

Media Release of June 10, 2014

Fiscal year 2013: Order intake at all-time high – strong sales growth – net income slightly lower than in prior year – dividend increased – outlook positive

Orders received by Burckhardt Compression, one of the world's leading manufacturers of reciprocating compressors, rose 21% to a new record high in fiscal 2013 (ending March 31, 2014). Sales rose 21% and also reached a new all-time high. Operating profit and net income remained strong slightly below the levels achieved in the previous year. A CHF 1.00 increase in the dividend to CHF 10.00 per share will be proposed to shareholders at the annual general meeting. For the current fiscal year management expects an increase in order intake and substantial sales growth. Operating and net profit are likewise expected to be clearly higher.

Annual order intake exceeds half a billion francs for the first time

Order intake of CHF 517.1 mn topped the previous record high set in fiscal year 2012 (CHF 427.8 mn) by 20.9% (22.8% at constant exchange rates) and exceeded the CHF 500 million mark for the first time. This strong growth was driven by a surge in business at Compressor Systems (CS), where orders received jumped 41.7% to CHF 386.3 mn. The Components, Services & Support (CSS) business area was unable to repeat its strong performance from the previous year as its order intake declined 15.7% to CHF 130.8 mn. This was mainly due to the absence of new contracts for major revamp/engineering projects.

Strong sales growth thanks to Compressor Systems

Full-year sales of CHF 445.0 mn (plus 21.3%, at constant exchange rates plus 22.4%) marked the highest full-year sales figure Burckhardt Compression has ever achieved in its entire history. As in the preceding two years, sales were higher in the second half than in the first half due to the compressor systems delivery schedules set by our customers. The Components, Services & Support business area achieved marginal sales growth of 0.7% to CHF 152.1 mn. The strong sales growth is largely attributable to the Compressor Systems business (plus 35.8% to CHF 292.9 mn).

Shift in product mix with lower margins

Gross income of CHF 139.2 mn was 2.4% higher than in the previous year. This resulted in a gross profit margin of 31.3% (37.1% in the previous year). A shift in product mix and two larger compressor systems projects that closed with a negative margin prevented both the CS and CSS business areas from maintaining their high gross profit margins from the previous year. Operating profit of CHF 70.2 mn was 4.3% less than in the previous year, mainly because of the only slight increase in gross profit, and the operating profit margin slipped to 15.8% (20.0% in the previous year). Net income declined by 1.8% to CHF 53.9 mn and net income per share amounted to CHF 15.87 (CHF 16.42 in the previous year).

Balance sheet remains strong

The equity ratio rose once again to a high 55.5% at the end of the reporting period (54.7% in the previous year). The net financial position increased by CHF 15.0 mn to CHF 165.8 mn (March 31, 2014).

Expansion of market presence

Burckhardt Compression's global footprint was further expanded in fiscal year 2013 with the aim of enhancing local business relations and providing customers with first-class service capabilities. The new subsidiaries with Service Centers in Singapore and South Africa and soon in Saudi Arabia plus the new Service Center in Calcutta, India, bring the company even closer to where its customers are and will allow it to provide more efficient compressor operation and maintenance services for its own products as well as for those made by other manufacturers.

Further success in new application areas

In the year under review Burckhardt Compression sold a large number of Laby®-GI boil-off gas compressor systems for use on LNG carriers. Orders were also received for a smaller version of Laby®-GI for use on smaller-sized LNG tankers. With this new product the company now offers compressor solutions for all sizes of LNG carriers. Its subsidiary in Korea is being expanded to enhance the technical expertise offered to Korean shipbuilders. Further growth was achieved in the oil and gas production industry with orders for sour gas compressors that are used to improve oil recovery.

Change in the Board of Directors

Dr. Stephan Bross will be proposed for election to the Board of Directors at the upcoming annual general meeting as the successor to Urs Fankhauser, who passed away in February. Dr. Bross, Head of the Pump division at KSB AG in Frankenthal (Germany), will actively support Burckhardt Compression in building up its service business with his knowledge and international experience.

Workforce expanded in line with organic growth

The workforce was increased by another 154 full-time employees, or 14.3%, to 1'232. Almost half of these new positions were created abroad with the objective of further expanding the local service and components business. The remaining jobs were created in Winterthur, primarily to increase production capacity.

Positive outlook for fiscal year 2014

Most of the markets Burckhardt Compression is active in continue to show positive developments, especially the application areas petrochemical industry and gas transport and storage. From today's standpoint, Burckhardt Compression expects both the CS and CSS business areas to increase their order intake. We also expect a renewed substantial increase in sales compared to the year under review. Operating and net profit are likewise expected to be clearly higher. The second half year will be clearly stronger than the first half year in terms of sales, operating and net profit.

Higher dividend payment

The Board of Directors will propose a dividend of CHF 10.00 (previous year CHF 9.00) per share at the upcoming annual general meeting. This corresponds to a payout ratio of 63.0% (previous year 54.8%) of net income per share, which is in the middle of the targeted payout range of 50% to 70%.

About Burckhardt Compression

Burckhardt Compression is a global market leader in the field of reciprocating compressors. It is the only manufacturer that covers a complete range of reciprocating compressor technologies. Compressor systems are designed and manufactured to meet specific customer requirements in the oil & gas, gas transport and storage, refinery, chemicals and petrochemicals industries as well as for industrial gas applications. Burckhardt Compression's leading technology, high-quality compressor components and full range of services help customers to minimize the life cycle costs of their reciprocating compressor systems. Since 1844 its highly skilled workforce has crafted superior solutions and set the benchmark in the gas compression industry.

Contact:

Marcel Pawlicek, CEO
Tel.: +41 (0)52 262 55 00
Fax: +41 (0)52 262 00 51
marcel.pawlicek@burckhardtcompression.com
www.burckhardtcompression.com

Attachments:

- Key figures at a glance
- Consolidated income statement
- Consolidated balance sheet
- Consolidated cash flow statement
- Key dates in 2014 and 2015

The 2013 annual report and additional information on the results for the fiscal year 2013 have been published on our website at www.burckhardtcompression.com/financial-reports.

FIGURES AT A GLANCE

| | 2011 | 2012 | 2013 | Change 2012/2013 |
|--|---------------|---------|--------------------|---------------------|
| in CHF mn | | | | |
| Order intake: | | | | |
| – Compressor Systems (CS) | 259.3 | 272.7 | 386.3 | +41.7% |
| – Components, Services & Support (CSS) | 145.6 | 155.1 | 130.8 | -15.7% |
| Total | 404.9 | 427.8 | 517.1 | +20.9% |
| Sales and gross profit: | | | | |
| – Compressor Systems | Sales | 206.0 | 215.7 | 292.9 |
| | Gross profit | 59.2 | 57.6 | 68.2 |
| | in % of sales | 28.7% | 26.7% | 23.3% |
| – Components, Services & Support | Sales | 122.9 | 151.0 | 152.1 |
| | Gross profit | 63.1 | 78.4 | 71.0 |
| | in % of sales | 51.3% | 51.9% | 46.7% |
| Total | Sales | 328.9 | 366.7 | 445.0 |
| | Gross profit | 122.3 | 136.0 | 139.2 |
| | in % of sales | 37.2% | 37.1% | 31.3% |
| Operating income (EBIT) | | 64.8 | 73.3 ¹ | 70.2 |
| in % of sales | | 19.7% | 20.0% ¹ | 15.8% |
| Net income | | 50.5 | 54.9 ¹ | 53.9 |
| in % of sales | | 15.4% | 15.0% ¹ | 12.1% |
| Depreciation and amortization | | 10.6 | 11.1 | 11.8 |
| Cash flow: | | | | |
| – from operating activities | | 74.5 | 36.3 | 58.2 |
| – from investing activities | | -9.2 | -19.3 | -14.2 |
| – from financing activities (incl. translation differences) | | -24.2 | -12.0 | -32.0 |
| Total | | 41.1 | 5.0 | 12.0 |
| Balance sheet total | | 530.7 | 594.4 ¹ | 645.9 |
| Non-current assets | | 156.6 | 167.1 ¹ | 165.9 |
| Current assets | | 374.1 | 427.3 ¹ | 480.0 |
| Shareholders' equity | | 282.8 | 325.4 ¹ | 358.5 |
| in % of balance sheet total | | 53.3% | 54.7% ¹ | 55.5% |
| Net financial position | | 135.4 | 150.8 | 165.8 |
| Headcount as per end of fiscal year (full-time equivalents) | | 983 | 1'078 | 1'232 |
| Total remuneration non-executive members of the Board of Directors (5 persons) (in TCHF) | | 422.0 | 520.1 | 498.3 |
| Total remuneration Executive Board (11 persons in FY 2011, 12 persons in FY 2012 and 13 persons in FY 2013) (in TCHF) | | 3'466.0 | 4'629.5 | 4'889.0 |
| Share price as per end of fiscal year (in CHF) | | 247.50 | 355.25 | 460.0 |
| Market capitalization (in CHF mn) | | 841.5 | 1'207.9 | 1'564.0 |
| Market capitalization/shareholders' equity (ratio) | | 3.0 | 3.7 ¹ | 4.4 |
| Net income per share (EPS) (in CHF) | | 15.22 | 16.42 ¹ | 15.87 |
| Dividend per share (in CHF) | | 7.00 | 9.00 | 10.00 |

¹Restatement due to a change in the accounting standards (IAS 19) for pension plans.

CONSOLIDATED INCOME STATEMENT

| | 2013 | 2012 |
|---|----------------|----------------|
| in CHF 1'000 | | |
| Sales | 444'962 | 366'677 |
| Cost of goods sold | -305'720 | -230'696 |
| Gross Profit | 139'242 | 135'981 |
| Selling and marketing expenses | -43'947 | -39'448 |
| General and administrative expenses | -19'835 | -18'740 |
| Research and development expenses | -8'809 | -7'731 |
| Other operating income ¹ | 21'133 | 25'586 |
| Other operating expenses ¹ | -17'598 | -22'303 |
| Operating income¹ | 70'186 | 73'345 |
| Finance costs | -1'088 | -1'419 |
| Other financial income/expenses | 72 | 157 |
| Profit before income tax¹ | 69'170 | 72'083 |
| Income tax expenses ¹ | -15'244 | -17'227 |
| Net income¹ | 53'926 | 54'856 |
| Earnings per share for profit attributable to shareholders of Burckhardt Compression Holding AG (in CHF)¹ | | |
| – Basic ¹ | 15.87 | 16.42 |
| – Diluted ¹ | 15.87 | 16.42 |

¹Restatement due to a change in the accounting standards (IAS 19) for pension plans.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 2013 | 2012 |
|--|---------------|---------------|
| in CHF 1'000 | | |
| Net income¹ | 53'926 | 54'856 |
| Adjustments for cash flow hedges | 5'935 | 560 |
| Tax effect on adjustments of cash flow hedges | -1'250 | -143 |
| Currency translation differences | -4'301 | 274 |
| Total of items that may be reclassified to the income statement¹ | 54'310 | 55'547 |
| Defined benefit cost recognized in other comprehensive income ¹ | 9'050 | -3'921 |
| Tax effect on defined benefit cost recognized in other comprehensive income ¹ | -1'900 | 996 |
| Total of items that will not be reclassified to the income statement¹ | 7'150 | -2'925 |
| Total comprehensive income for the period¹ | 61'460 | 52'622 |

¹Restatement due to a change in the accounting standards (IAS 19) for pension plans.

CONSOLIDATED BALANCE SHEET

| | 03/31/2014 | 03/31/2013 |
|---|----------------|----------------|
| in CHF 1'000 | | |
| Non-current assets | | |
| Intangible assets | 27'472 | 28'218 |
| Property, plant and equipment | 134'015 | 134'296 |
| Derivative financial instruments | 1'135 | 13 |
| Other receivables | 1'156 | 848 |
| Deferred tax assets ¹ | 2'157 | 3'770 |
| Total | 165'935 | 167'145 |
| Current assets | | |
| Inventories | 148'570 | 118'189 |
| Trade and other receivables ¹ | 126'106 | 119'011 |
| Derivative financial instruments | 3'344 | 90 |
| Cash and cash equivalents | 201'987 | 189'994 |
| Total | 480'007 | 427'284 |
| Total assets | 645'942 | 594'429 |
| Equity | | |
| Share capital | 8'500 | 8'500 |
| Retained earnings and other reserves ¹ | 362'899 | 333'241 |
| Treasury shares | -213 | -3'230 |
| Cash flow hedging reserve | 2'865 | -1'820 |
| Currency translation differences | -15'566 | -11'265 |
| Total | 358'485 | 325'426 |
| Liabilities | | |
| Non-current liabilities | | |
| Borrowings | 24'891 | 34'971 |
| Derivative financial instruments | 1 | 814 |
| Deferred tax liabilities ¹ | 14'533 | 12'841 |
| Provisions ¹ | 14'773 | 25'524 |
| Total | 54'198 | 74'150 |
| Current liabilities | | |
| Borrowings | 11'321 | 4'186 |
| Trade accounts payable | 52'453 | 24'302 |
| Current income tax liabilities | 14'035 | 14'570 |
| Customers' advance payments | 102'071 | 96'009 |
| Derivative financial instruments | 468 | 3'277 |
| Other current and accrued liabilities | 44'990 | 38'833 |
| Provisions ¹ | 7'921 | 13'676 |
| Total | 233'259 | 194'853 |
| Total | 287'457 | 269'003 |
| Total equity and liabilities¹ | 645'942 | 594'429 |

¹Restatement due to a change in the accounting standards (IAS 19) for pension plans.

CONSOLIDATED CASH FLOW STATEMENT

| | 2013 | 2012 |
|---|----------------|----------------|
| in CHF 1'000 | | |
| Cash flow from operating activities | | |
| Net income ¹ | 53'926 | 54'856 |
| Income tax expenses ¹ | 15'244 | 17'227 |
| Other financial income/expenses | -72 | -157 |
| Finance costs | 1'088 | 1'419 |
| Operating income¹ | 70'186 | 73'345 |
| Depreciation | 9'507 | 8'960 |
| Amortization | 2'290 | 2'115 |
| Change in inventories | -32'011 | -26'322 |
| Change in trade receivables | -9'281 | -25'795 |
| Change in other net current assets | 37'487 | 17'919 |
| Change in provisions | -8'201 | 1'031 |
| Other non-monetary items ¹ | 706 | 1'434 |
| Interest received | 80 | 171 |
| Interest paid | -907 | -1'316 |
| Income tax paid | -11'606 | -15'255 |
| Total | 58'250 | 36'287 |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | -12'370 | -16'474 |
| Sale of property plant and equipment | 0 | 0 |
| Purchase of intangible assets | -1'863 | -2'820 |
| Sale of marketable securities | 0 | 27 |
| Purchase of marketable securities | 0 | 0 |
| Total | -14'233 | -19'267 |
| Cash flow from financing activities | | |
| Increase in borrowings | 298 | 1'832 |
| Repayment of borrowings | -3'239 | -12'479 |
| Sales of treasury shares | 3'017 | 21'605 |
| Purchase of treasury shares | 0 | 0 |
| Dividends paid | -30'593 | -23'266 |
| Total | -30'517 | -12'308 |
| Currency translation differences on cash and cash equivalents | -1'507 | 317 |
| Net change in cash and cash equivalents | 11'993 | 5'029 |
| Cash and cash equivalents at 04/01/2013 / 04/01/2012 | 189'994 | 184'965 |
| Cash and cash equivalents at 03/31/2014 / 03/31/2013 | 201'987 | 189'994 |
| Net change in cash and cash equivalents | 11'993 | 5'029 |

¹Restatement due to a change in the accounting standards (IAS 19) for pension plans.

KEY DATES FOR 2014 AND 2015

July 4, 2014

Annual General Meeting

November 4, 2014

Results for the first half of fiscal year 2014 (as per September 30, 2014)

June 9, 2015

Results for fiscal year 2014 (as per March 31, 2015)

July 4, 2015

Annual General Meeting