

Media Release of June 5, 2012

Fiscal year 2011: Order intake significantly higher – slightly lower sales – improved profitability and substantial increase of the dividend

Burckhardt Compression, one of the world's leading manufacturers of reciprocating compressors, booked 12% more orders (+15% at constant exchange rates) during the fiscal year 2011 (ending March 31, 2012). Sales for the year were down 8% (–4% at constant exchange rates). Operating profit and net income increased and the corresponding margins widened to 20% and 15%, respectively. A dividend of CHF 7.00 per share will be proposed at the annual general meeting (previous year CHF 5.00). In the current fiscal year management expects a further increase in order intake, significantly higher sales and a slightly lower operating profit margin.

Burckhardt Compression's order intake in the year under review rose by 11.7% to CHF 404.9 mn. At constant exchange rates, order intake rose by 14.8%. The considerable appreciation in the value of the Swiss franc against most other currencies had a negative impact on reported order intake and the resulting gross profit margin. Nevertheless, order intake has risen steadily since hitting a low in the second half of the fiscal year 2009.

Orders for compressor systems grew by 9.9% to CHF 259.3 mn. The positive order inflow in the service and components business (CSS) in the preceding three years gained considerable momentum in the year under review, resulting in better-than-expected growth of 15.0% to CHF 145.6 mn.

Sales amounted to CHF 328.9 mn, a decline of 7.5% from the previous year or –4.0% at constant exchange rates. Compressor systems accounted for CHF 206.0 mn of total sales, which corresponds to a y-o-y decline of 7.4%, and the service and components business contributed the remaining CHF 122.9 mn (–7.7%).

Higher margins at the gross profit, operating profit and net income lines

Gross profit increased by 5.8% to CHF 122.3 million during the year under review, resulting in a gross profit margin of 37.2% (32.5% in the previous year). Both the compressor systems and the service and components business contributed to the margin expansion. Operating profit rose by 5.4% to CHF 64.8 mn, lifting the operating margin to 19.7% from 17.3% in the previous year. Net income amounted to CHF 50.5 mn (CHF 45.1 mn in the previous year) or 15.4% of sales (12.7%), a respectable achievement considering how challenging the market environment was last year. Earnings per share (undiluted) amounted to CHF 15.22 (previous year CHF 13.56).

Difficult exchange rate situation

Thanks to the company's high rate of innovation, productivity gains and increased sourcing from foreign countries, Burckhardt Compression has maintained a sharp competitive edge even though much of the added value it offers its customers is created in Switzerland and despite the

unrelenting headwinds on the forex front. The sudden and sharp movements on the currency front during the past fiscal year nevertheless left their mark on the company's results for the past year. Despite extensive efforts to mitigate the situation, it was not possible to completely offset the effect of the tremendous appreciation in the value of the Swiss franc versus the euro and the US dollar. The minimum exchange rate to the euro imposed by the Swiss National Bank provided some relief by lowering exchange rate volatility and enhancing planning certainty.

Strong balance sheet

The company strengthened its capital base during the year under review. Equity rose to CHF 282.8 mn or a high 53.3% of the balance sheet total (51.3%). Holdings of cash and cash equivalents grew as well and amounted to CHF 185.0 mn at the end of the reporting year (CHF 149.1 mn in the previous year).

Mid Range Plan reviewed and redefined

The Executive Board and the Board of Directors thoroughly evaluated the company's medium-term development during the year under review. This ultimately resulted in a new Mid Range Plan that affirms the company's independence and internal growth ambitions. Expanding the service and components business, entering new application areas and broadening the company's geographic footprint are the operational priorities. The overall objective is to grow faster than the market and maintain the company's status as the compressor industry benchmark.

New presentation of results with two business areas

The business activities of Burckhardt Compression revolve around two different sales processes: Selling new machines (building new plants and upgrading existing plants) and providing services, compressor components and technical support. The latter activities target the same compressor operators. Consequently, Burckhardt Compression is regrouping its activities into two business areas instead of the former three: Compressor Systems (CS) and Components, Services & Support (CSS).

Recruiting personnel where markets are growing

The number of employees rose by 66 to 983 full-time equivalents during the reporting year. Most of these jobs were created as part of our continuing efforts to expand the service and components business.

Change in the Board of Directors

Heinz Bachmann, a Director on the Board of Burckhardt Compression since 2002, will not be available for re-election at the upcoming annual general meeting, because he reached the statutory age limit. Dr. Monika Krüsi will be proposed as his successor. With this nomination, the Board of Directors is enhancing its competencies in the areas of strategic development and implementation, innovation, growth and process management.

Outlook for fiscal year 2012

Despite various imponderables, Burckhardt Compression expects another increase in order inflow at both business areas in the current fiscal year. Sales will be substantially higher than in the year under review thanks to the high order backlog. A somewhat lower operating profit margin is

expected compared to the previous year. This is because of the lower average margin on orders for compressor systems that will be delivered during the current fiscal year. As a result of the price concessions that were granted when these orders were placed – because of the strength of the Swiss franc at that time – margins will be lower.

Increase of dividend

As part of the review and revision of the Mid Range Plan, an increase of the payout ratio to 40% to 60% is foreseen. Therefore, the Board of Directors is proposing a dividend of CHF 7.00 (CHF 5.00 in the previous year) per share at the annual general meeting, which corresponds to a payout ratio of 46% (37% in the previous year) of basic earnings.

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
- Statement of comprehensive income
- Consolidated balance sheet
- Consolidated cash flow statement
- Key dates for 2012 and 2013

The complete 2011 annual report has been published on our website at www.burckhardtcompression.com/financial-reports.

FIGURES AT A GLANCE

	2009	2010	2011	Change 2010/2011
in CHF mn				
Order intake:				
– Compressor Systems (CS) ¹	171.3	235.9	259.3	+9.9%
– Components, Services & Support (CSS) ²	114.6 ²	126.6 ²	145.6	+15.0%
Total	285.9	362.5	404.9	+11.7%
Sales and gross profit:				
– Compressor Systems ¹				
Sales	241.5	222.5	206.0	–7.4%
Gross profit	80.7	51.9	59.2	+14.1%
in % of sales	33.4%	23.3%	28.7%	
– Components, Services & Support ²				
Sales	101.7 ²	133.1 ²	122.9	–7.7%
Gross profit	46.2 ²	63.7 ²	63.1	–0.9%
in % of sales	45.4% ²	47.9% ²	51.3%	
Total				
Sales	343.2	355.6	328.9	–7.5%
Gross profit	126.9	115.6	122.3	+5.8%
in % of sales	37.0%	32.5%	37.2%	
Operating income (EBIT)	74.2	61.5	64.8	+5.4%
in % of sales	21.6%	17.3%	19.7%	
Net income (after minority interests)	56.0	45.1	50.5	+12.0%
in % of sales	16.3%	12.7%	15.4%	
Depreciation and amortization	9.5	9.9	10.6	+7.1%
Cash flow:				
– from operating activities	58.8	61.6	74.5	+20.9%
– from investing activities	–88.8	–12.9	–9.2	
– from financing activities (incl. translation differences)	18.1	–18.6	–24.2	
Total	–11.8	30.1	41.1	+36.5%
Balance sheet total	470.0	502.4	530.7	+5.6%
Non-current assets	157.3	156.2	158.7	+1.6%
Current assets	312.7	346.2	372.0	+7.5%
Shareholders' equity	234.9	258.0	282.8	+9.6%
in % of balance sheet total	50.0%	51.3%	53.3%	
Net financial position	66.5	95.0	135.4	+42.5%
Headcount as per end of fiscal year (full-time equivalents)	891	917	983	+7.2%
Total remuneration non-executive members of the Board of Directors (5 persons) (in TCHF)	373.0	435.0	422.0	–3.0%
Total remuneration Executive Board (11 persons) (in CHF)	3'345.9	3'949.0	3'466.0	–12.2%
Share price as per end of fiscal year (in CHF)	208.00	289.25	247.50	
Market capitalization (in CHF mn)	707.2	983.5	841.5	
Market capitalization/shareholders' equity (ratio)	3.0	3.8	3.0	
Net income (basic) per share (in CHF)	16.68	13.56	15.22	+12.2%
Dividend per share (in CHF)	5.00	5.00	7.00	+40.0%

¹ Renamed – formerly "New machines"

² Renamed – formerly separately stated as "Customer Support Service" and "Compressor components"

CONSOLIDATED INCOME STATEMENT

	2011	2010
in CHF 1'000		
Sales	328'926	355'646
Cost of goods sold	-206'586	-240'081
Gross Profit	122'340	115'565
Selling and marketing expenses	-33'665	-33'414
General and administrative expenses	-16'358	-15'283
Research and development expenses	-8'078	-6'633
Other operating income/expenses	550	1'287
Operating income	64'789	61'522
Finance costs	-2'356	-2'090
Other financial income/expenses	290	-117
Profit before income taxes	62'723	59'315
Income tax expenses	-12'196	-14'231
Net income	50'527	45'084
Earnings per share for profit attributable to shareholders of Burckhardt Compression Holding AG (in CHF)		
- Basic	15.22	13.56
- Diluted	15.22	13.56

STATEMENT OF COMPREHENSIVE INCOME

	2011	2010
in CHF 1'000		
Net income	50'527	45'084
Adjustments of financial instruments	-5'886	2'091
Tax effect on other results	1'338	-481
Currency translation differences	-2'425	-4'360
Total comprehensive income for the period	43'554	42'334

CONSOLIDATED BALANCE SHEET

	03/31/2012	03/31/2011
in CHF '000		
Non-current assets		
Intangible assets	27'620	30'137
Property, plant and equipment	126'908	123'626
Derivative financial instruments	100	375
Other receivables	850	788
Deferred tax assets	1'145	940
Total	156'623	155'866
Current assets		
Inventories	93'590	98'266
Trade and other receivables	94'726	95'907
Marketable securities	0	5'265
Derivative financial instruments	796	3'257
Cash and cash equivalents	184'965	143'838
Total	374'077	346'533
Total assets	530'700	502'399
Equity		
Share capital	8'500	8'500
Retained earnings and other reserves	302'205	270'087
Treasury shares	-14'130	-13'809
Financial instruments	-2'237	2'311
Currency translation differences	-11'539	-9'114
Total	282'799	257'975
Liabilities		
Non-current liabilities		
Borrowings	35'947	44'353
Derivative financial instruments	1'044	0
Deferred tax liabilities	11'221	11'345
Provisions	12'335	11'529
Total	60'547	67'227
Current liabilities		
Borrowings	13'616	9'806
Trade accounts payable	16'937	24'591
Current income tax liabilities	18'012	20'773
Customers' advance payments	90'563	62'010
Derivative financial instruments	2'475	1'177
Other current and accrued liabilities	35'781	51'524
Provisions	9'970	7'316
Total	187'354	177'197
Total	247'901	244'424
Total equity and liabilities	530'700	502'399

CONSOLIDATED CASH FLOW STATEMENT

	2011	2010
in CHF '000		
Cash flow from operating activities		
Net income	50'527	45'084
Income tax expenses	12'196	14'231
Other financial income/expenses	-290	117
Finance costs	2'356	2'090
Operating income	64'789	61'522
Depreciation	8'021	7'948
Amortization	2'569	1'903
Change in inventories	2'212	18'952
Change in accounts receivable	398	-27'112
Change in other net current assets	7'440	9'856
Change in provisions	1'551	292
Change in non-monetary items	2'580	4'232
Interest received	157	75
Interest paid	-2'356	-1'896
Income tax paid	-12'845	-14'187
Total	74'516	61'585
Cash flow from investing activities		
Purchase of property, plant and equipment	-13'082	-12'148
Sale of property plant and equipment	2	618
Purchase of intangible assets	-1'348	-1'365
Sale of marketable securities	5'335	64
Purchase of marketable securities	-136	-108
Total	-9'229	-12'939
Cash flow from financing activities		
Increase in borrowings	386	4'825
Repayment of borrowings	-3'319	-2'033
Purchase of treasury shares	-3'937	-3'739
Dividends paid	-16'619	-16'650
Total	-23'489	-17'597
Currency translation differences on cash and cash equivalents	-671	-975
Net change in cash and cash equivalents	41'127	30'074
Cash and cash equivalents at 04/01/2011 / 04/01/2010	143'838	113'764
Cash and cash equivalents at 03/31/2012 / 03/31/2011	184'965	143'838
Net change in cash and cash equivalents	41'127	30'074

KEY DATES FOR 2012 AND 2013

June 29, 2012

Annual General Meeting

November 6, 2012

Results for the first half of fiscal year 2012
(as per September 30, 2012)

June 4, 2013

Results for fiscal year 2012
(as per March 31, 2013)

June 29, 2013

Annual General Meeting