

Report of the General Partner on agenda item 6 regarding the grounds for the authorisation of the General Partner to exclude shareholders' pre-emptive subscription rights when preference shares held in treasury are used

Drägerwerk AG & Co. KGaA shall again be given the option to purchase own shares at this year's Annual General Meeting.

The authorisation granted to the General Partner under agenda item 6 stipulates that the Company may purchase own preference shares representing up to 10% of the Company's share capital and either use the treasury shares for another purpose or retire them. The aim is to enable the General Partner to use this internationally common financing instrument in the interests of the Company and its shareholders. The authorisation to purchase shares may be exercised only until 7 November 2010.

In purchasing own shares, the principle of equal treatment of shareholders under the German Stock Corporation Act (AktG) shall be observed. If shares are purchased in the context of a public tender offer and the public offer is oversubscribed or if in the case of an invitation to tender there are several equivalent tenders but not all of them are accepted, the tenders may be accepted in proportion to the number of shares tendered or offered. Pursuant to agenda item 6 c) (2), however, the preferential acceptance of tenders for smaller quantities up to a maximum of 100 shares per shareholder is permitted. This option serves to avoid fractional amounts when setting the number of shares to be purchased and any residual amounts, thus facilitating the technical settlement of the transactions. This does not in any way operate to the detriment of the shareholders.

The resolution on the authorisation also stipulates under d) and e) that the shares may be used for purposes other than selling them on the open market or offering them to all shareholders or that they may be retired by the General Partner with the consent of the Supervisory Board.

Paragraph d) of the authorisation provides for the option to exclude the shareholders' pre-emptive subscription rights when the shares are used, subject to the consent of the Supervisory Board:

Alternative (1) serves the interests of Drägerwerk AG & Co. KGaA because it makes it possible for the Company in specific appropriate instances to acquire companies, parts of companies or equity interests in companies in exchange for preference shares in Drägerwerk

AG & Co. KGaA. This form of consideration is increasingly in demand on the market for corporate acquisitions and equity participations. Going forward, this will enable the Company to react flexibly and to take advantage of opportunities as they present themselves to acquire companies, parts of companies or equity interests in companies, both domestically and abroad. The General Partner shall ensure that the interests of the shareholders are reasonably taken into consideration when determining the pricing ratios. At present, there are no concrete plans for any acquisitions.

The pre-emptive rights exclusion in alternative (2) also makes it possible to optimise the free float through the targeted sale of preference shares to institutional investors and new shareholder classes in Germany and abroad against cash payment. This enables management to take advantage of opportunities that present themselves based on prevailing market conditions in a swift, flexible and cost-efficient manner. It arms the General Partner with yet another financing instrument with which to strengthen the Company's position on domestic and foreign markets. The interests of the shareholders are safeguarded by virtue of the fact that the Company agrees not to sell treasury shares at a price that is substantially below the current quoted price. A discount of 3% to 5% on the current quoted price is generally not deemed to be substantial. In any case, the discount should be kept as low as possible in order to avoid the share value being eroded by the quoted price. This authorisation makes use of the option to exclude pre-emptive rights in the simplified procedure permitted in § 71 (1) No. 8 AktG in analogous application of § 186 (3) sentence 4 AktG. A maximum of 10% of the Company's current share capital is available for the purchase and potential resale of own/treasury shares.

Excluding pre-emptive rights in alternative (3) gives the Company the further option of offering preference shares held in treasury to employees and/or members of the management of Drägerwerk AG & Co. KGaA (i.e., members of the Management Board of the General Partner in its capacity as the Company's executive body) or one of its affiliates for purchase. In this manner, shares may serve a remunerative function as a component of compensation for employees and/or members of the management of the Company and/or its affiliates, enable employees and/or members of the management to acquire an interest in the Company's share capital and thus strengthen the employees' and members of the management's identification with the Company in the interest of the Company and its shareholders. To the extent members of the management board of the General Partner receive shares, the supervisory board of the General Partner shall select the beneficiaries and stipulate the number of shares to be granted to them in each case.

The General Partner shall inform the next Annual General Meeting if any of the authorisations are exercised.

Lübeck, March 2009

Drägerwerk AG & Co. KGaA

General Partner

Drägerwerk Verwaltungs AG

The Management Board

Stefan Dräger
(CEO)

Gert-Hartwig Lescow

Dr. Herbert Fehrecke

Dr. Ulrich Thibaut

Dr. Dieter Pruss