

Media Release of June 4, 2013

Fiscal year 2012: Higher order intake – sales growth – profitability stable – dividend raised again

Burckhardt Compression, one of the world's leading manufacturers of reciprocating compressors, increased its order intake during the fiscal year 2012 (closing March 31, 2013) by 6% to a new record high amid a persistently challenging business environment. Sales rose by 12%. Operating profit and net income also showed strong growth. A CHF 2.00 increase in the dividend to CHF 9.00 per share will be proposed to shareholders at the upcoming annual general meeting, which corresponds to a payout ratio of 54%. The Board of Directors has increased the targeted payout range from 40%–60% to 50%–70%. For the current fiscal year Burckhardt Compression expects a renewed increase in orders received, significantly higher sales and an operating profit margin near the middle of the long-term target range of 15% to 20%.

Order intake back at the level from 2007

New orders amounted to CHF 427.8 mn, an increase of 5.7% (5.0% at constant exchange rates) over the previous year and a new record high for the company. Both business areas contributed to this achievement. In the Compressor Systems business (CS), incoming orders rose by 5.2% to CHF 272.7 mn, primarily thanks to orders from customers in the petrochemicals and gas transport and storage markets. The Components, Services & Support (CSS) business area increased its order intake by 6.5% to CHF 155.1 mn.

Sales amounted to CHF 366.7 mn (plus 11.5%, at constant exchange rates plus 10.9%). As in the previous year, sales were higher in the second half than in the first half due to the compressor systems delivery schedules set by our customers. Compressor systems accounted for CHF 215.7 mn (plus 4.7%) of total sales and the service and components business area accounted for CHF 151.0 mn (plus 22.9%).

Stable earnings power

Gross profit grew 11.2% to CHF 136.0 mn during the year under review. The resulting gross profit margin was at the same level as in the prior year and reached 37.1%. Operating profit increased 14.5% to CHF 74.2 mn and the corresponding operating profit margin was virtually unchanged at 20.2% (19.7% in the previous year). Net income rose by 9.9% to CHF 55.5 mn (previous year CHF 50.5 mn) and reached an impressive 15.1% of sales. Net income per share amounted to CHF 16.62 (previous year CHF 15.22).

Currency situation still tense

The minimum exchange rate to the euro set by the Swiss National Bank has reduced exchange-rate volatility and increased the accuracy of our planning and forecasting. Due to persisting margin pressure, especially in the compressor systems business, the measures initiated in prior years

will be steadfastly maintained. They are focused on further increasing procurement and value creation activities in foreign countries, raising efficiency, developing new products and addressing new application areas.

Breakthrough in maritime dual-fuel engine systems

Burckhardt Compression scored a major success in dual-fuel technology with the receipt of an order for a Laby®-GI fuel gas compressor system for two LNG tankers. This marks a major milestone in the company's efforts to position its compressors as a viable solution for an energy-efficient and environmentally friendly ship propulsion system with gas-driven diesel engines. This order can be viewed as a breakthrough in a market where significant investments will be made in order to comply with more stringent environmental standards.

Further strengthening of balance sheet

The equity ratio rose to 56.8% (previous year 53.3%). The net financial position increased by CHF 15.4 mn and stood at CHF 150.8 mn as of March 31, 2013.

Headcount reflects organic growth strategy

The number of employees rose by 95 or 9.7% to 1'078 full-time equivalents during the reporting year. About half of the new jobs were created in Winterthur while the increase in staff in other countries reflects the ongoing international expansion of our service and components business.

Share placement

Burckhardt Compression Holding AG repurchased 75'317 registered shares from December 15, 2008 to December 16, 2010 within the scope of a share buyback program (2.22% of share capital). On January 18, 2013 these shares were successfully placed with institutional investors in accord with the changed purpose of the buyback program.

Positive outlook for the fiscal year 2013

Despite the global debt crisis, especially in Europe, and the associated turmoil, particularly in foreign exchange markets, Burckhardt Compression is confident about the course of business in the current fiscal year. Most of the markets continue to grow, especially the petrochemicals and gas transport and storage markets. From today's standpoint, Burckhardt Compression expects an increase in order intake for both the Compressor Systems and the Components, Services & Support business area. Sales are forecast to be significantly higher compared to the fiscal year under review. The operating profit margin is expected to be near the middle of the long-term target range of 15% to 20%.

Further increase in the dividend

The Board of Directors will propose a dividend of CHF 9.00 (previous year CHF 7.00) per share at the upcoming annual general meeting, which corresponds to a payout ratio of 54% (previous year 46%) of net income. In view of the company's sound finances and ample cash holdings, the Board of Directors has increased the targeted payout range from 40%–60% to 50%–70%.

About Burckhardt Compression

Burckhardt Compression is one of the worldwide market leaders in the field of reciprocating compressors and the only manufacturer that offers a complete range of Laby® (labyrinth piston), Process Gas, and Hyper Compressors. The compressors are used to compress, cool or liquefy gases. Burckhardt Compression's customers include multinational companies active in the chemical, petrochemical, refinery, industrial gas and gas transport and storage industries. With the leading compressor technology, the high-quality compressor components and the comprehensive range of services Burckhardt Compression supports its customers in their effort to minimize the life cycle costs of their reciprocating compressor systems.

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Appendix:

- Key figures at a glance
- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated balance sheet
- Consolidated cash flow statement
- Key dates in 2013 and 2014

The 2012 annual report has been published on our website at
www.burckhardtcompression.com/financial-reports

FIGURES AT A GLANCE

in CHF mn	2010	2011	2012	Change 2011/2012
Order intake:				
– Compressor Systems (CS)	235.9	259.3	272.7	+5.2%
– Components, Services & Support (CSS)	126.6	145.6	155.1	+6.5%
Total	362.5	404.9	427.8	+5.7%
Sales and gross profit:				
– Compressor Systems	Sales	222.5	206.0	215.7
	Gross profit	51.9	59.2	57.6
	in % of sales	23.3%	28.7%	26.7%
– Components, Services & Support	Sales	133.1	122.9	151.0
	Gross profit	63.7	63.1	78.4
	in % of sales	47.9%	51.3%	51.9%
Total	Sales	355.6	328.9	366.7
	Gross profit	115.6	122.3	136.0
	in % of sales	32.5%	37.2%	37.1%
Operating income (EBIT)	61.5	64.8	74.2	+14.5%
in % of sales	17.3%	19.7%	20.2%	
Net income	45.1	50.5	55.5	+9.9%
in % of sales	12.7%	15.4%	15.1%	
Depreciation and amortization	9.9	10.6	11.1	+4.7%
Cash flow:				
– from operating activities	61.6	74.5	36.3	-51.3%
– from investing activities	-12.9	-9.2	-19.3	
– from financing activities (incl. translation differences)	-18.6	-24.2	-12.0	
Total	30.1	41.1	5.0	-87.8%
Balance sheet total	502.4	530.7	596.7	+12.4%
Non-current assets	156.2	156.6	164.5	+5.0%
Current assets	346.2	374.1	432.2	+15.5%
Shareholders' equity	258.0	282.8	339.1	+19.9%
in % of balance sheet total	51.3%	53.3%	56.8%	
Net financial position	95.0	135.4	150.8	+11.4%
Headcount as per end of fiscal year (full-time equivalents)	917	983	1'078	+9.7%
Total remuneration non-executive members of the Board of Directors (5 persons) (in TCHF)	435.0	422.0	520.1	+23.2%
Total remuneration Executive Board (11 persons in FY 2010 and FY 2011; 12 persons in FY 2012) (in TCHF)	3'949.0	3'466.0	4'629.0	+33.6%
Share price as per end of fiscal year (in CHF)	289.25	247.50	355.25	
Market capitalization (in CHF mn)	983.5	841.5	1'207.9	
Market capitalization/shareholders' equity (ratio)	3.8	3.0	3.6	
Net income per share (in CHF)	13.56	15.22	16.62	+9.2%
Dividend per share (in CHF)	5.00	7.00	9.00	+28.6%

CONSOLIDATED INCOME STATEMENT

	2012	2011
in CHF 1'000		
Sales	366'677	328'926
Cost of goods sold	-230'696	-206'586
Gross Profit	135'981	122'340
Selling and marketing expenses	-39'448	-33'665
General and administrative expenses	-18'740	-16'358
Research and development expenses	-7'731	-8'078
Other operating income/expenses	4'131	550
Operating income	74'193	64'789
Finance costs	-1'419	-2'356
Other financial income/expenses	157	290
Profit before income tax	72'931	62'723
Income tax expenses	-17'404	-12'196
Net income	55'527	50'527
Earnings per share for profit attributable to shareholders of Burckhardt Compression Holding AG (in CHF)		
– Basic	16.62	15.22
– Diluted	16.62	15.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2012	2011
in CHF 1'000		
Net income	55'527	50'527
Adjustments of financial instruments	560	-5'886
Tax effect on adjustments of financial instruments	-143	1'338
Currency translation differences	274	-2'425
Total comprehensive income for the period	56'218	43'554

CONSOLIDATED BALANCE SHEET

	03/31/2013	03/31/2012
in CHF 1'000		
Non-current assets		
Intangible assets	28'218	27'620
Property, plant and equipment	134'296	126'908
Derivative financial instruments	13	100
Other receivables	848	850
Deferred tax assets	1'119	1'145
Total	164'494	156'623
Current assets		
Inventories	118'189	93'590
Trade and other receivables	123'954	94'726
Derivative financial instruments	90	796
Cash and cash equivalents	189'994	184'965
Total	432'227	374'077
Total assets	596'721	530'700
Equity		
Share capital	8'500	8'500
Retained earnings and other reserves	346'884	302'205
Treasury shares	-3'230	-14'130
Financial instruments	-1'820	-2'237
Currency translation differences	-11'265	-11'539
Total	339'069	282'799
Liabilities		
Non-current liabilities		
Borrowings	34'971	35'947
Derivative financial instruments	814	1'044
Deferred tax liabilities	13'876	11'221
Provisions	13'138	12'335
Total	62'799	60'547
Current liabilities		
Borrowings	4'186	13'616
Trade accounts payable	24'302	16'937
Current income tax liabilities	14'570	18'012
Customers' advance payments	96'009	90'563
Derivative financial instruments	3'277	2'475
Other current and accrued liabilities	38'833	35'781
Provisions	13'676	9'970
Total	194'853	187'354
Total	257'652	247'901
Total equity and liabilities	596'721	530'700

CONSOLIDATED CASH FLOW STATEMENT

	2012	2011
in CHF 1'000		
Cash flow from operating activities		
Net income	55'527	50'527
Income tax expenses	17'404	12'196
Other financial income/expenses	-157	-290
Finance costs	1'419	2'356
Operating income	74'193	64'789
Depreciation	8'960	8'021
Amortization	2'115	2'569
Change in inventories	-26'322	2'212
Change in trade receivables	-25'795	398
Change in other net current assets	17'919	7'440
Change in provisions	1'031	1'551
Other non-monetary items	586	2'580
Interest received	171	157
Interest paid	-1'316	-2'356
Income tax paid	-15'255	-12'845
Total	36'287	74'516
Cash flow from investing activities		
Purchase of property, plant and equipment	-16'474	-13'082
Sale of property plant and equipment	0	2
Purchase of intangible assets	-2'820	-1'348
Purchase of marketable securities	0	-136
Sale of marketable securities	27	5'335
Total	-19'267	-9'229
Cash flow from financing activities		
Increase in borrowings	1'832	386
Repayment of borrowings	-12'479	-3'319
Sales/purchase of treasury shares	21'605	-3'937
Dividends paid	-23'266	-16'619
Total	-12'308	-23'489
Currency translation differences on cash and cash equivalents	317	-671
Net change in cash and cash equivalents	5'029	41'127
Cash and cash equivalents at 04/01/2011 / 04/01/2010	184'965	143'838
Cash and cash equivalents at 03/31/2012 / 03/31/2011	189'994	184'965
Net change in cash and cash equivalents	5'029	41'127

KEY DATES FOR 2013 AND 2014

June 29, 2013

Annual General Meeting

November 5, 2013

Results for the first half of fiscal year 2013

(as per September 30, 2013)

June 10, 2014

Results for fiscal year 2013

(as per March 31, 2014)

July 4, 2014

Annual General Meeting