

Press release

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Annual shareholders' meeting passes resolution on the issue of equity settled options

Lübeck – The annual shareholders' meeting of Drägerwerk AG & Co. KGaA has passed the resolution proposed by the general partner and the Supervisory Board on replacing the variable component of the purchase price of the 25 percent share in the medical division with the issue of an equity settled option. Apart from the fixed component of the purchase price of 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 agreed on a variable purchase price component, which is based on the development of the preferred share and capped at a maximum of EUR 50 million (cash settled option).

Equity base improved – liquidity saved

In order to issue the equity settled option on preferred shares, the common stock must be increased by issuing new common shares. Should the option be exercised after this increase has been carried out, Dräger will issue new preferred shares instead of paying cash. By replacing the cash option component with an equity instrument, the company's equity base will be improved. "This enables us to save our liquidity, which we can then use for achieving additional net sales and earnings potential," explains Stefan Dräger, Chairman of the Executive Board of Drägerwerk Verwaltungs AG. Although the option would no longer be capped at EUR 50 million, EUR 8.5 million of Dräger's note loan would be written off. In addition, it would no longer be required to recognize fluctuations in the value of the option in the balance sheet. This effect would otherwise have been able to impact the development of the Dräger share. "This problem has been solved with today's decision and no longer stands in the way of a positive share price development," says Dräger.

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Shareholder-friendly dividend policies

“Now more than ever, we would like to involve you, our shareholders, in the success of our company,” announced Dräger at the annual shareholders’ meeting. “As soon as we have achieved an equity ratio of 30 percent, we will propose to distribute around 30 percent of our net profit as a dividend for shareholders and owners of participation certificates.” Replacing the variable purchase price component with an equity settled option would be an important step in that direction.

Disclaimer

This press release 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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