUR 100 million total run-rate cost savings already achieved by 2010¹
6	Manage diversity and capture synergies between the divisions	<ul style="list-style-type: none"> ▪ Leverage “One Dräger” and benefit from Siemens buy-out through synergies between the divisions ▪ Efficiency benefits in administration and purchasing of about EUR 10 million from 2011 onwards ▪ Implement functional management structure also for sales and marketing <ul style="list-style-type: none"> – Manage the diversity of customer groups to improve the effectiveness for facilitating growth – Save costs and improve efficiency to facilitate profitability ▪ Benefit from running medical business independently of Siemens’ strategic interests
Continuity as capital-markets- oriented family business		<ul style="list-style-type: none"> ▪ Strategy driven by long-term visions and sustainable decisions ▪ Positioning Dräger as a reliable partner for all stakeholder groups ▪ Capital markets orientation with clear commitment to corporate governance, transparency and comprehensive investor communication

¹ Against net sales, cost structure and exchange rates in 2008.



Income statement – Dräger Group

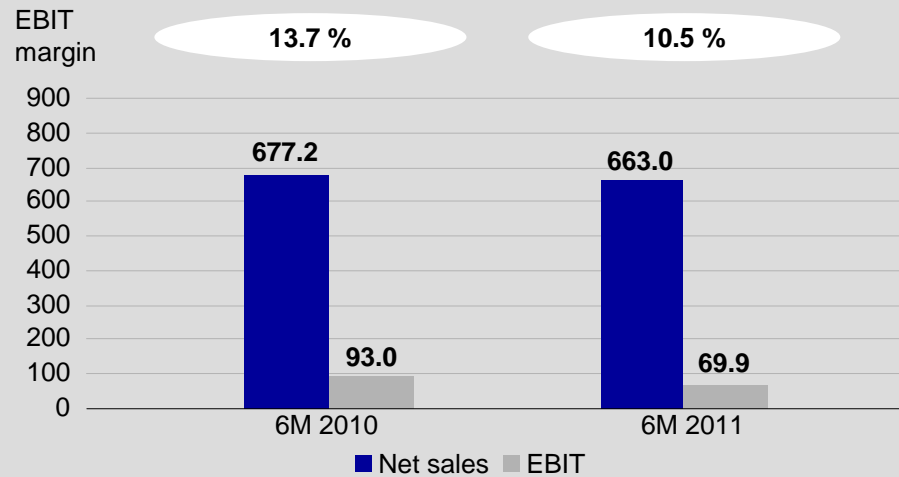
(EUR million)	2008	2009	2010	6M 2010	6M 2011
Net sales	1,924.5	1,911.1	2,177.3	1,016.8	1,033.3
<i>% growth</i>	+5.8 %	-0.7 %	+13.9 %	+13.7 %	+1.6 %
COGS	-1,038.2	-1,079.4	-1,133.2	-527.7	-519.6
Gross profit	886.3	831.7	1,044.1	489.1	513.7
R&D	-142.0	-149.4	-148.4	-68.1	-76.5
SG&A	-623.8	-596.6	-689.1	-319.2	-339.8
Other ¹	-14.8	-5.7	-13.8	0.8	-2.9
EBIT	105.8	80.1	192.8	102.6	94.5
<i>% margin</i>	5.5 %	4.2 %	8.9 %	10.1 %	9.1 %
Net profit	49.4	32.5	104.8	55.9	53.7
EBITDA	166.3	146.0	246.6	128.8	120.8
<i>% margin</i>	8.6 %	7.6 %	11.3 %	12.7 %	11.7 %

¹ Including financial result as reported which includes charges from valuation of Siemens' cash-settled options but excludes net interest expenses.

Strong results in the first six months 2011



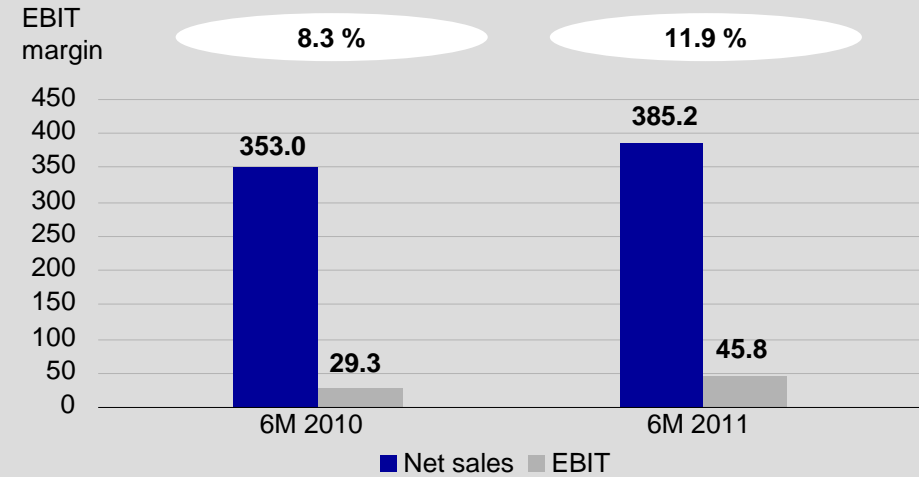
Medical division (EUR million)



- Order intake above the same period in the previous year
- Net sales slightly below previous year due to a large project order from Brazil in 2010
- EBIT despite a stable gross profit margin based on a favourable product mix below previous year due to higher functional costs

* Currency adjusted

Safety division (EUR million)

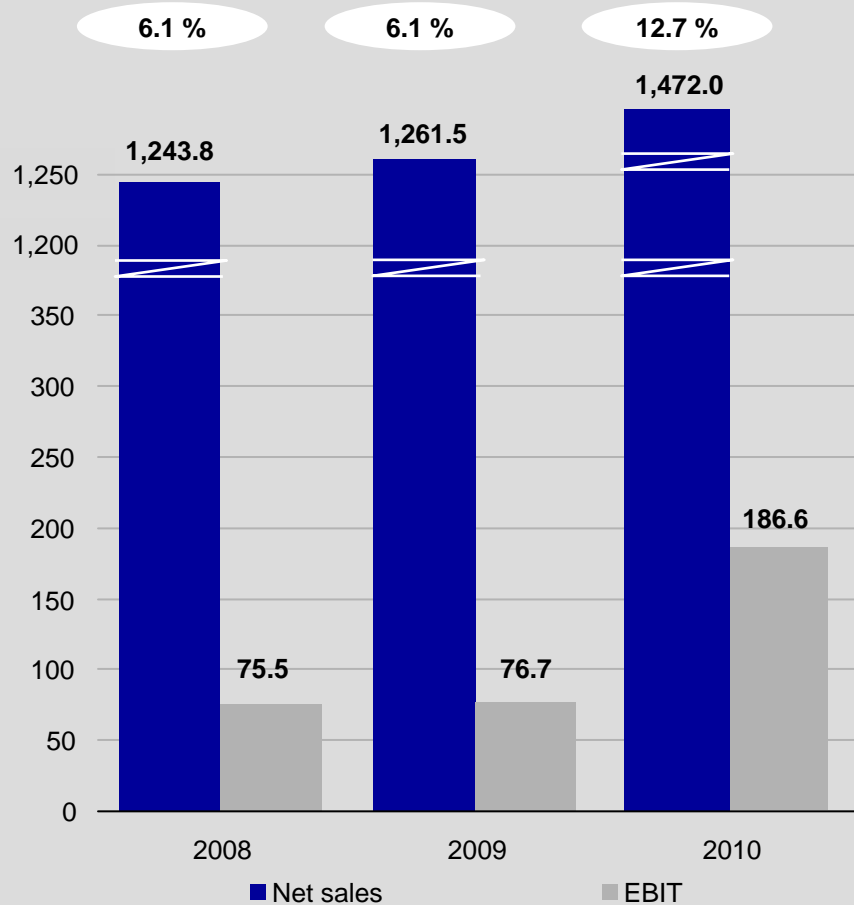


- Order intake and net sales clearly above previous year
- Orders on hand overall 4.9 %* above the same period in the previous year mainly due to strong growth in the regions Rest of Europe (+15.5 %*), Asia/Pacific (+46.8 %*) and Other (+21.4 %*)
- EBIT clearly above previous year due to shifts in the product mix towards more profitable products

Financial performance – Medical division



Net sales, EBIT and EBIT margin (EUR million)



Comments

2010 vs. 2009

- Orders on hand currency adjusted 11.1 % below previous year amongst others due to several orders related to the H1N1 virus in the same period of the previous year
- Net sales currency adjusted 12.4 % above previous year especially related to strong growth in the regions Americas and Asia/Pacific
- EBIT 143.3 % above previous year amongst others due to growth in net sales, positive currency effects, a favorable product mix, momentum gained by new products as well as savings from the turnaround program

2009 vs. 2008

- Slight sales increase in difficult economic environment due to positive developments in infrastructure projects and lifecycle solutions segments
- Negative currency effects were offset by higher than originally expected turnaround program savings resulting in a flat EBIT margin (6.1 %)

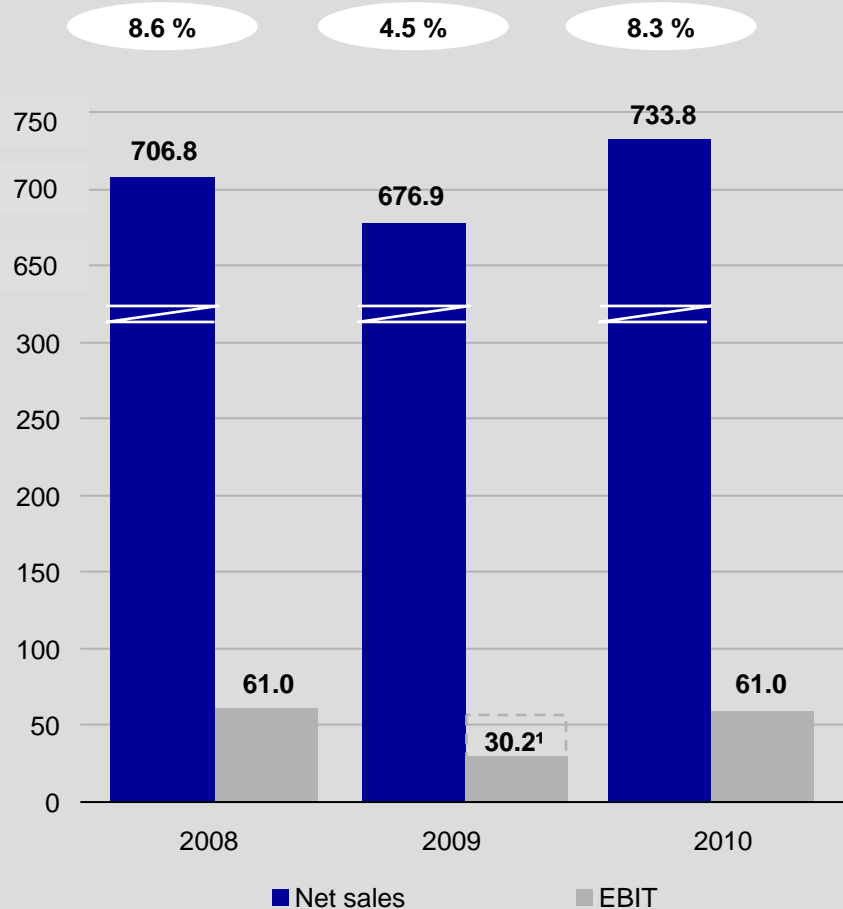
2008 vs. 2007

- 2.8 % rise in net sales particularly driven by higher volumes in South America, Russia and Southeast Europe
- Decrease in EBIT margin to 6.1 % mainly due to product launches, product mix effects and currency effects

Financial performance – Safety division



Net sales, EBIT and EBIT margin (EUR million)



¹ Including one-off losses from deep-sea diving systems amounting to EUR 30.0 million.

Comments

2010 vs. 2009

- Net sales currency adjusted 3.8 % above previous year especially due to strong growth in the regions Americas and Other
- EUR 2.7 million negative earnings effect due to deep-sea diving systems business (2009: EUR 30.0 million)
- EBIT 102.3 % above previous year amongst others due to a favorable product mix, positive currency effects and high capacity utilization at production sites

2009 vs. 2008

- Positive effects from higher public sector orders more than offset by decrease of orders from individual customers
- Significant margin decrease to 4.5 % mainly related to write-offs on deep-sea diving systems (EUR 30.0 million)
- Without the write-offs, EBIT would have remained largely flat despite a lower level of sales

2008 vs. 2007

- Strong sales growth driven by favourable business development in Rest of Europe and Asia/Pacific
- EBIT margin decrease to 8.6 % due to currency effects and shifts in product mix

Cash flow statement – Dräger Group



(EUR million)	2008	2009	2010	6M 2010	6M 2011
Group net profit	49.4	32.5	104.9	55.9	53.7
<i>Change in inventories</i>	-25.9	33.1	-42.6	-48.9	-14.7
<i>Change in accounts receivable</i>	0.0	40.5	2.2	16.2	21.6
<i>Change in accounts payable</i>	21.0	2.6	43.7	6.6	-35.1
Change in net working capital	-4.9	76.2	3.3	-26.0	-28.2
Depreciation and amortization	60.5	65.8	53.7	26.2	26.4
Other operating cash flow items	-0.3	19.0	57.3	-30.9	-38.1
Cash inflow from operating activities	104.7	193.5	219.1	25.1	13.8
Net capital expenditures	-73.8	-41.0	54.3	-19.0	-29.2
Other investing cash flow	-2.4	-1.4	2.0	+1.6	0.0
Cash outflow from investing activities	-76.2	-42.4	-52.2	-17.4	-29.2
Free cash flow	28.5	151.0	166.9	7.7	-15.4

Outlook and mid-term perspective



	2010	2011	Mid-term
Order intake	+8.5 % <i>(currency adjusted +4.1 %)</i>	At least world economic growth ¹	
Net sales	+13.9 % <i>(currency adjusted +9.5 %)</i>	1-2 % below growth of order intake	Growing faster than relevant markets
EBIT margin	8.9 %	EBIT margin between 8.0 % und 9.5 % ²	At least 10 % target margin

¹IMF forecast (June 2011) +4.3 %

²Higher expenses for planned investments into product development, expansion of the sales and marketing organization and improvement of the worldwide IT infrastructure expected

Summary



Our markets	<ul style="list-style-type: none">▪ Attractive markets each providing long-term growth prospects▪ Wide range of sub-markets and niche markets addressed by Dräger▪ All segments are related to life; quality and reliability are of greatest importance▪ Highly regulated products and high entry barriers for new entrants▪ Relationship-driven business less driven from one-off transactions
Our strengths	<ul style="list-style-type: none">▪ Leading market positions in attractive sub- and niche markets▪ Technology and innovation leadership▪ Strong brand and long-term customer relationships▪ Resilient business model▪ Successful implementation of “turnaround program”
Our strategy	<ul style="list-style-type: none">▪ 10 % EBIT margin target▪ Growth through expansion of market leading positions on a geographical scale, expansion in emerging markets, new products, higher share of after sales, systems and solution business, manage diversity to improve effectiveness▪ Margin upside e.g. through innovation process improvements and benefits from synergies between the divisions
Company principles	<ul style="list-style-type: none">▪ “Technology for Life”: Dräger products protect, support and save lives▪ Continuity as capital-markets-oriented family business



Appendix

1. Executive Board

2. Shareholder structure

3. Financial calendar

4. Contact

Executive Board of Drägerwerk Verwaltungs AG



Stefan Dräger
CEO



Dr. Herbert Fehrecke
CTO



Gert-Hartwig Lescow
CFO



Toni Schrofner
COO



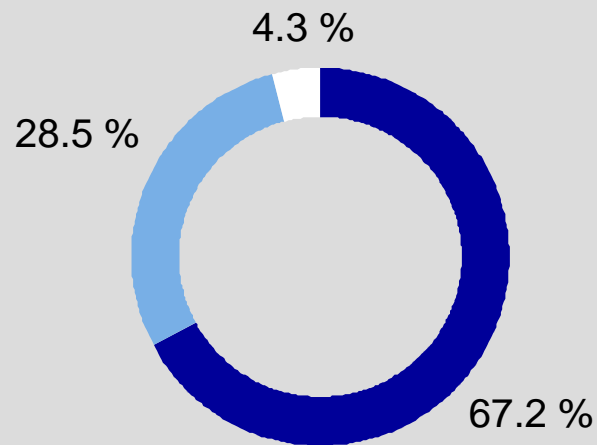
Dr. Carla Kriwet
CSMO

Shareholder structure



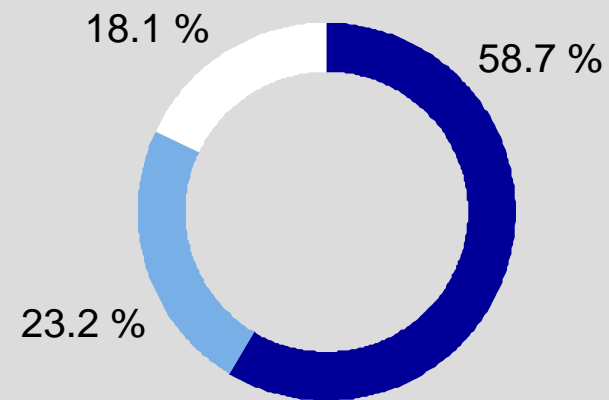
10,160,000 common shares (28.5 % free float)
6,350,000 preferred shares (100.0 % free float)

Shareholding
Common shares



- Dr. Heinrich Dräger GmbH
- Free float
- Members of the Dräger family

Shareholding
Dr. Heinrich Dräger GmbH



- Stefan Dräger GmbH
- Dräger Foundation
- Successors of Dr. Heinrich Dräger

Financial calendar



- | | |
|-------------------|--|
| 14.01.2011 | - Preliminaries 2010 |
| 16.03.2011 | - Accounts press conference, Hamburg
- Analysts' meeting, Frankfurt |
| 04.05.2011 | - Report for the first three months 2011
- Conference call, Lübeck |
| 06.05.2011 | - Annual shareholders' meeting, Lübeck |
| 04.08.2011 | - Report for the first six months 2011
- Conference call, Lübeck |
| 03.11.2011 | - Report for the first nine months 2011
- Conference call, Lübeck |

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