



**Burckhardt
Compression**



Management Team

Valentin Vogt	CEO
Regula Brunner	Human Resources
Peter Ernst	Contracting
Martin Heller	Sales
Peter Huber	Marketing
Dr. Leonhard Keller	Design & Manufacturing
Daniel Oswald	Information Technology
Harry Otz	Finance & Administration
Marcel Pawlicek	Customer Support Service
Rudolf Walther	Quality & Infrastructure

Burckhardt Compression, a world leader in reciprocating compressor technology

Burckhardt Compression, in business for well over a century, is one of the world's largest manufacturers of reciprocating compressors. The company is the only manufacturer of a complete series of labyrinth piston (Laby®), process gas, and Hyper compressors for numerous applications. Burckhardt Compression designs and builds tailor-made compressors to optimize their performance for a given application. The compressors are manufactured in Burckhardt Compression's plant in Winterthur (Switzerland) and Pune (India) in accordance with ISO 9001:2000 standards.

Burckhardt Compression's customers are companies in the field of oil refining, chemical and petrochemical industries, air separation,



*From left:
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as well as gas transport and storage. These industries use compressors to raise the pressure, to reduce the volume and to cool or liquefy gases such as hydrocarbon gases, industrial gases and boil-off gases.

Board of Directors

Guido Patroncini
CEO Zurmont Finanz AG

Heinz Bachmann
Chairman Santex AG

Valentin Vogt
CEO Burckhardt Compression AG

Auditors

PricewaterhouseCoopers AG

Burckhardt Compression's worldwide service network ensures a wide customer support. Specialists with on-going training have expertise in each particular compressor application, and can provide the necessary service, like analysis of compressor performance, complete plant overhaul, engineering and re-engineering, or fulfilling extensive maintenance contracts.

Key figures of the Burckhardt Compression Group

	2004	2003	Change
Order intake (mio. CHF)	206	159	+ 30 %
Sales (mio. CHF)	168	163	+ 3 %
Research and development expenses (mio. CHF)	3	3	-
Personnel	542	430	+ 26 %

A further step forward

The increase in the business volume has exceeded our expectations for 2004. For the first time in the company's 161 year history, the group was able to register orders for more than CHF 200 Mio. in the course of one year. The 30 % increase in orders, compared to 2003, represents a further step in the development of the Burckhardt Compression Group. The growth comes both from our new machine business as well as from our customer support service activities.

In the compressor business, the demand in the hydrocarbon processing industry for our products and services continues to grow. Besides strong markets in Asia, also the European and the US market contributed to the positive development. The global demand for polyolefin products increased and we received many orders for compressor systems in this market. The booming chemical market required large quantities of carbon monoxide and carbon dioxide, which are processed with Burckhardt Compression technology. Our sales benefited from the large demand for additional transport capacity in the liquefied petroleum gas market. The differentiated and dedicated approach of Burckhardt Compression to the service needs of our customers has, together with a favorable marked environment, led to a significant expansion of the customer support service business volume.

Due to the high workload we have increased our staff and capacities to cope with the market demands. Burckhardt Compression's focused research & development activities continued on a high level. We are dedicated to

commit to research and development based on customer needs to further strengthen our competitive position in our main markets. The progress in some projects in 2004 was not as fast as desired, due to the high demand on the resources to process the increased business volume.

The financial results achieved were favorable, also considering the difficult situation on the supplier markets.



Guido Patroncini and Valentin Vogt

As of January 3, 2005, the former compressor division of Sulzer India was acquired by Burckhardt Compression. The motivated and dedicated team of around 100 co-workers allows us to become a key player on the Indian

compressor market and to make use of the export capabilities. Plans for a further geographical expansion will be implemented in 2005.

At this occasion, we would also like to thank our customers for their trust in our products and services. This "thank you" goes to our co-workers as well, who are the foundation of our continued success.

We believe that the fundamentals in our main markets remain positive and that the markets for our products and services continue to be favorable.

Winterthur, April 2005

Guido Patroncini Valentin Vogt
 Chairman of the Board Chief Executive Officer

Burckhardt Compression flashlights

Acquisition of Sulzer India's compressor division

Burckhardt Compression acquired the compressor division of Sulzer India Ltd., now Burckhardt Compression (India) Pvt. Ltd. In continuation of this acquisition, Burckhardt Compression (India) Pvt. Ltd. has built a new manufacturing facility at Kondhapuri, district of Pune. The transfer of the compressor division from Sulzer India to Burckhardt Compression (India) Pvt. Ltd. was a logical step on Sulzer's continued effort to focus on its core activities and Burckhardt Compression's further geographical expansion. The Indian company continues to develop, design, manufacture, commission and service the current range of reciprocating compressors, trunk piston high pressure air and gas compressors and will also extend the crosshead compressor know-how of Burckhardt Compression in India. Burckhardt Compression has played a major role in organizing and establishing the trunk piston compressor business in India since 1988 and has been serving customers on the Indian subcontinent for over a century. The new manufacturing facility has been designed for efficient material flow, ease of operation, logistics and has provision for further growth. The test facilities for the compressors are at par with international standards.



Burckhardt Compression wins award

By having created 20 new jobs in the Winterthur region in 2004, Burckhardt Compression came in third place in a competition for companies who created most new jobs. The award was sponsored by the city marketing organization together with a regional bank and a local newspaper. The competition had the purpose to send out a positive signal and was aimed at committed and expanding companies. In the laudation it was said, that only those companies show courage for the economical upswing, who invest in the power and innovation ability of their employees, and by doing so, they secure the economical and social future for themselves and for society.



International audience at customer event in Winterthur

A good crowd of experts from all over the world attended the first Symposium "Boil-off Gas Compression in LNG Receiving Terminals" held in Winterthur earlier this year. Representatives from our customers with first-hand knowledge presented and discussed topics related to LNG terminal design, operation and availability with specialists of our company. The vast experience of Burckhardt Compression allowed us to contribute substantially to the success of this event: in recent years, we have won orders for boil-off compressors for LNG receiving terminals in Sines, Portugal; Bilbao, Barcelona, Sagunto, La Coruña and Mugardos, Spain.

Market highlights

A further LNG receiving terminal to be equipped with three Laby®s

The Spanish Regasificadora del Noroeste, S.A. (Reganosa) relies on Burckhardt Compression for the supply of three boil-off gas compressors for their LNG receiving terminal in Mugardos. The terminal with an initial storage capacity of 415'000 m³ of liquefied natural gas (LNG) is ideally located to receive gas from the Atlantic basin (Trinidad and Tobago, Nigeria, the Caribbean, Norway and Angola) by ships. The plant will be a key component of the gas transmission network in north-western Spain and will feed the imported gas after regasification into the national gas distribution system. The compressors are used to re-liquefy the LNG boil-off during ship unloading and for holding the temperature in the storage tanks at minus 160 °C. At this temperature natural gas is liquid at atmospheric pressure. Five LNG receiving terminals in Spain and Portugal are already equipped with Laby®s, the unique labyrinth piston compressors.

The world's largest VCM producer relies on Burckhardt Compression

Formosa Plastics Corporation builds new plants and pushes debottlenecking and expansion projects to help to relieve the national shortage of basic petrochemical raw materials. As the output of the different plants can be further processed into specialty chemicals and engineering plastics, the plants are indispensable to the upgrade of the local plastics, electronics and synthetic fiber industries. For a vinyl chloride monomer (VCM) storage tank farm, Formosa Plastics Corporation selected Burckhardt Compression to supply the boil-off gas compressor. VCM is the raw material for PVC resin production. There are many uses of PVC, such as in medical applications, transport, building and construction, toys, consumer goods and everyday life, packaging, in art and design. Formosa Plastics Corporation is the leader in the global VCM market with a current total production capacity of 2.5 million tons per year.

Compressors from Burckhardt Compression for the 20'000 m³ cryogenic ethylene terminal in Jiangyin, P.R. China

Another cryogenic terminal to be built by Tractebel Gas Engineering GmbH (TGE) will have two Laby®s in the boil-off re-liquefaction system. The terminal for Jiangsu Leasty Chemical Co. Ltd. comprises a 20'000 m³ ethylene tank, re-liquefaction system, ship unloading system, send-out system to a downstream plant and truck unloading facilities. The order for the compressors underlines once more Burckhardt Compression's expertise and reliability in the cryogenic storage business.

Burckhardt Compression helps PetroChina to enhance its competitiveness in the polyethylene business

One booster/primary and one Hyper compressor for the production of low density polyethylene (ldPE) were ordered for PetroChina Company Ltd. for their petrochemical plant in Lanzhou. The plant site is located close to the Gobi desert at 1500 meters above sea level. Transportation of the large and heavy equipment will be a logistic challenge. PetroChina – named China's overall best-managed large cap company in Asiamoney's annual poll – is accelerating the adjustment and optimization of its refining and chemical business to further enhance its competitiveness and profitability. We are proud to contribute to achieve this goal in the area of polyethylene production.



ExxonMobil select Burckhardt Compression for polypropylene plant

Exxon started to manufacture polypropylene at Baytown, Texas, in 1960. Today, this plastic resin is one of ExxonMobil Chemical's fastest-growing products. It is used to make diapers, packaging, appliance parts, car bumpers and hundreds of other products. Polypropylene has become so universal that its consumption could be considered a measure of economic development. Last year the global market for polypropylene grew by more than three times the world's estimated gross domestic product. ExxonMobil is adding new production capacity in several countries. For the plant expansion in the US, a Laby® will be used for recycle duty in the Baton Rouge polypropylene plant.



New world-scale aromatics plant of Lidong Chemical Company in Qingdao to be equipped with API 618 compressors from Burckhardt Compression

China's Qingdao Kailan Corporation has entered into a joint venture with LG Aromatics for a world-scale benzene, toluene and paraxylene (PX) project in Qingdao, China. Lidong's aromatics plant will produce 700'000 tons of PX, 200'000 tons of benzene and 60'000 tons of toluene per year. The aromatics complex is a combination of process units which are used to convert petroleum naphtha and pyrolysis gasoline into the basic petrochemical intermediates benzene, toluene and xylenes (BTX). Benzene is a building block for over 250 chemical products. A portion of the toluene produced can be used to make additional benzene. The majority of the xylenes are further processed within the complex to produce one or more of the individual isomers. The isomer with the broadest commercial use is paraxylene, which is used almost exclusively for the production of polyester fibers, resins and films. Burckhardt Compression will deliver two API 618 process gas compressors for this plant. The so called "net gas compressors" handle a mixture of hydrogen and hydrocarbon gases. Commercial production of the aromatics complex is scheduled to start mid 2006.

Burckhardt Compression to supply compressor for new polypropylene plant in Oman

Within the Sultanate, Oman Oil Company is focused on pursuing the development of gas-based industrial projects and other downstream energy and energy related projects. Oman Polypropylene Company, which is owned 80 % by the Oman Oil Company, is currently building a polypropylene factory at Sohar Industrial Port. Most of the estimated 340'000 metric tons of polypropylene projected to be produced annually will be exported. The establishment of this new factory comes as part of the government's efforts to diversify resources of national income, find more job opportunities and introduce modern technology into the country. The Sohar refinery will provide the new plant with adequate quantities of propylene. Based on our experience in this field of application, GS Engineering & Construction Company of Korea selected Burckhardt Compression to supply one Laby® to the new plant, which will use the Novolen® process of ABB Lummus.

Service packages to suit individual needs of our customers

We are constantly enhancing the service package to our customers. The technical customer support service provides engineering, repairs, overhauls, revamps and monitoring. Debottlenecking projects account for the majority of engineering activities, mainly in the field of ldPE plants. Burckhardt Compression strives to become the global ldPE-compressor center of excellence. There is a growing demand to repair parts, rather than replacing them with new ones. Burckhardt Compression proactively pursues this trend. Besides compressor valves, also piston rods and high-pressure packings are repaired by our service centers. Original Equipment Manufacturer (OEM) know-how coupled with OEM guarantee make this service more and more attractive, also for other brand compressors. We were able to replace the valves of a Worthington compressor which operates in a critical application with our Burckhardt Poppet Valves™ in one of the largest German refineries. In a number of other plants, we gained experience in providing various compressor parts for GHH Hypers. This knowledge can now be expanded to other brand compressors as well. Our field service engineers were constantly on duty, mainly to supervise erection and commissioning of many hyper compressor installations. We have extended the scope of our service centers to offer many more services, which include service packages and alliances with local service partners to suit individual customer requirements. As an "overall service provider" Burckhardt Compression can deliver all out of one hand, from a small job, like an oil change, to the dislocation of complete air separation plants.



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