

Media Release of November 3, 2015

Results for the first half of fiscal year 2015: Slight decline in order intake – higher sales – higher profits

Orders received by Burckhardt Compression, one of the world's leading manufacturers of reciprocating compressors, during the first half of fiscal year 2015 (April to September) did not quite match the exceptionally high order intake from the previous-year period. Meanwhile sales rose 24% compared to the previous-year period. The EBIT margin amounted to 14%, the net income margin 10%. Burckhardt Compression continues to expect full-year order intake to be around the level attained in the previous year and sales should exceed CHF 500 mn. The operating profit margin for the fiscal year 2015 is likely to be at the low end of the targeted long-term range of 15% to 20%. The targeted payout ratio of 50% to 70% is reiterated.

Higher order intake in Components, Services & Support (CSS) business

Orders received in the first half of 2015 amounted to CHF 254.2 mn, slightly below the exceptionally high intake reported for the first half of 2014. Order inflow at the Compressor Systems (CS) business primarily came from gas transport and storage sector as well as from refining and petrochemicals customers; total segment order intake amounted to CHF 167.9 million (-12.9%). The Components, Services & Support (CSS) business increased its order intake by 11.6% to CHF 86.3 mn. Most of this growth was fueled by spare parts orders and revamp and modernization projects.

Renewed increase in sales and profits

The substantial increase in consolidated sales of 23.9% y-o-y to CHF 243.0 mn is primarily attributable to the Compressor Systems business area (+34.3%). Sales in the CSS business area rose by 5.4%.

Gross profit amounted to CHF 73.0 mn, an increase of 14.2% compared to the first half of 2014, and the resulting gross profit margin was 30.0% (32.6% in the year-ago period). A slight contraction in the CS business area's gross profit margin to 21.9% (22.3% in the year-ago period) can be traced to the shift in the product mix of the projects concluded during the first half. At the CSS business area, the gross profit margin of 48.7% was slightly below the very high margin reported for the prior-year period (51.0%).

Selling, marketing and general administrative expenses rose by CHF 2.5 mn or 7.6% y-o-y to CHF 35.4 mn in the first half of 2015, which, as in the previous year, is attributable to the ongoing expansion of sales and logistics operations in both business areas, with an emphasis on the CSS business area.

Owing primarily to the higher level of gross operating profit, operating profit at the mid-year mark increased 17.6% y-o-y to CHF 32.8 mn. Measured as a percent of sales, this resulted in an

operating profit margin of 13.5% (14.2% in the prior-year period). Net income rose 16.7% to CHF 25.1 mn and corresponded to 10.3% of sales or CHF 7.40 per share (CHF 6.32 in the prior-year period).

Solid balance sheet

Total assets at the end of September 2015 stood at CHF 657.0 mn (+2.8%). Shareholders' equity of CHF 336.3 mn corresponds to a solid equity ratio of 51.2%, slightly higher than in the previous year. The net financial position declined slightly by CHF 3.4 mn compared to the reporting date for the previous year and amounted to CHF 119.2 mn.

Setup of new assembly plants on schedule

Assembly of Laby[®]-GI Compressors at the new plant in Busan, South Korea commenced at the end of August. The official inauguration of this new plant will take place in November. Already in September this year, the expansion of the factory in Winterthur was successfully completed. In June 2015 the foundation stone was laid for a new assembly plant for Process Gas Compressors in Houston, Texas. First compressors for the US market will be assembled there tentatively beginning of January 2016.

Outlook

The various markets addressed by Burckhardt Compression are showing rather divergent trends. Projects are plentiful but the extremely competitive environment is putting pressure on margins. From today's standpoint, the company continues to expect order intake for the fiscal year 2015 (closing March 31, 2016) to be around the level reached in the previous year and sales should exceed CHF 500 mn. Operating profit and net income for the full fiscal year are expected to be around the level reached in the previous year. The operating profit margin for the fiscal year 2015 is likely to be at the low end of the targeted long-term range of 15% to 20%. The targeted payout ratio of 50% to 70% is reiterated.

About Burckhardt Compression

Burckhardt Compression is one of the global market leaders in the field of reciprocating compressors and the only manufacturer that covers a complete range of reciprocating compressor technologies. Its customized compressor systems are used in the oil & gas, gas transport and storage, refinery, chemical and petrochemical and industrial gas sectors. 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 around the world. Since 1844 its highly skilled workforce has crafted superior solutions and set the benchmark in the gas compression industry.

Key figures for the first half of fiscal 2015 (April – September 2015)

CHF mn	April- Sept. 2015	April- Sept. 2014	Change 2015/2014	Fiscal year 2014
Order intake	254.2	270.0	-5.8%	514.1
Sales	243.0	196.1	+23.9%	473.6
Gross profit	73.0	63.9	+14.2%	152.8
Operating income (EBIT) in % of sales	32.8 13.5%	27.9 14.2%	+17.6%	74.6 15.7%
Net income in % of sales	25.1 10.3%	21.5 11.0%	+16.7%	57.6 12.2%
Total assets	657.0	639.3	+2.8%	681.4
Shareholders' equity in % of total assets	336.3 51.2%	325.2 50.9%	+3.4%	338.6 49.7%
Earnings per share (in CHF)	7.40	6.32	+17.1%	16.93
Headcount Sept. 30/March 31	1'438	1'308	+9.9%	1'385

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Additional information on the interim results for fiscal year 2015 has been published on our website at www.burckhardtcompression.com/midyearresults.

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