

Information for the capital market

31. August 2010

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Dräger replaces variable acquisition component and strengthens equity

- Option for the issue of preferred shares instead of cash payment
- Reduction of liabilities
- Strengthening equity

Lübeck – On August 30, Drägerwerk AG & Co. KGaA replaced the cash settled option for the acquisition price of the 25 percent stake in the medical division by issuing an equity settled option on 1.25 million preferred shares. As soon as the option is exercised, Dräger will issue new preferred shares in lieu of a cash payment. The option with a strike price of EUR 64.12 matures on April 30, 2015. Based on the current status quo, Dräger would generate proceeds of EUR 80.15 million by issuing 1.25 million new preferred shares on executing the option in full.

Apart from the fixed component of the purchase price totaling EUR 243.5 million (EUR 175 million in cash and a vendor note of EUR 68.5 million issued by Siemens), Siemens and Dräger had originally agreed a variable purchase price component, which is based on the price development of the preferred share and capped at a maximum of EUR 50 million (cash settled option).

Due to the positive development of the Dräger preferred share compared to December 31, 2009, the value of the option component of the purchase price has increased. In the period January 1, 2010, until August 30, 2010, EUR 11.8 million were subsequently recognized as an expense in other financial result. In the future, fluctuations in the value of the option will no longer be recognized in profit and loss.

Equity ratio further strengthened

As the cash settled option is being replaced by an equity settled option, Dräger is strengthening the company's equity base by EUR 26.5 million. In the course of replacing the cash settled option with an equity settled option, which does not limit the gains derived during exercising the option, Siemens waived the repayment of EUR 8.5 million from the vendor note as agreed given the higher current value of this option alternative. The option

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was recognized as a liability of EUR 18.0 million on August 30, 2010.

Liabilities have decreased by a total of EUR 26.5 million in conjunction with the reduction of the vendor note.

“Further strengthening our equity base, the advantages from buying back the Siemens shares in the medical division and the successful turnaround are excellent foundations for the company’s sustained growth,” highlighted Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG.

Disclaimer

This publication serves information purposes and constitutes neither an offer to sell nor a solicitation to buy any securities of Drägerwerk AG & Co. KGaA. The new shares issued in connection with the capital increase have already been placed.

This information for the capital market contains forward-looking statements regarding the future development of the Dräger Group. These forward-looking statements are based on the current expectations, presumptions, and forecasts of the Executive Board as well as the information available to it to date and have been prepared to the best of its knowledge and belief. No guarantee or liability for the occurrence of the future developments and results specified can be assumed in respect of such forward-looking statements. Rather, the future developments and results are dependent on a number of factors. They entail risks and uncertainties beyond our control and are based on assumptions which could prove to be incorrect. Notwithstanding any legal requirements to adjust forecasts, we assume no obligation to update the forward-looking statements contained in this report. You will find all key financial dates on our website at www.draeger.com under Investor Relations/Financial Calendar.

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