Burckhardt Compression

ANNUAL REPORT 2006

Burckhardt Compression is one of the market leaders in the field of reciprocating compressor technology and the only manufacturer that offers a complete range of Laby® (labyrinth piston), process gas and hyper compressors. These compressors are used in a wide range of applications in the chemical and petrochemical industry, in refineries, in air separation systems, and for gas transport and storage. Burckhardt Compression products are required to compress, cool or liquefy gas, for example hydrocarbon or industrial gases.
Its customers include multinational companies in the oil, gas, petrochemicals and chemicals industries. In addition to its thriving new installation business, a major driver of the company's success is its global service network, which generates a substantial share of company revenues. This global network enables Burckhardt Compression to offer comprehensive customer support services, such as delivery of top-quality components, servicing of compressor valves, complete system overhauls, engineering services and the fulfillment of comprehensive maintenance contracts.

Content

To Our Shareholders

Dear Shareholders

The 2006 annual report is the first we have published since going public in June 2006. We are pleased to note that the positive business developments in the preceding years persisted throughout the 2006 fiscal year.

Incoming orders exceeded the 400 million mark for the first time in our company's history and totaled CHF 408.2 million, which represents an increase of 26% from the prior-year figure. The relevant markets for both the new machines and service business (CSS) continued to grow.

Global demand for reciprocating compressors increased sharply once again during the past year. Rising demand for fossil fuels prompted our customers to add to their production capacities. Orders for reciprocating compressors were up based on rising consumption of polyethylene and polypropylene. Highlights of the second half year in the new machine business included the orders received from a customer in the petrochemical industry in China for four large Laby® compressors that will be used to produce polyethylene and polypropylene, an order from Sweden for the world's largest reciprocating compressor and the considerable number of orders for compressors for refinery applications. Orders received for new machines totaled CHF 311.3 million, an increase of CHF 68.5 million or 28% over the previous year.

Order intake at CSS reached a new record high of CHF 96.9 million, a gain of 20% from the previous year. Business with all four CSS modules offered by Burckhardt Compression is growing at a strong pace. Demand for these products and services is high and will support the continued global expansion of our service business activities. Burckhardt Compression is continually expanding the range of services it offers. All of Burckhardt Compression's repair centers are located where the customers are and can therefore provide comprehensive valve service with quick response times while minimizing downtimes when compressors undergo maintenance.

Sales of Burckhardt Compression Group advanced 27% in the 2006 fiscal year to CHF 266.7 million. Gross profit increased by 50% to CHF 99.2 million. Thanks to economies of scale, selling and administrative costs rose at a slower rate (+21%) than sales.

Our earnings performance improved once again, surpassing the already impressive results achieved in the 2005 fiscal year by a wide margin. Operating profit (EBIT) surged 88% to CHF 55.6 million. Net profit and earnings per share were up 82%. The EBIT margin was a strong 20.8% and the resulting net profit margin was 15.0%.

Sourcing bottlenecks were encountered more frequently last year due to the continued strong demand for industrial goods. Prices for raw materials increased substantially and delivery times for components were longer. Various operational measures have been taken to shorten overall lead times for time-critical components in our manufacturing processes to the greatest extent possible. We are pleased that the deliveries of new machines and spare parts last year were largely made on schedule despite the tight procurement situation.

In order to handle the rise in order volumes a decision was made last year to expand our capacity in Winterthur and Pune (India). Burckhardt Compression created 74 new jobs in 2006, bringing the total number of employees to 712. Additional workshop, warehouse and office space was leased and capital spending plans were moved forward. A new phase of expansion entered the implementation stage at our plant in India.

The investment activity of our customers remains high but we assume that fewer large projects will be carried out in 2007. Therefore we anticipate that order intake in 2007 will not be higher than last year.

In view of the high order backlog and our increased production capacity, we expect sales to be 25% to 30% higher in the current year with another increase in profits.

The Board of Directors will propose a dividend of CHF 3.00 per share at the General Meeting, which corresponds to the payout ratio that was announced at the time the interim results were published. The election of Urs Leinhäuser, the CFO of Rieter, to the Board of Directors will also be proposed.

We would like to take this opportunity to thank all of you who have contributed to Burckhardt Compression's astonishing development during recent years: Our employees, whose strong commitment and can-do attitude enabled us to handle the growing business volumes to the satisfaction of the company we serve, and our customers for the trust and confidence they have displayed in our products and services. Special thanks go to our suppliers for working with us to build strong business relationships and we would also like to thank our shareholders for the confidence they have placed in our company.

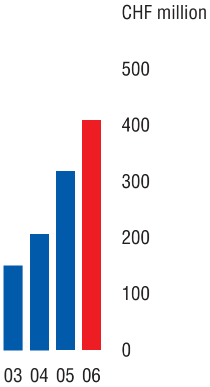
Yours sincerely,

Hans Hess Chairman of the Board of Directors	Valentin Vogt CEO & Executive Member of the Board of Directors

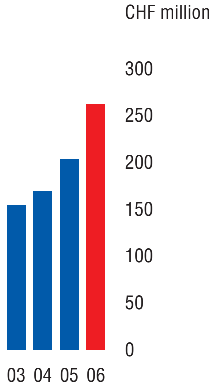
Winterthur, June 5, 2007

Figures at a Glance

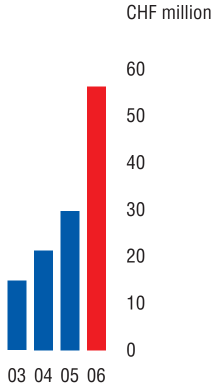
Order intake



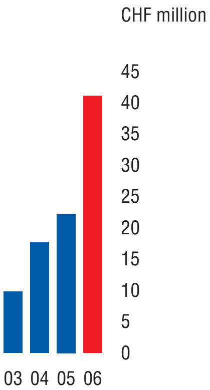
Sales



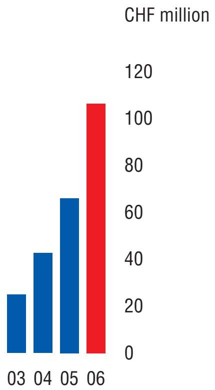
EBIT



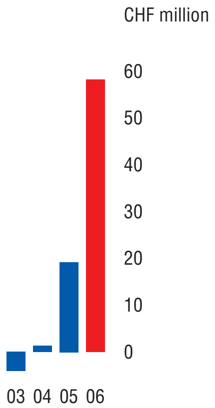
Profit for the period



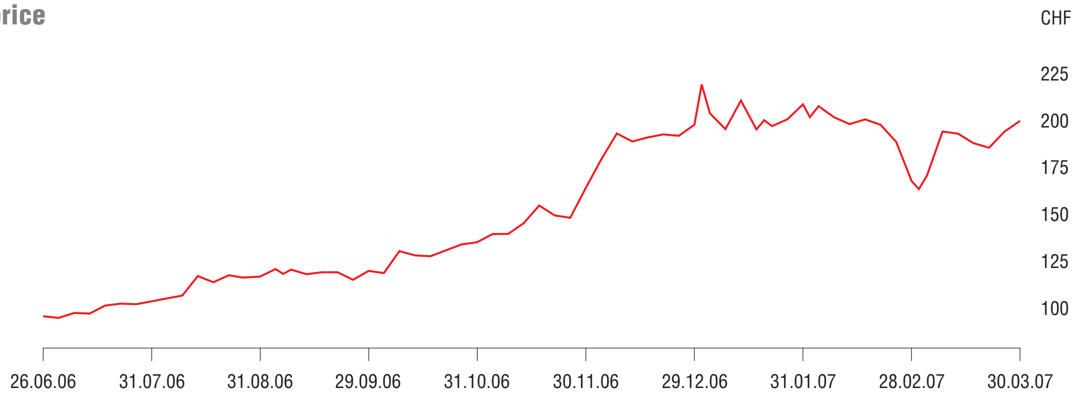
Shareholders’ equity



Net financial position



Share price



CHF million		2004	2005	2006	Change 2005/2006
Order intake:					
- New machines		136.6	242.8	311.3	+ 28.2%
- CSS (Customer Support Service)		69.1	80.7	96.9	+ 20.1%
Total		205.7	323.5	408.2	+ 26.2%
Sales and gross profit:					
- New machines	Sales	103.5	131.6	173.6	+ 31.9%
	Gross profit	19.3	27.6	52.7	+ 91.2%
	in % of sales	18.6%	20.9%	30.4%	
- CSS	Sales	64.7	78.8	93.1	+ 18.2%
	Gross profit	30.8	38.4	46.5	+ 20.9%
	in % of sales	47.6%	48.8%	49.9%	
Total	Sales	168.2	210.4	266.7	+ 26.7%
	Gross profit	50.1	66.0	99.2	+ 50.3%
	in % of sales	29.8%	31.4%	37.2%	
Operating income (EBIT)		21.6	29.6	55.6	+ 88%
in % of sales		12.8%	14.1%	20.8%	
Profit for the period (after minority interests)		17.9	22.1	40.1	+ 81.6%
in % of sales		10.6%	10.5%	15.0%	
Depreciation and amortization		4.0	4.7	5.2	+ 9.1%
Cash flow:					
- from operating activities		16.3	33.8	47.7	+ 41.1%
- from investing activities		-20.5	-6.5	-11.5	+ 74.9%
- from financing activities (incl. translation differencies)		-18.2	-16.9	-10.7	- 36.7%
Total		-22.4	10.3	25.4	+ 146.1%
Balance sheet total		150.7	181.0	270.1	+ 49.2%
Non-current assets		36.9	48.3	50.7	+ 4.5%
Current assets		113.8	132.7	219.3	+ 65.3%
Shareholders' equity		43.2	66.1	108.3	+ 63.8%
in % of balance sheet total		28.7%	36.5%	40.1%	
Net financial position		0.8	19.4	58.2	+ 200.0%
Headcount as per 31.3.		542	638	712	+ 11.6%
Share price as per 31.3. (in CHF)		-	-	199.50	
Market capitalization				678.3	
Earnings per share (in CHF)		5.28	6.50	11.80	+ 81.6%

Pages 10-17: People and Values
Due to the strong commitment of our employees we are achieving a high customer satisfaction in quality and reliability regarding all our products and services.

Ketan Korde, Assembly & Testing, India,
Benjamin Bürgin, Assembly, Switzerland

Sven Hulliger, Assembly, Switzerland

Gerard Fraboulet, Head of Burckhardt Compression (France) S.A.S., France

Adrian Schleiffer, Apprentice, Switzerland

Chris McClennan, Sales & Marketing, Canada,
Vince Mullen, Service & Sales, Canada

Peter Isele, Small Parts Manufacturing, Switzerland

Susann Krauer, Design & Manufacturing, Switzerland

Gerhard Bur, Assembly, Switzerland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Burckhardt
Compression

Review of the Fiscal Year 2006

Positive market developments

Global demand for reciprocating compressors continued to increase at a rapid rate during the past year. Growing demand for fossil fuels prompted our customers to ramp up their production capacity, especially customers in the petroleum refining industry and the natural gas transportation and storage sectors. Greater polyethylene and polypropylene consumption and the transfer of production capacity to Asia and the Middle East boosted demand for reciprocating compressors. In addition, capacity utilization rates in the chemical industry were high across the globe and generated strong demand for the products offered in the industrial gas segment. Steel consumption continued to rise, inducing our customers in this sector to further expand their production capacity, which, in turn, raised demand for oxygen compressors.

Another strong increase in order intake, sales and earnings

Incoming orders topped the 400 million mark for the first time in our company's history and stood at CHF 408.2 million. This represents an increase of 26% from the prior-year. Order volumes have almost doubled since the 2004 business year (+98%).

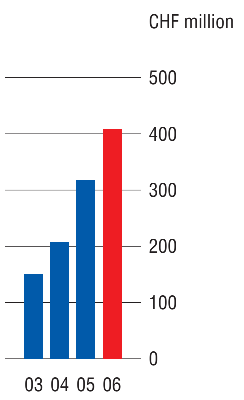
Sales of Burckhardt Compression Group advanced 27% in the 2006 fiscal year to CHF 266.7 million. This better-than-expected growth was possible due to the expansion of our production capacity in Switzerland and India that was initiated during the course of last year.

Delivery times had become much longer than normal but were then stabilized at a high level. New machine sales rose by 32% compared to the previous year and service revenues (CSS) were up 18%.

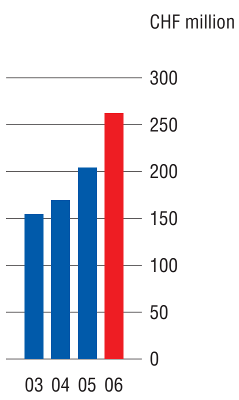
Our earnings performance improved once again, surpassing the already impressive results achieved in the 2005 fiscal year by a wide margin. Operating profit (EBIT) surged 88% to CHF 55.6 million. Net profit and earnings per share were up 82%. The EBIT margin was a strong 20.8% and the resulting net profit margin was 15.0%.

Earnings growth outpaced sales growth thanks to the substantial increase in gross profit and proportionately slower growth in selling and administrative costs. Gross profit rose by 50% compared to the previous year. The faster gross profit growth in comparison to sales growth (+27%) was primarily driven by the new machine business and can be traced to a favorable product mix, successful project management, a high capacity utilization rate and continued efficiency gains.

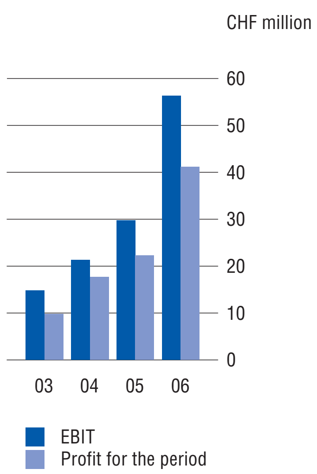
Order intake



Sales



EBIT and profit for the period



Increase in the equity ratio

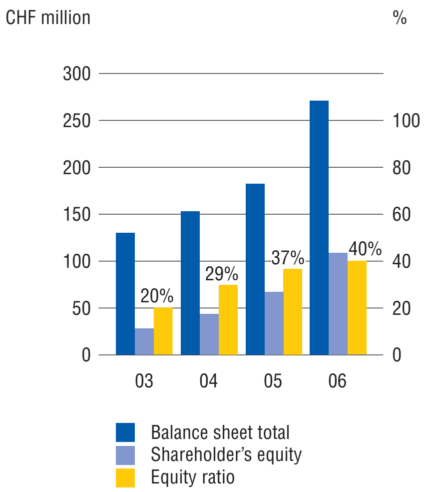
Balance sheet assets increased to CHF 270.1 million due to the rise in business volumes during the year under review and in anticipation of continued sales growth in the coming years. The company is well on its way to securing a sound equity base with the current equity ratio of 40%. Burckhardt Compression Group's targeted equity ratio is 45-50%.

New machine business tops expectations

The main markets served by Burckhardt Compression continued to grow, so both the number of customer enquiries and the resulting new orders exceeded our initial expectations. Orders received for new machines amounted to CHF 311.3 million, an increase of CHF 68.5 million or 28% over the previous year. The majority of our business is in the following three main application areas:

- Hydrocarbon processing industry (HPI)
- Gas transport and storage
- Industrial gases

Equity ratio



HPI (Hydrocarbon Processing Industry) and chemical industry

Demand from the hydrocarbon processing industry for more environmentally friendly fuels and for polyethylene and polypropylene in manufacturing high-grade plastic products has been steadily rising. New plants are being built, primarily in the Middle East and Asia and a trend towards increasingly large-scale plants is emerging. Our compressors are used to compress ethylene and propylene for intermediate products that, in turn, are required to manufacture plastics, paints, detergents, adhesives and sealants. Large orders for polyethylene and polypropylene plants in China, India and the Middle East and for two low-density polyethylene plants were among the highlights of the past business year. In the refining segment hydrocarbon compressors are required to produce fuel, and order activity here remained high as well.

Gas transport and storage

Steadily rising consumption of fossil fuel worldwide is boosting demand in this area of application. Natural gas is becoming an increasingly important source of energy, it burns cleaner than crude oil and proven reserves of natural gas are thought to exceed crude oil reserves.

Having already equipped most of the European import terminals for the reliquefaction of liquefied natural gas (LNG) with our compressors, we succeeded last year in selling our first compressors for boil-off reliquefaction to customers in China and Canada. Both of these compressor systems were equipped with cutting-edge technology that we had developed in an optimization project for land-based LNG facilities. Burckhardt Compression has now established itself as the market leader for compressors used in the reliquefaction of LNG, not only in Europe, but also in North America.

Industrial gas segment

In the steel industry demand for reciprocating compressors for oxygen has declined somewhat in recent years but this trend is likely to reverse in view of today's high demand for steel. A trend toward larger systems is also evident for the air-separation systems that produce oxygen. Oxygen remains the main application in the industrial gas segment, in addition to carbon monoxide and nitrogen. Once again, a major reason why companies choose Burckhardt Compression products for these applications is the unrivaled safety and reliability of our Laby® (labyrinth piston) compressors.

Service business is picking up

Order intake at Customer Support Service (CSS) reached a new record high of CHF 96.9 million, a gain of 20% from the previous year. Burckhardt Compression is continually expanding its range of services. All repair centers are strategically located where the customers are so response times are quick and the full range of services can be provided while minimizing downtime when compressors are undergoing maintenance or repair. Our service experts can also upgrade compressors to alleviate customers' production bottlenecks and, if compressors need to be transferred to a different location, they can provide the necessary support and logistical services.

Business volumes in spare parts and maintenance services for compressors built by other manufacturers showed a positive trend. Compressor components are increasingly being repaired instead of replaced. Burckhardt Compression is actively addressing this trend. Our customers have displayed a growing appreciation of the experience and solid guarantees we offer as an original equipment manufacturer (OEM) with a long track record. We have created a special unit to meet the rising demand for professional maintenance services and top quality replacement parts for compressors built by other manufacturers. Maintenance services for valves made by other manufacturers are also on the increase. All service centers of Burckhardt Compression are equipped with specially developed, uniform valve testing machines, which means we can guarantee the same high quality worldwide.

Strategic partnerships have been specifically set up so we can offer integrated service packages from a single source. Our subsidiary in the United States, for example, signed a contract with a leading industrial gas producer in the US and we now service and warehouse all compressor valves in use at its customers' sites. The rapid response unit offering around-the-clock services (24/7) has proven to be very effective to ensure customer satisfaction. The positive feedback here will help us to arrange similar agreements with other customers.

Difficult procurement situation

Sourcing problems arose last year due to the continued strong demand for industrial goods. Besides the huge increase in raw material prices, delivery times for cast components and critical parts such as crankshafts were much longer than usual. In response to this situation, we have initiated operating measures to shorten lead times for time-critical components used in our manufacturing processes to the maximum extent possible.

Our suppliers are also now better integrated in our information system so that they can perform preparatory work before an order is officially placed. Burckhardt Compression is proud to have kept almost all delivery times last year despite the tight procurement situation.

Capacity expansion in Winterthur and Pune

In order to handle the rising volume of business – be it on the sales front, in customer support service, in order processing, or manufacturing, developing and assembling machines – management decided to expand the company's capacity in Winterthur and India. Burckhardt Compression created 49 new jobs in Winterthur during the year under review. Additional workshop, warehouse and office space was leased. The expansion of compressor testing facilities led to a sharp reduction in throughput times. Thanks to these measures we can now work off the high order backlog and reduce delivery time.

Another phase of expansion was started at our plant in India (Pune) in 2006. The workforce was steadily increased and the current expansion project is now in the stage of execution.

Milestones in the implementation of the manufacturing concept

Another milestone was reached in implementing the new manufacturing concept for the mechanical manufacturing operations at the Winterthur plant. The first of the five planned full-scale machine tool centers went into operation in January 2007. These investments will substantially enhance the company's productivity and competitiveness.

Successful customer event

Every year we organize a customer event with the aim of bringing together end customers, engineering contractors, consultants and employees of Burckhardt Compression to share insights and information and to discuss specific compressor applications. The main theme of the 2006 event was "Compressors for Polyethylene Production" and focused on LDPE (Low Density Polyethylene) processes, compressor design, operation and maintenance, as well as certain safety aspects when operating ultra-high pressure plants. A large number of customers accepted our invitation to attend this event in Winterthur and were also given a tour of our compressor manufacturing facilities.

Type certification for marine LNG application

Many new tankers will be built for marine transportation of LNG (Liquified Natural Gas) in the coming years. Improving the energy efficiency of marine propulsion systems will become an increasingly important issue. Burckhardt Compression is at the cutting edge of R&D efforts to develop compressors that compress natural gas to the specific pressure required for marine diesel engines so that these engines can alternatively be operated with environmentally friendlier natural gas. We received a “Design Assessment for Type Approval” from Det Norske Veritas thanks to our experience in manufacturing and operating compressors for LPG (Liquified Petroleum Gas). The new concept was unveiled to the general public towards the end of the reporting year at the Gastech Conference in Abu Dhabi and attracted considerable notice from industry experts. Another presentation was given at the LNG Asia Pacific Conference in Korea, where most LNG tankers are built. We are convinced that we have developed an optimal product for this particular application, building upon the outstanding advantages of our compressor technology and our experience with LNG and LPG.

Successful market listing

In November 2005 Zurmont Finanz AG, a private equity investor and, at that time, Burckhardt Compression Group’s majority shareholder, expressed its desire to sell its interest in the company. In consultation with shareholding executives, the decision was made in February 2006 to list Burckhardt Compression Holding AG, the parent company of the Burckhardt Compression Group, on the SWX Swiss Exchange through an IPO. The stock-market listing was executed as planned. The first day of trading was June 26, 2006 and the share price steadily rose afterwards.

New appointments to the Board of Directors

The Board of Directors of our parent company Burckhardt Compression Holding AG was expanded and strengthened in the wake of the IPO. Although company executives have retained a substantial interest in the company, it was important for us that the position of Board Chairman be held by an independent and impartial person, not least for the sake of good corporate governance. Hans Hess fits this requirement and is a highly experienced and capable manager. He previously served as the CEO and delegate of the Board of Directors of Leica Geosystems AG, which went public in the year 2000 under his management. Hans Hess succeeds Guido Patroncini, who has chaired the Board of Directors since 2002 as the representative of the majority shareholder. We would like to thank Mr. Patroncini once again for his extremely valuable services and active leadership during the past five years.

Urs Fankhauser, the Head of the Chemtech division and a member of Sulzer’s Group Executive Board, joined Burckhardt Compression’s board as a new director in 2006. Urs Fankhauser has accumulated many years of industry experience and has a thorough understanding of the HPI market.

Urs Leinhäuser will be proposed for election to the Board of Directors at the next Annual General Meeting of Shareholders on July 7, 2007. As CFO of Rieter Group, Urs Leinhäuser is a proven expert in the field and represents a valuable addition to the Board of Directors.

Management positions filled with internal candidates

Internal leadership training is taken very seriously at Burckhardt Compression. Every year the Group management and other members of management staff undergo training to further enhance their personal development and to sharpen their leadership skills and to strengthen their ability to build strong customer relationships and intercultural competence. We attach considerable importance to continuing education programs addressing company-relevant subjects. Employees with potential are offered individual career development programs and thereby groomed for future responsibilities. Burckhardt Compression’s philosophy is to recruit its management staff – especially at the Group management level – primarily in-house. Last year, for example, the positions of Head of Marketing, Head of Contracting and Head of Sizing were all filled internally.

Dividend proposal

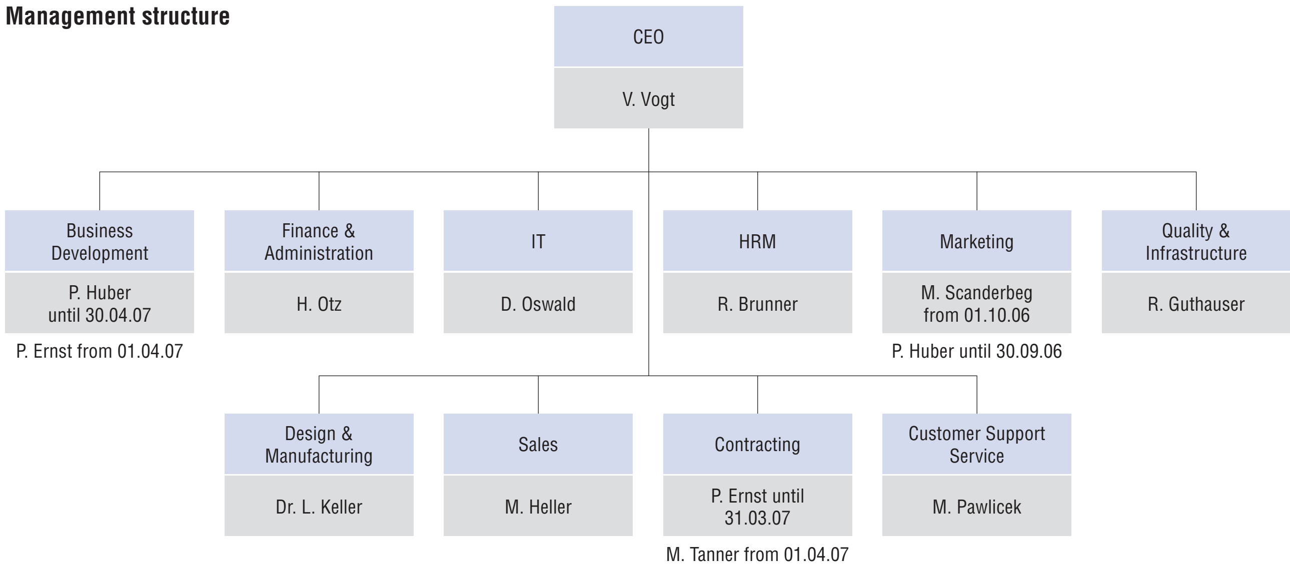
In view of Burckhardt Compression Group’s strong earnings performance and the positive outlook, the Board of Directors is proposing a dividend of CHF 3.00 per share, which corresponds to a dividend payout ratio of 25% of net profit.

Corporate Governance

1. Group structure and shareholders

Group structure
Burckhardt Compression Holding AG is a corporation organized under the laws of Switzerland with legal domicile in Winterthur.

Management structure



Burckhardt Compression registered shares (BCHN) are listed on the SWX Swiss Stock Exchange in Zurich (ISIN: CH0025536027; security no. 002553602). The market capitalization as per March 31, 2007 amounted to CHF 678.3 million.

Information of the companies included in the consolidation scope of Burckhardt Compression Holding AG can be found in the financial report, section investments as per March 31, 2007.

Important shareholders
As per March 31, 2007 the following groups of shareholders were registered:

Shareholders	Number of shares	%
Individuals	987,810	29
Corporate entities	891,731	26
Shares in the process of transfer	1,156,531	34
Others	363,928	11
Treasury shares	0	0
Total	**3,400,000**	**100**

According to information available to the company, the following shareholders reported shareholdings above 5% of the share capital and voting rights as per March 31, 2007:

Name	Country	% of shares
Members of the Executive Board incl. executive member of the Board of Directors	Switzerland	21.1
Bank of America	USA	6.2 a)
Deutsche Bank AG	Germany	5.6 a)

a) According to the articles of incorporation of the Burckhardt Compression Holding AG the voting rights of those shareholders is limited to 5%.

Cross-shareholdings
Burckhardt Compression Holding AG has no cross-shareholdings with any other company or group of companies.

2. Capital structure

Capital
The issued share capital of Burckhardt Compression Holding AG amounts to CHF 8,500,000, comprising 3,400,000 fully paid registered shares with a nominal value of CHF 2.50 each.

Authorized and conditional capital
Burckhardt Compression Holding AG has no authorized and/or conditional capital.

Changes of capital
There has been no movement in the share capital since 2002. There was a 1:4 share split before the IPO in June 2006, and the company now has 3,400,000 fully paid registered shares.

Shares and participation certificates
Voting rights may only be exercised after the shareholder has been registered in the share register. All shares are entitled to full dividend rights. The voting right per shareholder is restricted to 5% of the total number of the registered shares recorded in the commercial register. This does not apply to shareholders that were in possession of more than 5% of the shares of Burckhardt Compression Holding AG before the Initial Public Offering (IPO). The voting rights of Burckhardt shares held by the company or its subsidiaries are suspended.

The company has not issued any participation certificates (Partizipationsscheine) or dividend right certificates (Genussscheine).

Limitations on transferability and nominee registrations
No person will be registered as a shareholder in the share register for more than 5% of the registered share capital. This limitation applies also to persons who hold shares wholly or partly through nominee agreements. This limitation also applies if shares are acquired by exercising option, conversion or pre-emptive rights.

Legal entities and partnerships which are linked by equity or voting rights, by sharing the same management or linked in some other way are counted as one entity. The same applies to individuals, legal entities or partnerships that combine their shareholdings for the purpose of circumventing registration limitations.

Individual shareholders whose entry applications do not expressly declare that they hold their shares for their own account (nominees), will be entered in the share register with voting rights, provided that they are subject to supervision by a recognized banking and financial market regulator, and have signed an agreement with the Board of Directors concerning their status, and that the number of shares held by the nominee does not exceed 2% of the registered share capital. Beyond this registration limit, the Board of Directors may register nominees in the share register with voting rights provided that such nominees disclose the names, addresses, nationalities and holdings of the persons on whose account they hold 2% or more of the registered share capital.

Convertible loans and options
The company does not have any outstanding convertible bonds and has not issued any option rights.

3. Board of Directors

Members
The articles of incorporation stipulate that the Board of Directors consists of a minimum of one and a maximum of seven members. At present, the composition of the Board of Directors is as follows:

Name	Nationality	Position	Date of first appointment
Hans Hess	Swiss	Chairman, non-executive	June 1, 2006
Heinz Bachmann	Swiss	Deputy Chairman, non-executive	June 1, 2006
Urs Fankhauser	Swiss	Non-executive member	June 1, 2006
Valentin Vogt	Swiss	Chief Executive Officer (CEO) and Executive Member	June 1, 2006

None of the non-executive board members was a member of the Executive Board of a Burckhardt Compression Group company. None of the non-executive members of the Board has important business connections with a Burckhardt group company.

Election and term of office
The members of the Board of Directors are elected for a period of three years. Re-election is possible; there is no statutory age limit.

Hans Hess (1955)

Education:

Degree in Materials Engineering from the Federal Institute of Technology Zurich, Switzerland

Professional background:

Since 2006: self-employed

1996-2005: President and CEO, Leica Geosystems AG, Switzerland

1993-1996: President, Leica Optronics Group, Switzerland

1989-1993: Vice President, Leica Microscopy Group, Switzerland

1983-1988: Manager of Polyurethane Division, Huber & Suhner AG, Switzerland

1981-1983: Development Engineer, Sulzer AG, Switzerland

Other important activities and interests:

- Board member of Schaffner Holding AG, Switzerland
- Board member of Geberit AG, Switzerland
- Board member of COMET Holding AG, Switzerland
- Member Vontobel Foundation, Switzerland
- Trustee of ISPRS Foundation
- Deputy Chairman and member of the Swiss Armament Committee
- Member of executive management committee of Swissmem

Heinz Bachmann (1942)

Education:

Degree in Textile Engineering from Reutlingen College of Applied Sciences for the Textile Industry, Germany

Professional background:

1990-2003: CEO, Saurer Textile Systems, Switzerland

1981-1989: Chief Representative, Schuber & Salzer Maschinenfabrik AG, Germany, Director and Member of Group Management, Rieter Ltd., Switzerland

1975-1980: Managing Director, Lauffenmühle Group, Germany

1967-1974: Member of Group Management and Technical Manager, Wellington Industries Ltd, South Africa

Other important activities and interests:

- Board member of Saurer AG, Switzerland
- Chairman of Santex Group, Switzerland
- Board member of Grob AG, Switzerland
- Board member of Hunziker AG, Switzerland
- Chairman of Swiss-Turkish Chamber of Commerce
- Member of management committee of Swissmem

Urs Fankhauser (1960)

Education:

Degree in Engineering HTL Burgdorf, Switzerland, MBA Henley Management College, UK

Professional background:

Since 2002: Division President Sulzer Chemtech Ltd., Switzerland and member of Sulzer Executive Committee, Switzerland

2000-2002: President North and South America, Sulzer Chemtech Ltd., USA

1993-2000: President East Asia Pacific, Sulzer Chemtech Ltd., Singapore

1990-1993: Engineering Manager, Sulzer Chemtech Ltd., Singapore

1989-1990: Production Engineer, Sulzer Pumps Ltd., UK

Valentin Vogt (1960)

Education:

Lic. oec. HSG St. Gallen, Switzerland

Professional background:

Since 2000: CEO, Burckhardt Compression Group, Switzerland

1992-2000: President, Sulzer Metco AG, Switzerland

1989-1992: CFO, Sulzer Metco Division, Switzerland

1986-1989: CFO, Alloy Metals, USA

1985-1986: Controller, Sulzer AG, Switzerland

Other important activities and interests:

- Board member of StarragHeckert Holding AG, Switzerland
- Member of management committee of Swissmem

Internal organization
The Board of Directors has the final responsibility for the business strategy and the management of the Burckhardt Compression Group. It has final authority and defines the guidelines regarding strategy, organization, financial planning and accounting for the Burckhardt Compression Group. The Board of Directors has delegated the day-to-day business to the CEO. The Board of Directors appoints a secretary for the Board and for the company. The secretary does not need to be a member of the Board; currently the CFO of the company acts as secretary.

The Board of Directors meets as often as required by the business situation, but at least four times per year. Since the IPO on June 26, 2006, the Board of Directors held five meetings, with each meeting lasting half a day to one day. The Board of Directors has a quorum when the majority of the members is present. Decisions are passed by a simple majority. In the event of a tie, the Chairman has the casting vote. A quorum is required if the meeting is held solely in order to take note of the fact that a capital increase has taken place and to decide on the subsequent amendments of the articles of incorporation.

The heads of Sales, Customer Support Services (CSS), Design & Manufacturing, Contracting and the CFO, who also acts as Secretary, are regularly invited to Board meetings to report on the activities in their fields. The Board of Directors has set up the following committees:

Audit Committee
The Audit Committee advises and supports the Board in all matters related to external and internal audits, risk management, accounting policies and practices and compliance with accounting standards issued. Since the IPO on June 26, 2006, the Audit Committee has held one half-day meeting.

The members are:
- Hans Hess, chairman
- Urs Fankhauser, member

Nomination and Compensation Committee
This committee advises and assists the Board of Directors on appointments and dismissals to and from the Executive Board and draws up proposals for the appointment or dismissal of members of the Board of Directors. Furthermore the Nomination and Compensation Committee advises and assists the Board of Directors on questions relating to the compensation of the Board members and the Executive Board. The Nomination and Compensation Committee held no meetings between the IPO on June 26, 2006 and March 31, 2007. Its first meeting, lasting half a day, was held on May 14, 2007.

The members are:
- Hans Hess, chairman
- Heinz Bachmann, member

Definition of areas of responsibility
The Board of Directors has delegated the executive management of the company and the group to the CEO, with the exception of the following matters:

- Definition of the business policies and strategy of the group
- Definition of the top-level organizational structure of the group
- Approval of the annual budget, the annual report and of reporting and accounting policies
- Ensuring adequate internal control systems based on recommendations of the Audit Committee
- Determination of the appropriate capital structure
- Appointment and dismissal of members to and from the Executive Board
- Definition of salary guidelines and compensation of members of the Executive Board
- Election of the Chairman, Deputy Chairman and of the Chairmen of the Audit Committee and the Nomination and Compensation Committee
- Decisions on subsidiaries, capital expenditure projects, acquisitions, financing transactions, insurance concepts and the provision of guarantees if such decisions exceed the powers conferred on the CEO.

The powers of the Executive Board and of the managements of the group companies are listed in detail in the delegation of authority.

Information and control instruments
Order intake, income statement, balance sheet, cash flow, headcount, personnel costs and capital expenditures are reported and consolidated on a monthly basis. Liquidity is reported and consolidated weekly. The annual budget is prepared and approved between January and March. Year-end projections are prepared as and when required, but always together with the annual budget. The monthly financial report is distributed to all members of the Board of Directors, as well as to the members of the Executive Board and the Managing Directors of the Burckhardt Compression subsidiaries. At every Board meeting, the CEO, the area managers and the CFO report on the course of business and on all issues of relevance to the Group.

4. Executive Board

Members

Name	Nationality	Function
Valentin Vogt	Swiss	CEO and executive member of the Board of Directors
Regula Brunner	Swiss	VP Human Resources
Peter Ernst	Swiss	VP Contracting until 31.03.2007 VP Business Development from 01.04.2007
René Guthauser	Swiss	VP Quality & Infrastructure
Martin Heller	German	VP Sales
Peter Huber	Swiss	VP Marketing until 30.09.2006 VP Business Development until 30.04.2007
Dr. Leonhard Keller	Swiss	VP Design & Manufacturing
Daniel Oswald	Swiss	VP IT
Harry Otz	Swiss	CFO
Marcel Pawlicek	Swiss	VP Customer Support Services
Marco Scanderbeg	Swiss	VP Marketing from 01.10.2006
Matthias Tanner	Swiss	VP Contracting from 01.04.2007

None of the members of the Executive Board is member of a management or supervisory body of a major Swiss or foreign organization outside of Burckhardt Compression with the exception of Valentin Vogt who is a member of the Board of Directors of StarragHeckert Holding AG, Switzerland. None of the members performs permanent management or consultant duties for major Swiss or foreign lobby groups. None of the members performs official functions or holds political office.

Valentin Vogt (1960)

Education:

Lic. oec. HSG St. Gallen, Switzerland

Professional background:

Since 2000: CEO, Burckhardt Compression Group, Switzerland

1992-2000: President, Sulzer Metco AG, Switzerland

1989-1992: CFO, Sulzer Metco Division, Switzerland

1986-1989: CFO, Alloy Metals, USA

1985-1986: Controller, Sulzer AG, Switzerland

Other important activities and interests:

- Board member of StarragHeckert Holding AG, Switzerland
- Member of management committee of Swissmem

Regula Brunner (1957)

Education:

Federal Diploma in Human Resources

Professional background:

Since 2002: Head of Human Resources Department, Burckhardt Compression AG, Switzerland

2000-2002: Human Resources Assistant, Sulzer-Burckhardt AG, Switzerland

1977-2000: Assistant to the management of various departments, Sulzer AG, Switzerland

Peter Ernst (1942)

Education:

Degree in Mechanical Engineering, HTL Zurich, Switzerland

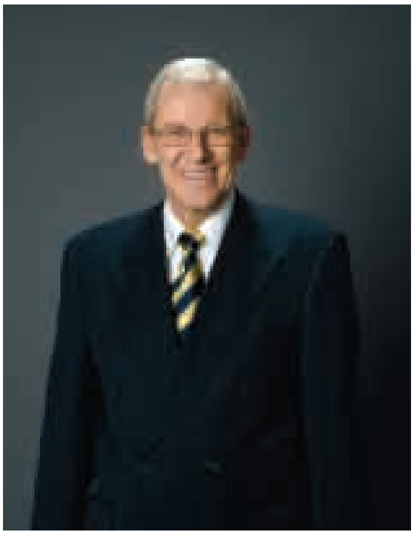
Professional background:

From 01.04.2007: Head of Business Development, Burckhardt Compression AG, Switzerland

2002-2007: Head of Contracting, Burckhardt Compression AG, Switzerland

1973-2001: Head of Design, Contracting and Sizing, Sulzer-Burckhardt AG, Switzerland

1969-1972: Design Engineer, Sulzer-Burckhardt AG, Switzerland



René Guthauser (1965)

Education:

Engineer TS

Professional background:

Since 2005: Head of Quality and Infrastructure, Burckhardt Compression AG, Switzerland

2002-2005: Team Leader Contracting, Burckhardt Compression AG, Switzerland

1998-2002: Sales Engineer, Sulzer-Burckhardt AG, Switzerland

1989-1998: Project and Construction Engineer, Sulzer-Burckhardt AG, Switzerland, and Sulzer Inc., USA

Martin Heller (1954)

Education:

Degree in Mechanical Engineering, HTL Winterthur, Switzerland

Professional background:

Since 2000: Head of Sales, Burckhardt Compression AG, Switzerland

1997-2000: Head of Sales/Contracting, Petrochemical Division, Sulzer-Burckhardt AG, Switzerland

1989-1997: Sales Manager, Industrial Gas Division, Sulzer-Burckhardt AG, Switzerland

1985-1988: Sales Engineer, Sulzer-Burckhardt AG, Switzerland

1981-1984: Design and Project Engineer, Georg Fischer AG, Sulzer-Burckhardt AG and at Sulzer Inc., USA

Peter Huber (1945)

Education:

Degree in Mechanical Engineering, HTL Zurich, Switzerland

Professional background:

Since 01.10.2006: Head of Business Development, Burckhardt Compression AG, Switzerland

1992-2006: Head of Marketing, Burckhardt Compression AG, Switzerland

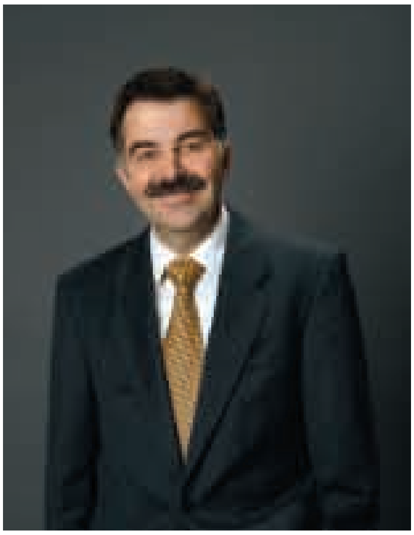
1987-1991: Marketing oil and gas, Pump Division, Sulzer AG, Switzerland

1981-1986: Project Manager in the Pump Division, Sulzer AG, Switzerland

1979-1981: Pump Specialist and Project Engineer, Sulzer Inc., USA, and Sulzer AG, Switzerland

1974-1979: Sales and Project Engineer, Sulzer AG, Switzerland

1968-1973: Designer, Application and Construction Engineer, Sulzer AG, Switzerland, D.A.F., Canada and Sulzer Inc., USA



Dr. Leonhard Keller (1953)

Education:

Degree in Engineering, Federal Institute of Technology Zurich, Switzerland, Ph.D. (Rensselaer Polytechnic Institute, Troy, N.Y., USA)

Professional background:

Since 1997: Head of Design & Manufacturing, Burckhardt Compression AG, Switzerland

1991-1997: Technical Manager, Sulzer-Burckhardt AG, Switzerland

1990-1991: Assistant to the Technical Manager, Sulzer-Burckhardt AG, Switzerland

1986-1989: Head of Engine Management Systems, Diesel Division, Sulzer AG, Switzerland

1982-1986: Research Engineer, Diesel Division, Sulzer AG, Switzerland

Daniel Oswald (1965)

Education:

Degree in Mechanical Engineering, HTL St. Gallen, Switzerland

Professional background:

Since 2002: Head of IT, Burckhardt Compression AG, Switzerland

2000-2002: Head Cost Accounting, Sulzer-Burckhardt AG, Switzerland

1996-2000: Assistant to the plant manager, Sulzer-Burckhardt AG, Switzerland

1992-1996: Head of CNC Programming, Sulzer Rüti AG, Switzerland

1987-1992: Machinist and CNC Programmer, Sulzer Rüti AG, Switzerland

Harry Otz (1955)

Education:

Degree in Business Administration HWV Zurich, Switzerland

Professional background:

Since 2000: CFO, Burckhardt Compression AG, Switzerland

1997-2000: Managing Director, Sulzer Pumps, Mexico

1992-1996: CFO, Sulzer Bingham Pumps Inc., USA

1989-1991: Head of an audit group, Sulzer AG, Switzerland

1985-1988: Assistant to the CEO, Eternit-Eureka S.A., Mexico

1981-1984: Assistant controller, BBC International, Brown Boveri AG, Switzerland

Marcel Pawlicek (1963)

Education:

Degree in Mechanical Engineering, HTL Winterthur, Switzerland

Professional background:

Since 2001: Head of CSS, Burckhardt Compression AG, Switzerland

1999-2001: Head Sales and Contracting HPI, Sulzer-Burckhardt AG, Switzerland

1989-1999: Project Manager and Marketing & Sales Manager for Burckhardt compressors, Sulzer Inc., USA

1986-1989: Design Engineer, Sulzer-Burckhardt AG, Switzerland

Marco Scanderbeg (1966)

Education:

Degree in Mechanical Engineering, HTL Winterthur, Switzerland

Professional background:

Since 01.10.2006: Head of Marketing, Burckhardt Compression AG, Switzerland

2003-2006: Marketing Manager, Burckhardt Compression AG, Switzerland

2002-2003: Business Development Manager, Bühler AG, Switzerland

2000-2002: Market Segment Manager, Bühler AG, Switzerland

1999-2000: Executive Director Sales, Telsonic AG, Switzerland

1992-1999: Project and Sales Engineer, Sulzer Chemtech AG, Switzerland

Matthias Tanner (1964)

Education:

Degree in Mechanical Engineering, HTL Muttenz, Switzerland

Professional background:

From 01.04.2007: Head of Contracting, Burckhardt Compression AG, Switzerland

2002-2007: Head of Sizing, Burckhardt Compression AG, Switzerland

1998-2002: Head of Technology Process and Hyper compressors, Sulzer-Burckhardt AG, Switzerland

1995-1998: Sales Engineer, Sulzer-Burckhardt AG, Switzerland

5. Compensation, shareholdings and loans

Non-executive Directors
Non-executive Board members receive remuneration in the form of a fixed director's fee.

This remuneration is paid in cash. Non-executive members of the Board of Directors do not receive bonuses. The directors' emoluments are set by the Board of Directors as a whole in response to a proposal from the Nomination and Compensation Committee.

Executive Board including Executive Member of the Board of Directors
The Executive Board (and all executives of the Burckhardt Compression Group) and the Executive Member of the Board of Directors receive a performance and result-based bonus in addition to their base salaries. Total pay consisting of the base salary plus target bonus reflects the median market valuation of the relevant position, individual qualifications, and the prevailing local labor market conditions. The latter are regularly assessed and salary ranges adjusted accordingly. The target bonus corresponds to a percentage of the base annual salary; the actual bonus paid depends on the achievement of individual targets, 60-70% are of a financial nature, e.g. EBIT, order intake, project margin, net finance position; 30-40% are of a non-financial nature. A percentage weighting is defined for each target. The minimum bonus amounts to 50% of the target bonus. The maximum bonus amounts to 250% of the target bonus, while no bonus at all is paid if the minimum target level is not achieved. Executive Board members and the Executive Member of the Board of Directors receive neither shares nor option plans or other similar incentives.

The entire remuneration system is regularly reviewed by the Nomination and Compensation Committee, which submits a proposal to the Board of Directors as a whole regarding the annual bonus criteria and the total remuneration of the Executive Board and the Executive Member of the Board of Directors. Changes to the system of remuneration are subject to a decision by the Board of Directors as a whole.

No severance payments were made to former directors or members of the Executive Board. The contracts of the Executive Board members may be cancelled with a notice period of six months and make no provision for severance payments. The members of the Board of Directors and the Executive Board have received neither loans nor advances. The following compensation (excluding social benefits) was paid to members of the Board of Directors and the Executive Board members in the fiscal year 2006:

	No of persons	in 1,000 CHF
Non-executive Directors	3	167
Executive Member of the Board of Directors	1	467
Members of the Executive Board	11	1'911

Share allocation
The former major shareholder (Zurmont Capital I AG) had initiated immediately before the IPO according to the shareholders agreement of July 19, 2002 a transfer of 238'000 Burckhardt Compression Holding AG shares to the existing management shareholders. At the same time 3'685 out the 238'000 shares were transferred to the other members of the Executive Board. This allocation was staggered in two steps: The first allocation of 1'920 shares does not include any restrictions. The second allocation of 1'765 shares is locked-up for five years. If a recipient should leave the company before the expiration of the lock-up period he/she must sell those shares at the original exercise price to the company.

Share ownership as per March 31, 2007

- Non-executive Directors	9,600 shares
- Members of the Executive Board incl. Executive Member of the Board of Directors	717,315 shares

Advisory mandates
No member of the Board of Directors received or performed any advisory mandates for a company of Burckhardt Compression Holding AG during the reporting period 2006.

6. Shareholders' participation rights

Voting rights restrictions and representation of voting rights
No person or company will be registered as a shareholder in the share register for more than 5% of the registered share capital. This limitation applies also to persons who hold shares wholly or partly through nominee agreements. This limitation also applies if shares are acquired by exercising option, conversion or pre-emptive rights. This restriction on voting rights does not apply to shareholders that were in possession of more than 5% of the shares of Burckhardt Compression Holding AG before the IPO. There is no provision for measures to remove restrictions.

A shareholder may be represented at the Annual General Meeting of Shareholders by a legal representative, another shareholder with the right to vote, a corporate proxy, an independent proxy, or a custody account representative. All shares held by a shareholder may be represented by only one person.

Statutory quorums
A majority of at least two-thirds of the voting rights represented is required for changes to the company's Articles of Incorporation.

Convocation of the General Meeting of Shareholders
None of the applicable regulations deviate from the law.

Agenda
Shareholders who together represent at least 10% of the share capital or shares with a nominal value of at least CHF 1,000,000 can ask for an item to be included on the agenda of the General Meeting. The Board of Directors must receive written proposals for items to be included on the agenda, specifying the issue to be discussed and the shareholders' proposals, at least 60 days before the date of the General Meeting.

Entries in the share register
The closing date for registered shareholders to be entered in the share register is six working days prior to the General Meeting of Shareholders.

7. Changes of control and defense measures

Obligation to make an offer
Once shareholders acquire 33 1/3% of the capital and voting rights they will be under an obligation to submit a public tender offer. The Articles of Incorporation contain neither an opting-out nor an opting-in clause.

Clauses on changes of control
There are no provisions for special severance payments for members of the Board of Directors or members of the Executive Board, including the Executive Member of the Board of Directors, in the event of a change of control over Burckhardt Compression Holding AG.

8. Auditors

Mandate and term of office of the lead auditor
PricewaterhouseCoopers AG (PwC) has been the statutory auditor of the Burckhardt Compression Holding AG and the Burckhardt Compression Group auditor pursuant to Art. 731a of the Swiss Code of Obligations since 2002. The statutory and Group auditors are elected by the General Meeting of Shareholders for one year at a time. Mr. Urs Honegger has been lead auditor since 2002.

Information tools of the external auditors
The Audit Committee assists the Board of Directors in monitoring the company's accounting and financial reporting. It assesses the internal control procedures, the management of business risks, the audit plan and scope, the conduct of the audits and their results. The Audit Committee also reviews the auditor's fees. The Group auditor is present during the examination of the consolidated annual and semi-annual financial statements. Once a year, the members of the Audit Committee receive from the Group auditor a summary of the audit findings and suggested improvements. Since the IPO on 26 June 2006, the Audit Committee has held one half-day meeting in which the lead auditor took part.

Auditor's fees
The total fees for auditing services performed by PwC amounted to CHF 471'000 (fiscal year 2005 CHF 319'000) for the 2006 fiscal year 2006. This sum includes fees of CHF 224'669 for audits in connection with the IPO.

Fees for other advisory services, performed by PwC amounted to CHF 348'000 for the 2006 fiscal year (fiscal year 2005 CHF 56'000) including CHF 127'000 for tax advisory services in connection with the IPO.

9. Information policy

Burckhardt Compression Holding AG reports order intake, sales, result, balance sheet, cash flow and changes in shareholder's equity on a semi-annual basis, together with comments on the trend of business and the outlook for the future. Burckhardt Compression Holding AG provides share-price-sensitive information in accordance with the ad hoc disclosure requirements laid down in the Listing Rules of the SWX Swiss Exchange. Burckhardt Compression Holding AG will send via e-mail distribution potentially share price-sensitive information to all interested parties. Financial reports will be delivered on request.

Key dates for 2007 and 2008:

June 5, 2007	Results of fiscal year 2006 (as per March 31, 2007)
July 7, 2007	Annual General Meeting of Shareholders
November 14, 2007	Results of the first half of fiscal year 2007 (as per September 30, 2007)
June 10, 2008	Results of fiscal year 2007 (as per March 31, 2008)

Details of these dates, possible changes, the company profile, current share prices, presentations and contact addresses can be found at www.burckhardtcompression.com, where interested parties can also subscribe to the e-mail distribution list.

Pages 36-43: Company and Products
Burckhardt Compression manufactures reciprocating compressors in modern facilities in Winterthur, Switzerland, and Pune, India. Sales and service engineers in Winterthur and in our subsidiaries together with our global agents' network assure close customer contact.

Frame work of a Laby® labyrinth piston compressor

Laby® before the mechanical test run

Quality inspection

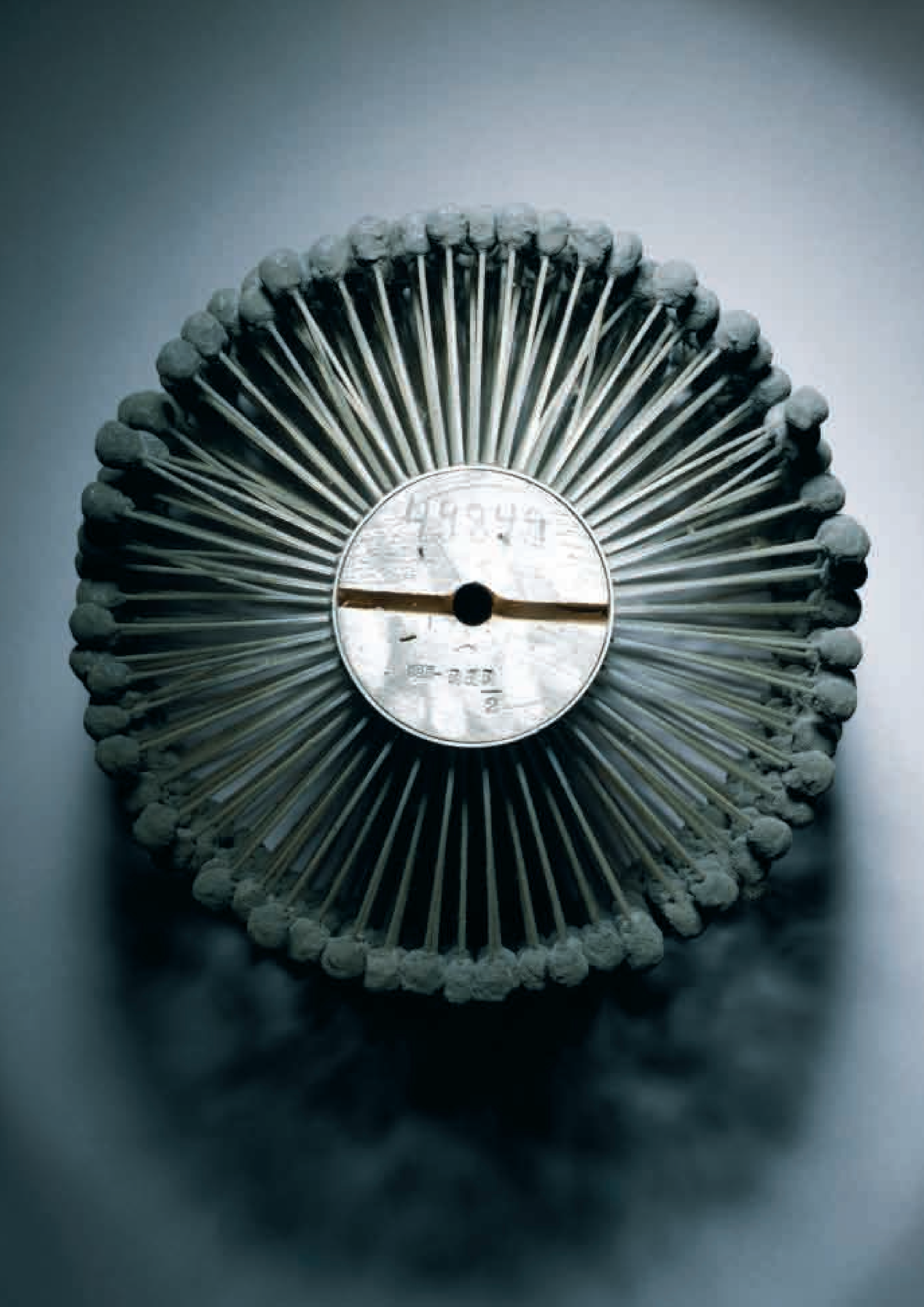
Motion work assembly of a Hyper compressor

Assembly of a process gas compressor in Winterthur

Cylinder pressure test to check leakage

Interface between human being and machine

State-of-the-art manufacturing equipment allows efficient machining of precision parts

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Financial Report

Comments on financial report

Summary

in 1'000 CHF	2006	2005
Order intake	408'222	323'499
Sales	266'677	210'407
Gross profit	99'160	65'995
Operating income	55'586	29'567
Profit for the period after minority interests	40'126	22'093
Balance sheet total	270'085	181'020
Shareholders' equity	108'269	66'117
Basic earnings per share in CHF	11.80	6.5
Headcount	712	638

Sales

Burckhardt Compression increased sales by 26.7% to CHF 266.7 mio. in the fiscal year 2006. After adjustment for currency fluctuations sales growth amounts to 27.4%. Both business activities have contributed to the sales growth: Sales of the new machine business increased by 31.9% and sales of CSS increased by 18.2%.

Burckhardt Compression also increased the gross profit margin from 31.4% in the fiscal year 2005 to 37.2% in the fiscal year 2006. The higher gross profit margin results mainly from the new machine business, product mix, successful project management, efficiency improvements and the high work load.

Operating income

The operating income (EBIT) of the fiscal year 2006 (CHF 55.6 mio.) exceeds the operating income of the previous fiscal year by 88.0%. The operating income margin amounts to 20.8% compared to 14.1% in the previous fiscal year. The increase bases on one side on the higher gross profit and on the other side on the selling, marketing and administrative expenses which increased less in proportion to the sales growth. The administrative expenses include one-time expenses of CHF 3.4 mio. relating to the IPO. Research and development expenses increased by CHF 0.8 mio.; they amount to 2.0% of sales for the fiscal year 2006 compared to 2.2% of sales for the fiscal year 2005. The other operating income increased due to foreign currency exchange gains in comparison to the previous fiscal year.

Financial income

The repayment of the shareholder loan in the fiscal year 2006 allowed Burckhardt Compression to reduce substantially the interest expenses. The deterioration of the other financial expenses by CHF 1.4 mio. resulted mainly from the valuation of the Swiss Franc loans in some foreign Burckhardt Compression companies.

Income tax expenses increased by CHF 6.5 mio. due to the higher profit for the period. The tax rate of the fiscal year 2006 equals with 25.4% closely the tax rate of the previous fiscal year (24.9%).

Profit for the period after minority interests

Burckhardt Compression generated a profit for the period (after minority interests) of CHF 40.1 mio. which amounts to 15.0% of sales compared with CHF 22.1 mio. amounting to 10.0% of sales in the previous fiscal year. The increased profit for the period resulted from the higher operating income. The basic earnings of the fiscal year 2006 total CHF 11.80 per share while they totalled CHF 6.50 per share in the fiscal year 2005.

Balance sheet

The increased business volume had an impact on the balance sheet: The balance sheet total has grown by 49.2% to CHF 270.1 mio. compared with the previous fiscal year. The biggest changes comprise on the asset-side inventories which increased by CHF 38.8 mio.; trade receivables which increased by CHF 16.2 mio. and cash and cash equivalents which increased by CHF 28.7 mio. On the liability-side the major changes include shareholders' equity and current liabilities which increased by CHF 42.2 mio., respectively by CHF 44.9 mio. compared with the previous fiscal year. The increase of the current liabilities resulted mainly from higher customer advance payments. The average working capital amounted to 6.4% of sales in the fiscal year 2006 as against 8.5% in the fiscal year 2005. Because of the high profit for the period shareholders' equity grew from 36.5% in the previous fiscal year to 40.1%. It is expected that Burckhardt Compression will achieve the targeted equity ratio of 45–50%.

Cash Flow

The cash flow from operating activities increased basically due to the operating income. Because of higher sales inventories, receivables and other positions of the working capital grew substantially. For investments in intangible assets, property, plant and equipment CHF 0.5 mio. lower cash out was required. Major capital expenditures comprised the purchase of machine tools for CHF 2.3 mio., IT hard- and software for CHF 1.5 mio. and new patterns for CHF 1.1 mio. Less cash out was needed for the repayment of borrowings in the fiscal year 2006. The higher cash flow from operating activities, less cash out for investments and for repayment of borrowings resulted in an increase of cash from CHF 29.7 mio. in the fiscal year 2005 to CHF 55.1 mio. in the fiscal year 2006.

Consolidated income statement

in 1'000 CHF	Notes	2006	2005
Sales	03	**266'677**	**210'407**
Cost of goods sold		-167'517	-144'412
Gross profit	04	**99'160**	**65'995**
Selling and marketing expenses		-24'914	-22'129
General and administrative expenses		-13'891	-9'937
Research and development expenses	06	-5'325	-4'565
Other operating income / expenses	07	556	203
Operating income		**55'586**	**29'567**
Finance costs		-713	-1'114
Other financial income / expenses	08	-270	1'166
Profit before income taxes		**54'603**	**29'619**
Income tax expense	09	-13'867	-7'366
Profit for the period		**40'736**	**22'253**
Profit for the period attributable to			
- Shareholders of Burckhardt Compression Holding AG		40'126	22'093
- Minority interests		610	160
Earnings per share for profit attributable to shareholders of Burckhardt Compression Holding AG (in CHF):			
- Basic	17	11.80	6.50
- Diluted	17	11.80	6.50

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated balance sheet

in 1'000 CHF	Notes	31.03.07	31.03.06
Non-current assets			
Intangible assets	10	27'452	27'245
Property, plant and equipment	11	22'068	19'599
Derivative financial instruments	21	117	55
Trade and other receivables	13	494	591
Deferred tax assets	09	610	805
Total		**50'741**	**48'295**
Current assets			
Inventories	12	94'700	55'854
Trade and other receivables	13	63'375	44'808
Marketable securities	14	5'562	2'357
Derivative financial instruments	21	569	16
Cash and cash equivalents	15	55'138	29'690
Total		**219'344**	**132'725**
Total assets		**270'085**	**181'020**
Equity			
Share capital	17	8'500	8'500
Other reserves		-688	-2'012
Retained earnings		97'661	57'532
Total before minority interests		**105'473**	**64'020**
Minority interests		2'796	2'097
Total		**108'269**	**66'117**
Liabilities			
Non-current liabilities			
Borrowings	18	1	389
Derivative financial instruments	21	401	466
Deferred tax liabilities	09	6'106	4'150
Provisions	19	8'502	7'954
Total		**15'010**	**12'959**
Current liabilities			
Borrowings	18	2'490	12'626
Trade accounts payable		19'460	16'069
Current income tax liabilities		6'415	4'774
Customers' advance payments		84'842	42'635
Derivative financial instruments	21	887	1'879
Other current and accrued liabilities	20	29'127	21'283
Provisions	19	3'585	2'678
Total		**146'806**	**101'944**
Total		**161'816**	**114'903**
Total equity and liabilities		**270'085**	**181'020**

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

in 1'000 CHF	Notes	Share capital	Other reserves	Retained earnings	Total	Minority interest	Total
		Attributable to equity holders of Burckhardt Compression Holding AG					
Balance as per 1.04.05	17	**8'500**	**-694**	**35'439**	**43'245**	**0**	**43'245**
Cash flow hedges, net of tax			-1'862		-1'862		-1'862
Currency translation differences			544		544		544
Expenses for the period recognized directly in equity			**-1'318**		**-1'318**		**-1'318**
Profit for the period 2005				22'093	22'093	160	22'253
Total recognized income for 2005			**-1'318**	**22'093**	**20'775**	**160**	**20'935**
Minority interests arising on business combination	25					1'937	1'937
Balance as per 31.03.06		**8'500**	**-2'012**	**57'532**	**64'020**	**2'097**	**66'117**
Balance as per 1.04.06		**8'500**	**-2'012**	**57'532**	**64'020**	**2'097**	**66'117**
Cash flow hedges, net of tax			1'286		1'286		1'286
Share based payments	27			853	853		853
Currency translation differences			38		38	89	127
Expenses for the period recognized directly in equity			**1'324**	**853**	**2'177**	**89**	**2'266**
Profit for the period 2006				40'126	40'126	610	40'736
Total recognized income for 2006			**1'324**	**40'979**	**42'303**	**699**	**43'002**
Dividends				-850	-850		-850
Balance as per 31.03.07		**8'500**	**-688**	**97'661**	**105'473**	**2'796**	**108'269**

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

Consolidated cash flow statement

in 1'000 CHF	Notes	2006	2005
Cash flow from operating activities:			
Operating income	11	55'586	29'567
Depreciation	10	4'286	4'349
Amortization		876	384
Change in inventories		-39'181	-7'965
Change in accounts receivable		-18'874	-1'628
Change in other net current assets		51'756	6'229
Change in provisions		3'021	2'339
Changes in non-monetary items		718	2'354
Interest received		453	0
Interest paid		-313	-946
Income tax paid		-10'671	-907
Total		**47'657**	**33'776**
Cash flow from investing activities:			
Purchase of property, plant and equipment		-6'946	-8'807
Acquisition of intangible assets		-1'340	0
Acquisition of subsidiaries, net of cash acquired		0	-5'189
Sale of marketable securities	14	2'309	7'508
Purchase of marketable securities	14	-5'502	0
Sale of financial assets		31	0
Purchase of financial assets		-4	-61
Total		**-11'452**	**-6'549**
Cash flow from financing activities:			
Repayment of borrowings		-9'862	-17'040
Dividends paid	17	-850	0
Total		**-10'712**	**-17'040**
Currency translation differences on cash and cash equivalents		-45	152
Net change in cash and cash equivalents		**25'448**	**10'339**
Cash and cash equivalents as per 1.04.06 / 1.04.05	15	29'690	19'351
Cash and cash equivalents as per 31.03.07 / 31.03.06	15	55'138	29'690
Net change in cash and cash equivalents		**25'448**	**10'339**

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

1. General information

Burckhardt Compression is one of the market leaders in the field of reciprocating compressor technology and the only manufacturer that offers a complete range of Laby® (labyrinth piston), process gas and hyper compressors. These compressors are used in a wide range of applications in the chemical and petrochemical industry, in refineries, in air separation systems and for gas transport and storage. Burckhardt Compression products are required to compress, cool or liquefy gas, for example hydrocarbon or industrial gases. Its customers include multinational companies in the oil, gas, petrochemicals and chemicals industries. In addition to its thriving new installation business, a major driver of the company's success is its global service network, which generates a substantial share of company revenues. This global network enables Burckhardt Compression to offer comprehensive customer support services, such as delivery of top-quality components, servicing of compressor valves, complete system overhauls, engineering services and the fulfillment of comprehensive maintenance contracts.

Burckhardt Compression Holding AG is a limited liability company incorporated and domiciled in Switzerland. The address of its registered office is: Im Link 5, 8404 Winterthur, Switzerland. Burckhardt registered shares (BCHN) are listed on SWX Swiss Exchange (ISN: CH0025536027; Security Nr. 2553602).

Burckhardt Compression Holding AG's fiscal year 2006 comprises the period April 1, 2006 through March 31, 2007. These consolidated financial statements were authorized for issue by the Board of Directors on May 23, 2007 and are subject to approval of the annual general meeting scheduled for July 7, 2007.

2. Accounting principles

2.1. Basis of accounting

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Unless otherwise stated, the policies described have been consistently applied to all the reporting periods presented.

The 2006 consolidated financial statements of Burckhardt Compression Holding AG were prepared in accordance with International Financial Reporting Standards (IFRS) and interpretation of International Accounting Standards Boards (IASB). The consolidated financial statements are prepared on a historical cost basis with the exception of available-for-sale financial assets measured at fair value and financial assets and financial liabilities including derivative financial instruments measured at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain estimates. It also requires management to exercise its judgment in the process of applying the company-wide accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in section "critical accounting estimates and judgments".

2.2. Changes in accounting policies

As per closing date March 31, 2007 the following new or revised IFRS standards and interpretations have become effective:

- IAS 19 (revised): Employee benefits
- IAS 21(revised): Effects of changes in foreign exchange rates
- IAS 39 (revised): Cash flow hedge accounting of forecast intragroup transactions, valuation of financial instruments
- IAS 39 and IFRS 4 (revised): Presentation of financial guarantees
- IFRS 1 (revised): First time adoption of international financial reporting standards
- IFRS 6: Exploration for and evaluation of mineral resources
- IFRIC 4:Determining whether an arrangement contains a lease
- IFRIC 5: Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
- IFRIC 6: Liabilities arising from participating in a specific market – waste electrical and electronic equipment

The management assessed these new standards and interpretations and concluded that none of those standards has any material effect on the financial reporting of Burckhardt Compression with the exception of IAS 19 (revised). The revision of IAS 19 resulted in additional information about employee benefits that have been disclosed in the notes to the financial statements 2006.

The following new IFRS standards and interpretations will become effective with the next annual accounts:

- IAS 1: Presentation of financial statements (in January 1, 2007)
- IAS 23: Borrowing costs (in January 1, 2009)
- IFRS 7: Financial instruments: Disclosures (in January 1, 2007)
- IFRS 8: Operating Segments (in January 1, 2009)
- IFRIC 7: Applying the restatements approach under IAS 29 (financial reporting in hyperinflationary economies) (in March 1, 2006)
- IFRIC 8: Scope of IFRS 2 (in May 1, 2006)
- IFRIC 9: Reassessment of embedded derivatives (in June 1, 2006)
- IFRIC 10: Interim financial reporting and impairment (in November 1, 2006)

- IFRIC 11: IFRS 2- Group and treasury share transactions (in March 1, 2007)
- IFRIC 12: Service concession arrangements (in January 1, 2008)

Burckhardt Compression is currently assessing the potential impacts of these new standards and interpretations and required adjustments in the financial reporting. IFRS 7 could be of special importance for Burckhardt Compression. The disclosure requirements about financial instruments have completely changed. IFRS 7 requires qualitative and quantitative information about the extent of risks from financial instruments including minimum disclosures about credit, liquidity and market risks as well as sensitivity analysis regarding the market risks. The adoption of IFRS 7 requires the extension of IAS 1 (presentation of financial statements). Qualitative information about objectives, methods and processes of the management of capital has to be disclosed. In addition external minimum capital requirements and violations against those requirements and resulting consequences have to be disclosed.

IFRS 8 includes segment reporting and replaces IAS 14. IFRS 8 requires that the operating segments in the annual financial reporting base on the management reporting. This standard influences the formation, reporting and valuation of segments. Burckhardt Compression is currently assessing the potential impacts on the financial reporting.

2.3. Consolidation principles

The consolidated financial statements include all entities where Burckhardt Compression Holding AG has the power to control the financial and operating policy, usually as a result of owning more than 50% of the voting rights. New Group companies are fully consolidated from the date on which control passes to Burckhardt Compression and deconsolidated from the date on which control ceases. The full consolidation method is applied to all consolidated entities. Assets and liabilities, and income and expenses, are recognized in full. Minority interests are presented separately on the face of the balance sheet and income statement. All material intercompany transactions and balances, including unrealized gains and losses on transactions between Group companies, are eliminated. The Group companies are listed in section Investments as of March 31, 2007.

2.4. Foreign currency translation

Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are prepared in Swiss francs, which is the functional and the reporting currency of Burckhardt Compression Holding AG.

In the single-entity financial statements of Group companies, foreign-currency income and expenses are translated at the rates prevailing at the transaction date and foreign-currency assets and liabilities at year-end rates. The resulting foreign exchange gains or losses are recognized in profit or loss.

For consolidation purposes, items in the balance sheets of foreign Group companies are translated at year-end rates, while income statement items are translated at average rates for the period. The resulting currency translation differences are recognized in equity and, in the event of an entity's deconsolidation, transferred to the income statement as part of the gain or loss on the entity's disposal or liquidation.

2.5. Intangible assets

Intangible assets include material customer lists, licenses, patents, trademarks and similar rights acquired from third parties. They are amortized over their expected useful lives, but over a period not exceeding 10 years. Immaterial purchased patents, licenses or trademarks and any internally generated intangible assets are expensed as incurred. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their useful life (3 to 5 years). Internal costs associated with developing or maintaining computer software programs are recognized as an expense as occurred.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of the acquisition. Goodwill arising on acquisitions is recognized under intangible assets. Goodwill recognized is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses arising on an entity's disposal comprise the carrying amount of the goodwill allocated to the entity being disposed of. Goodwill is allocated to cash-generating units for the purpose of the impairment test. It is allocated to those cash-generating units that are expected to benefit from the business combination on which the goodwill arose.

2.6. Property, plant and equipment

Items of property, plant and equipment are stated at cost less depreciation and write-downs for impairment, if required. They are depreciated on a straight-line basis over their estimated useful lives. Plots of land are carried at cost and only written down when impaired. The estimated useful lives are as follows for:

Buildings	20 to 50 years
Machinery	5 to 15 years
Equipment	5 to 10 years
Tools, patterns and IT hardware	max. 5 years

2.7. Impairment of assets

Assets that have an indefinite useful life are not depreciated or amortized, but instead tested annually for impairment. Assets that are depreciated or amortized are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is calculated based on the estimated future cash flows, usually over a period of five years, and the projections for subsequent years. The results are discounted at an appropriate long-term interest rate. For the purpose of the impairment test, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

2.8. Inventories

Raw materials, supplies and consumables are stated at the lower of cost and net realizable value, as are finished products and work in progress. The cost of finished products and work in progress comprises material costs, direct and indirect production costs and other order-related production costs. Inventories are stated at weighted average costs based on their type and use. Valuation allowances are recognized for slow-moving and excess inventory items.

2.9. Trade and other accounts receivable

Trade and other accounts receivable are non-interest-bearing and stated at their nominal amount less valuation allowances for doubtful amounts. An impairment loss is recognized when there is objective evidence that the Group will not be able to collect the full amount due. Impairment losses are recognized in the income statement. The carrying amounts thus determined correspond to fair value.

2.10. Financial assets

Financial assets are divided into the following categories:

- Financial assets "at fair value through profit or loss": This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is assigned to this category if acquired principally for the purpose of selling in the short term or if designated as such by management. Derivatives are also assigned to this category unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

- Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets unless the maturity date is more than 12 months after the balance sheet date, in which case they are presented as non-current assets. Loans and receivables are carried in the balance sheet under trade and other receivables.

- Held-to-maturity investments: Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management intends to hold to maturity. During the fiscal year, Burckhardt Compression Group did not hold any investments in this category.

- Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial assets that are either classified as such or not assigned to any of the other categories. They are included in non-current assets unless management intends to dispose of them within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognized on trade date – the date on which Burckhardt Compression commits to purchase or sell the asset. Financial assets not classified as at fair value through profit or loss are initially stated at fair value plus transaction costs. Financial assets classified as at fair value through profit or loss are initially stated at fair value, with the related transaction costs recognized in the income statement. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or been transferred and Burckhardt Compression has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and assets classified as at fair value through profit or loss are subsequently measured at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

Gains or losses arising on financial assets measured at fair value through profit or loss, including interest and dividend income, are presented in the income statement on a net basis within other financial income/expenses in the period in which they arise.

In the event of changes in the fair value of monetary items that are denominated in a foreign currency and classified as available for sale, currency translation differences resulting from changes in amortized cost are recognized in the income statement and other changes in carrying amount are recognized directly in equity. Changes in the fair value of other monetary and non-monetary assets classified as available for sale are recognized directly in equity. If available-for-sale assets are sold or impaired, the accumulated fair value changes recognized directly in equity are taken to the income statement. Dividends on available-for-sale equity instruments are recognized in the income statement when the right to receive payment is established.

The fair value of quoted investments is based on current bid prices. If there is no active market for a financial asset or if the asset is not quoted, fair value is determined using suitable valuation methods. These include the use of recent arm's length transactions, reference to other instruments that are essentially the same, discounted cash flow analysis and option pricing models based as far as possible on market data and as little as possible on company-specific data.

At each balance sheet date, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is evidence that an available-for-sale asset is impaired, the cumulative loss (measured as the difference between the acquisition cost and current fair value less any impairment loss on that asset previously recognized in the income statement) is eliminated from equity and recognized in the income statement.

- Derivative financial instruments: Burckhardt Compression uses derivative financial instruments exclusively as hedges of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedges). At inception of the hedge, Burckhardt Compression documents the hedging relationship between the hedging instrument and the hedged item, its risk management objective and the underlying strategy for undertaking the hedge. At inception of the hedge and on an ongoing basis, it also documents its assessment of whether the derivatives used in the hedging relationship are highly effective in offsetting changes in the fair value or cash flows of the hedged item. The fair values of the various derivative financial instruments used for hedging purposes are listed in the note 21 “Derivative financial instruments”. The full fair value of derivative financial instruments designated as hedging instruments is presented as a non-current asset or non-current liability if, as of the balance sheet date, the remaining term of the hedged item exceeds 12 months and as a current asset or current liability if the remaining term is shorter. Derivative financial instruments held for trading are presented as current assets or current liabilities.

  The effective portion of changes in the fair value of derivatives intended and qualifying as cash flow hedges is recognized directly in equity. The ineffective portion of such fair value changes is recognized in the income statement net, within other operating income/expenses. Amounts recognized directly in equity are reclassified into profit or loss and recognized as income or expense in the same period in which the hedged item affects profit or loss (e.g. on the date on which a hedged future sale takes place).

  When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss existing in equity at that time remains in equity and is only taken to the income statement when the hedged forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss recognized directly in equity is immediately transferred to the income statement.

2.11. Cash and cash equivalents

These comprise cash, demand deposits, other short-term highly liquid financial assets with original maturities of three months or less and bank overdrafts. Cash and cash equivalents are stated at fair value. Bank overdrafts are presented in the balance sheet as borrowings under current liabilities.

2.12. Trade accounts payable, customers’ advance payments and other liabilities

These are stated at face value.

2.13. Borrowings

Bank and other financial debts are initially recognized at fair value, net of any transaction costs incurred. In subsequent periods, they are measured at amortized cost. Any difference between the amount borrowed (after deduction of transaction costs) and the repayment amount is reported in the income statement over the period of the loan using the effective interest method. Liabilities under loans are classified as current liabilities unless Burckhardt Compression has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

2.14. Provisions

Provisions are recognized for warranty obligations, personnel expenses and various commercial risks where Burckhardt Compression has an obligation towards third parties arising from past events, the amount of the liability can be reliably measured and it is probable that its settlement will result in an outflow. Provisions are not discounted, as the majority of the payments usually occur within the next 24 months or the interest portion of the individual provisions is immaterial.

2.15. Employee benefits

- Post-employment benefits: The Burckhardt Compression Group operates various pension plans based on the local conditions in the respective countries. Burckhardt Compression operates defined benefit plans in Switzerland and Germany and defined contribution plans in the other countries. Whereas the Swiss pension plan’s assets and liabilities are held by entities legally separate from Burckhardt Compression AG and Burckhardt Compression Holding AG, the pension plan of Burckhardt Compression (Deutschland) GmbH is unfunded. Defined benefit plans typically define the amount of the pension benefits an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation, while, under defined contribution plans, fixed amounts are paid to an entity not belonging to the Burckhardt Compression Group (insurance companies or funds). Burckhardt Compression has no legal or constructive obligation to make additional contributions where the pension plan does not hold sufficient assets to pay all employees pension benefits relating to employee service in the current or prior periods.

  The provision recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, adjusted for cumulative unrecognized actuarial gains or losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the fair value of the plan assets and 10% of the present value of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives (corridor rule).

In the case of the defined contribution plans, Burckhardt Compression contributes to public or private pension plans either due to a legal or contractual obligation or voluntarily. Above and beyond paying contributions, Burckhardt Compression does not have any further payment obligations. The contributions are recognized as employee benefit expense at the due date. Pre-paid contributions are recognized as assets to the extent that a right to receive a repayment or a reduction in future payments has been established.

- Termination benefits: are paid if a Group company terminates an employee's employment prior to the normal retirement date or if an employee accepts voluntary redundancy in exchange for termination benefits. Burckhardt Compression recognizes termination benefits if it is demonstrably committed to either terminate the employment of current employees in accordance with a detailed formal plan that cannot be withdrawn or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

- Bonus plans: The Group recognizes a liability and an expense for bonuses, based on a formula that takes into consideration the achievement of financial and personal objectives. A provision is recognized in the consolidated financial statements in cases where the Group has a contractual obligation or where past practice has resulted in a constructive obligation.

- Share based payments with compensation through equity instruments: Share based payments with compensation through equity instruments which had been issued or allocated after November 7, 2002 (when IFRS 2 standard became effective) are charged at fair value to the income statement. The expenses are distributed proportionally at exercise or lock-up periods. Such instruments which have been issued or allocated before that date do not constitute expenses in the income statement according to IFRS 2. The company utilized share based payments only in the run-up to and released by the IPO on June 26, 2006. Burckhardt Compression does not have share based payments with settlement in cash.

2.16. Revenue recognition

Burckhardt Compression supplies compression systems that are built into large, complex installations and provides spare parts and services essential for the compressors' consistent performance. The compression systems consist of modular compressors, supplemented with drive units, gas compressors and control and monitoring systems tailored to the customer's specifications. The majority of the cost to design and manufacture such compression systems accrues during the last 4 to 6 months prior to delivery to the customer.

Burckhardt Compression recognizes revenue arising from the sale of goods and the rendering of services upon completion of the contract, net of sales or value-added taxes, credits, discounts and rebates. Under this method, revenue and the related gross margin are entered in the accounts when the risks and rewards have passed to the customers subject to the conditions of sale. The Group recognizes provisions for anticipated losses on contracts.

2.17. Research and development expenses

Costs incurred on major development projects are capitalized and amortized on a straight-line basis over a period of 5 years if it is highly probable that the project will generate future positive cash flows. All other research and development costs are recognized as an expense as incurred.

2.18. Deferred taxes

Using the liability method, deferred tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements prepared in accordance with IFRS. However, if the deferred tax arises from initial recognition of an asset or a liability in a transaction other than a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss), it is not accounted for. Deferred taxes are measured using the tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax liabilities are recognized for temporary differences associated with investments in subsidiaries and associates, except where Burckhardt Compression is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

2.19. Operating leases

Payments under operating leases are charged to the income statement on a straight-line basis and recognized as operating expense.

2.20. Dividend distribution

Dividends distributed to the shareholders of Burckhardt Compression Holding AG are recognized as a liability in the period in which they are approved by the company's shareholders.

3. Financial risk management

- Policy: The goal of the Group-wide risk management policy is to minimize the negative impact of changes in the financing structure and financial markets, particularly with regard to currency fluctuations. Derivative financial instruments such as foreign exchange contracts may be used to address the respective risks. Burckhardt Compression pursues a conservative, risk averse financial policy. Financial risk management is based on the principles and implementing regulations established by the board of directors and the Group management. These govern Burckhardt Compression's financial policy and outline the conduct and powers of the Group treasury department, which is responsible for the Group-wide management of financial risks. The financial principles and implementing regulations govern areas such as financing policy, the management of foreign currency risk, the use of derivative financial instruments and the investment policy applicable to financial resources not required for operational purposes.

- Liquidity risk: Each Burckhardt Compression Group company is responsible for managing its liquidity so that day-to-day business can be handled smoothly, while the Group treasury is responsible for maintaining the Group's overall liquidity. With the exception of the Group company in India, Group companies are not permitted to enter into local borrowings or investments of excess cash on hand. Local borrowings and investments of excess cash on hand by the Indian Group company are restricted to limits approved by the Group management. The Group treasury provides the local Group companies with the necessary funds or invests their excess liquidity. The Group treasury maintains sufficient liquidity reserves and open credit and guarantee lines to fulfill the financial obligations at all times.

- Currency risk: Burckhardt Compression hedges all the US dollar-denominated sales transactions of its Swiss entity. The Swiss entity's major euro-denominated sales and purchase transactions are hedged on a case-by-case basis. For this, the Group treasury normally uses forward exchange contracts. The Group treasury also enters into forward exchange contracts to hedge the currency risk resulting from the sales and purchase transactions of the other Burckhardt Compression Group companies. The Group management regularly monitors the changes in the most important currencies and may adjust the hedging policy accordingly in the future.

  As a globally active corporation, Burckhardt Compression is also exposed to currency risks resulting from the translation into Swiss francs of items in the income statements and balance sheets of the foreign Group companies. Based on its income and invested capital, the following currencies are primarily relevant: EUR, USD, INR, GBP, CAD, JPY, BRL. Burckhardt Compression Holding AG does not hedge these translation risks. The translation risks have a minor impact on consolidated income, as the Swiss entity represents more than 80% of income and invested capital.

- Risks arising from the investment of cash on hand: Burckhardt Compression puts security before profit. Financial investments are placed mainly in the money market (time deposits with prime-rated banks) and in the securities funds of prime-rated issuers. The investment horizon ranges from several weeks to three years.

- Risks from customer contracts: Financial risks due to the execution of major and critical customer contracts are minimized through the established project control tools and processes

- Credit risk: Credit risk in respect of trade receivables is limited due to the diverse nature and quality of the customer base. Such risk is minimized by means of regular credit checks, advance payments, letters of credit and other tools. There is no concentration of risk within the Burckhardt Compression Group

4. Critical accounting estimates and judgments

All estimates and judgments are reassessed on an ongoing basis and based on historical experience and other factors, such as expectations of future events, that are believed to be reasonable under the given circumstances.

Burckhardt Compression makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Impairment of goodwill: Burckhardt Compression tests goodwill for impairment on an annual basis in accordance with the accounting policy outlined in section 2.7. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of assumptions. The Group management defines budgeted gross margins based on developments in the past and on expectations for future market development. The weighted average growth rates correspond to the predictions contained in industry reports. The discount rates applied are pre-tax interest rates and reflect the specific risks of the respective segments.

- Provisions: Provisions contain the anticipated cash outflows, at their present value at the balance sheet date, for warranty and other claims, onerous contracts and long-term employee benefits. Depending on the outcome of the respective transactions, actual payments may differ from these estimates.

- Accruals: Income and expenses are accounted for on an accruals basis so that they are recognized in the periods to which they relate. Accruals include items for any additional expenses relating to outstanding commissioning costs on contracts already billed. As the actual work involved is difficult to estimate, actual costs may differ from the accrued liabilities recognized for the work.

- Income taxes: Burckhardt Compression is obliged to pay income taxes in various countries and is therefore required to make significant assumptions in order to calculate its worldwide tax provision. In the case of a number of transactions and calculations, the final tax liability cannot be ultimately determined during the normal course of business. Where the final tax liability arising from these transactions differs from the initial assumption, this will affect current and deferred taxes in the period in which the tax liability is ultimately determined.

5. Explanatory notes to the consolidated financial statements

01 Significant changes in the scope of consolidation

In the fiscal year 2006 Burckhardt Compression Holding AG set up the Compressor Tech Holding AG through contribution in kind of PROGNOST Systems GmbH. Compressor Tech Holding AG holds 60% of PROGNOST Systems GmbH as per March 31, 2007.

In the fiscal year 2005 Burckhardt Compression Holding AG acquired 49.5% of the capital of PROGNOST Systems GmbH, Germany as per July 1, 2005. The agreed call option to purchase further 10.5% of the capital of PROGNOST Systems GmbH was exercised on April 1, 2006. Burckhardt Compression (Brasil) Ltda. acquired the compressor division of Sulzer Brasil S.A. in an asset transaction on September 1, 2005.

02 Currency exchange rates

	Average rates		Year-end rates	
	2006	2005	**31.03.07**	31.03.06
1 EUR	**1.59**	1.55	**1.63**	1.58
1 GBP	**2.34**	2.27	**2.39**	2.27
1 USD	**1.24**	1.28	**1.22**	1.30
1 CAD	**1.09**	1.07	**1.06**	1.12
100 BRL	**57.24**	58.21	**59.30**	59.90
100 JPY	**1.06**	1.13	**1.03**	1.11
100 CNY	**15.70**	15.74	**15.80**	16.31
100 INR	**2.77**	2.88	**2.80**	2.93
100 KRW	**0.13**	0.13	**0.13**	0.13

03 Segment information

Primary reporting format: by business segment

The Burckhardt Compression Group operates solely in the segment for reciprocating compressor systems and is therefore involved in one business segment only. The information for the primary segment is identical to the consolidated financial statements.

Secondary reporting format: by geographical segment

Sales by customer location in 1'000 CHF	**2006**	**2005**
Europe:		
- EU	121'871	81'271
- Switzerland	5'078	1'459
- Other European countries	23'979	15'440
Total Europe	**150'928**	**98'170**
North America	14'426	20'771
South America	11'30	3'726
Asia, Australia, Middle East	86'494	84'058
Africa	3'521	3'682
Total	**266'677**	**210'407**

Carrying amount of assets by location of assets in 1'000 CHF	**2006**	**2005**
Europe:		
- EU	24'148	22'838
- Switzerland	199'091	116'566
- Other European countries	0	0
Total Europe	**223'239**	**139'404**
North America	13'885	11'513
South America	5'065	1'392
Asia, Australia, Middle East	27'896	28'711
Total	**270'085**	**181'020**

Capital expenditure in 1'000 CHF	**2006**	**2005**
Europe:		
- EU	379	184
- Switzerland	5'587	6'671
- Other European countries	0	0
Total Europe	**5'966**	**6'855**
North America	205	168
South America	100	74
Asia, Australia, Middle East	909	1'751
Total	**7'180**	**8'848**

04 Additional information regarding the income statement

Sales and gross profit in 1'000 CHF		2006	2005
New machines	Sales	173'568	131'641
	Gross profit	52'694	27'558
Customer Support Service	Sales	93'109	78'766
	Gross profit	46'466	38'437
Total	**Sales**	**266'677**	**210'407**
	Gross profit	**99'160**	**65'995**

Expenses by nature in 1'000 CHF		2006	2005
Raw materials and consumables		-115'019	-87'045
Personnel expenses:	Salaries and wages	-54'025	-47'267
	Defined benefit plans	-3'257	-3'038
	Other social benefits	-8'037	-6'076
	Other personnel costs	-5'986	-4'140
Total		**-71'305**	**-60'521**
Depreciation		-4'286	-4'349
Amortization		-876	- 384

The higher personnel expenses explain by the headcount which increased from 638 as per March 31, 2006 to 712 as per March 31, 2007. The increase of other social benefits explains by the transaction stated in note 27.

05 Employee benefit plans

The defined benefit obligation of pension plans is the present value of accrued pension obligations at balance sheet date considering future salary and pension increases and also turnover rates (using the Project Unit Credit Method). In Switzerland (Sulzer pension funds) pension liabilities are covered by assets held by legally-separate entities. The financing of pension benefit plans in Germany, however, is made by means of provisions accrued in the accounting records of the companies affected. The actuarial valuations for the defined benefit plans were performed at the balance sheet closing date. The Swiss pension plans are treated as defined benefit plans in accordance with IAS 19.

in 1'000 CHF	Funded plans	Unfunded plans	2006	2005
Reconciliation of the amount recognised in the balance sheet				
Fair value of plan assets	97'146	0	97'146	88'492
Present value of defined benefit obligations	-95'166	-2'703	-97'869	-89'851
Overfund (+) / underfund (-)	**1'980**	**-2'703**	**-723**	**-1'359**
Unrecognised actuarial gains (-) / losses (+)	0	124	124	205
Amounts not recognised because of limitation	-1'980	0	-1'980	-1'295
Asset (+) / Liability (-) recognised in balance sheet	**0**	**-2'579**	**-2'579**	**-2'449**
thereof as prepaid expenses	0	0	0	0
thereof as non-current provision	0	-2'579	-2'579	-2'449

n 1'000 CHF	2006	2005
Pension expenses recognised in profit or loss		
Current service costs (employer)	4'046	2'996
Interest costs	2'987	3'117
Expected return on plan assets	-4'020	-3'859
Actuarial gain (+) / loss (-) recognised in current year	-441	5'048
Effect of overfund not recognised	685	-4'264
Expenses recognised in profit or loss	**3'257**	**3'038**

Actual return on plan assets	**6'985**	**5'051**

Reconciliation of defined benefit obligation		
Defined benefit obligation at 1.04.06 /1.04.05	89'851	82'685
Interest cost	2'987	3'117
Current service cost (employer)	4'046	2'996
Contributions by plan participants	2'110	2'032
Benefits paid/deposited	-3'638	-7'429
Actuarial gain (-) / loss (+) on obligation	2'439	6'401
Currency translation differences	74	49
Defined benefit obligation at 31.03.07 / 31.03.06	**97'869**	**89'851**

Reconciliation of the fair value of plan assets		
Fair value of plan assets at 1.04.06 / 1.04.05	88'492	85'754
Expected return on plan assets	4'020	3'859
Contributions by the employer / benefits paid directly by employer	3'199	2'992
Contributions by plan participants	2'110	2'123
Benefits paid/deposited	-3'638	-7'429
Actuarial gain (+) / loss (-) on plan assets	2'963	1'193
Fair value of plan assets at 31.03.07 / 31.03.06	**97'146**	**88'492**
thereof equity instruments Burckhardt Compression Ltd	244	0
thereof equity instruments - third party	28'172	25'698
thereof debt instruments Burckhardt Compression Ltd	0	0
thereof debt instruments - third party	40'556	31'453
thereof properties occupied by or used by Burckhardt Compression Ltd	0	0
thereof properties occupied by or used by third party	19'255	12'482
thereof others	8'919	18'859

Movement in the net amount recognised in the balance sheet		
Opening net liability (-) / asset (+)	-2'449	-2'356
Expense recognised in profit or loss	-3'257	-3'038
Contributions by the employer / benefits paid directly by the employer	3'199	2'992
Currency translation differencet	-72	-47
Closing net liability (-) / asset (+)	-2'579	-2'449

n 1'000 CHF	2006	2005
Best estimate of contributions for upcoming financial year		
Contributions by the employer (only Swiss plans)	3'280	3'032
Contributions by plan participants	2'240	2'068

Information over several years		
Fair value of plan assets	97'146	88'492
Present value of funded defined benefit obligation	-95'166	-87'197
Overfund (+) / underfund (-)	**1'980**	**1'295**
Present value of unfunded defined benefit obligation	-2'703	-2'654
Experience adjustments on defined benefit obligation	-1'338	13'293
Experience adjustments on plan assets	2'965	1'193

Principal actuarial assumptions as per 31.03.07 / 31.03.06		
Discount rate	3.0%	3.25%
Expected rate of return on plan assets	4.5%	4.50%
Future salary increases	1.0%	1.00%
Future pension increases	0.5%	0.50%
Workforce fluctuation rate	7.8%	7.4%
Expected average remaining working lives in years	9.3	9.2
Retirement age	65 (♂) 64 (♀)	65 (♂) 64 (♀)

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. The expected long-term return for investment categories is as follows: 3% for bonds, 6.8% for equities, 4.6% for properties and 3.5% for others.

06 Research and development expenses

During fiscal year 2006, research and development activities focused on improving and updating certain types of compressor types, further developing valve technology, and extending the monitoring and diagnostic systems. No research and development expenses were capitalized in fiscal year 2006.

07 Other operating income and expenses

in 1'000 CHF	2006	2005
Currency exchange losses / gains	789	-975
Other operating expenses / income	-233	498
Miscellaneous	0	680
Total	**556**	**203**

The currency exchange gains in the fiscal year 2006 resulted mainly from new machine projects which were sold in foreign currencies. The other operating expenses occurred essentially by inventory clean-ups in the Indian Burckhardt Compression company. The miscellaneous item in the previous fiscal year included mainly payments which occurred in relation to the acquisitions.

08 Other financial income / expenses

in 1'000 CHF	2006	2005
Interest income	433	312
Other financial income and expenses	-703	854
Total	**-270**	**1'166**

The other financial income increased mainly because of the foreign currency valuation of Swiss Franc loans some of the Burckhardt Compression companies hold.

09 Taxes

Income taxes

in 1'000 CHF	2006	2005
Current income taxes	-12'081	-4'109
Deferred taxes	-1'786	-3'257
Total	**-13'867**	**-7'366**

Reconciliation of income tax expense

in 1'000 CHF	2006	2005
Profit before income taxes	54'603	29'619
Income tax expenses at the local tax rates in the respective countries	-13'475	-7'006
Utilisation of loss carry forwards	52	0
Non-deductible expenses	-188	-23
Unrecogized losses for the current year	-256	-52
Other differences	0	-285
Total income tax expense	**-13'867**	**-7'366**
as % of profit before income taxes	25.4%	24.9%

Deferred taxes

in 1'000 CHF	2006	2005
Deferred tax assets:		
- which can be used within 12 months	-288	-326
- which can be used after 12 months	-322	-479
Subtotal	-610	-805
Deferred tax liabilities:		
- which can be used within 12 months	2'696	1'073
- which can be used after 12 months	3'410	3'077
Subtotal	6'106	4'150
Total	**5'496**	**3'345**
Total changes in deferred taxes:		
Balance as per 31.03.07 / 31.03.06	3'345	88
Charged to the income statement	1'786	3'792
Taxes charged to equity for hedging reserves	365	-535
Total	**5'496**	**3'345**

Breakdown of deferred taxes in the balance sheet

in 1'000 CHF	31.03.07 Assets	31.03.07 Liabilities	31.03.06 Assets	31.03.06 Liabilities
Intangible assets	153	1'484		1'604
Property, plant and equipment		2'591		1'473
Financial assets		26	157	18
Inventories		1'299		945
Customers' advance payments		38		
Accounts receivable	21	1'686		484
Derivative financial instruments		123		
Non-current borrowings	128			
Provisions for retirement plan obligations	185		209	
Other non-current liabilities	88		165	
Other non-current provisions	459		409	
Current borrowings	0		105	
Trade accounts payable	315		106	
Current provisions	402		154	126
Total deferred taxes (gross)	**1'751**	**7'247**	**1'305**	**4'650**
Offset	-1'141	-1'141	-500	-500
Total deferred taxes (net)	**610**	**6'106**	**805**	**4'150**

Tax loss carryforwards

in 1'000 CHF	2006	2005
Expiring in the next 3 years	657	0
Expiring in 4 to 7 years	0	200
Total tax loss carryforwards	**657**	**200**
Potential tax assets calculated	256	52
Valuation allowance	-256	-52
Deferred tax assets	**0**	**0**

10 Intangible assets

Acquisition value

in 1'000 CHF	Goodwill	Trademarks incl. IT licenses	Customer lists	R&D	2006 Total	Goodwill	Trademarks incl. IT licenses	Customer lists	R&D	2005 Total
Cost as per 1.04.06 / 1.04.05	22'390	1'098	4'137	80	27'705	20'986			80	21'066
Changes in the consolidation scope							1'076	4'067		5'143
Additions		1'395			1'395	688				688
Disposals				-80	-80					
Reclassifications										
Currency translation differences	-439	40	117		-282	716	22	70		808
Balance as per 31.03.07 / 31.03.06	**21'951**	**2'533**	**4'254**	**0**	**28'738**	**22'390**	**1'098**	**4'137**	**80**	**27'705**

Accumulated amortization

in 1'000 CHF	Goodwill	Trademarks incl. IT licenses	Customer lists	R&D	2006 Total	Goodwill	Trademarks incl. IT licenses	Customer lists	R&D	2005 Total
Balance as per 1.04.06 / 1.04.05		-75	-305	-80	-460				-74	-74
Changes in the consolidation scope										
Additions		-460	-416		-876		-73	-305	-6	-384
Disposals				80	80					
Reclassifications										
Currency translation differences		-12	-18		-30		-2			-2
Balance as per 31.03.07 / 31.03.06		**-547**	**-739**	**0**	**-1'286**		**-75**	**-305**	**-80**	**-460**

Net book value

	Goodwill	Trademarks incl. IT licenses	Customer lists	R&D	2006 Total	Goodwill	Trademarks incl. IT licenses	Customer lists	R&D	2005 Total
as per 1.04.06 / 1.04.05	22'390	1'023	3'832	0	27'245	20'986	0	0	6	20'992
as per 31.03.07 / 31.03.06	**21'951**	**1'986**	**3'515**	**0**	**27'452**	**22'390**	**1'023**	**3'832**	**0**	**27'245**

Impairment tests for goodwill

Goodwill is allocated to the identifiable cash-generating units of the Burckhardt Compression Group. The recoverable amount of a cash-generating unit is determined by calculating its value in use. These calculations are based on cash flows projections over the next 5 years, which, in turn, are based on the mid-term plans approved by management. Historical data are used to make cautious assumptions. The assumptions listed below were used in the analysis of each cash-generating unit. No impairment losses were recognized for fiscal years 2006 and 2005.

in 1'000 CHF	Crosshead compressors	Standard high-pressure compressors	Total
Goodwill as per 31.03.07	15'433	6'518	21'951
Goodwill as per 31.03.06	15'585	6'805	22'390
The test is based on the following assumptions:			
- Growth rate for sales	0%	0%	
- Gross margin as % of sales	30%	25%	
- Pre-tax discount rate	8.5%	8.5%	

The discount rate for discounting projected cash flows equals the rate which is used for similar purposes in the day-to-day business. The discount rate of the previous fiscal year for discounting projected cash flows amounted to 6.8%.

11 Property, plant and equipment

in 1'000 CHF	Land and buildings	Machinery and equipment	Other assets	Assets under construction	2006 Total	Land and buildings	Machinery and equipment	Other assets	Assets under construction	2005 Total
Acquisition costs										
Balance as per 1.04.06 / 1.04.05	9'025	38'133	16'450	1'375	64'983	7'356	33'157	13'347	1'841	55'701
Changes in the consolidation scope							97	225		322
Additions	535	4'449	1'281	915	7'180	1'640	4'876	2'851		9'367
Disposals		-835	-389		-1'224		-97	-97		-194
Reclassifications				-184	-184	1		-1	-560	-560
Currency translation differences	-75	-66	-50	-10	-201	28	100	125	94	347
Balance as per 31.03.07 / 31.03.06	**9'485**	**41'681**	**17'292**	**2'096**	**70'554**	**9'025**	**38'133**	**16'450**	**1'375**	**64'983**
Accumulated depreciation										
Balance as per 1.04.06 / 1.04.05	-6'656	-27'348	-11'380		-45'384	-6'081	-25'215	-9'761		-41'057
Additions	-347	-2'616	-1'323		-4'286	-573	-2'142	-1'634		-4'349
Disposals		828	349		1'177		26	72		98
Reclassifications										
Currency translation differences	3	7	-3		7	-2	-17	-57		-76
Balance as per 31.03.07 / 31.03.06	**-7'000**	**-29'129**	**-12'357**		**-48'486**	**-6'656**	**-27'348**	**-11'380**		**-45'384**
Net book value										
as per 1.04.06 / 1.04.05	2'369	10'785	5'070	1'375	19'599	1'275	7'942	3'586	1'841	14'644
as per 31.03.07 / 31.03.06	**2'485**	**12'552**	**4'935**	**2'096**	**22'068**	**2'369**	**10'785**	**5'070**	**1'375**	**19'599**

The "Other assets" category includes IT hardware, patterns, tools, fixtures, instruments, vehicles and other operating equipment. In the fiscal years 2006 and 2005 no leased assets were capitalized.

12 Inventories

Acquisition costs in 1'000 CHF	31.03.07	31.03.06
Raw materials, supplies and consumables	7'750	6'293
Work in progress	61'002	34'608
Finished products and trade merchandise	19'786	17'459
Advance payments to suppliers	10'078	1'899
Valuation allowances	-3'916	-4'405
Total	**94'700**	**55'854**

Valuation allowances in 1'000 CHF	2006	2005
Balance	-4'405	-5'533
Utilized due to disposals	530	-1'707
Additions	-41	-579
Balance	**-3'916**	**-4'405**

Work in progress increased due to the higher business volume, however as per March 31, 2007 and March 31, 2007 work in progress is financed by substantially higher customers' advance payments.

13 Trade and other receivables

in 1'000 CHF	31.03.07	31.03.06
Trade receivables	56'264	40'169
Allowance for bad debts	-510	-649
Other receivables	6'587	4'388
Prepaid expenses	1'034	900
Total current receivables	**63'375**	**44'808**
Other receivables	494	591
Total non-current receivables	494	591
Total	**63'869**	**45'399**

Burckhardt Compression is not exposed to major credit risks, as it has a large and globally diverse customer base. The risk of default on the part of its customers is also very small.

14 Marketable securities

Marketable securities in the amount of TCHF 5'562 include mainly an institutional portfolio module totaling TCHF 5'000 with a first class Swiss financial institution. The institutional portfolio module was opened in the fiscal year 2006. The asset allocation comprises 30% shares, 60% bonds and 10% European real estate funds. As per March 31, 2006 marketable securities consisted of a structured product amounting to TCHF 2'357, it was repaid in the fiscal year 2006.

15 Cash and cash equivalents

Cash has been invested in short-term bank deposits. The majority of those investments have been made in Swiss Francs because of the currency exchange risks. Short-term bank deposits were invested for an average period of 18 days in the fiscal year 2006 compared with an average period of 20 days in the previous fiscal year.

in 1'000 CHF	31.03.07	31.03.06
Cash	127	108
Bank deposits	15'011	13'314
Short-term deposits	40'000	16'268
Total cash and cash equivalents	**55'138**	**29'690**

16 Pledged assets

The Indian Burckhardt Compression company has pledged inventories and receivables in the amount of TCHF 7'380 as collateral for the credit lines and guarantee facilities provided by local banks. No further assets were pledged as collateral in the fiscal year 2006. In the previous fiscal year, assets were pledged in the amount of TCHF 6'853.

17 Share capital

in 1'000 CHF	31.03.07	31.03.06
Number of shares in issue	3'400'000	850'000

A four-for-one share split was implemented prior to the IPO on June 26, 2006, increasing the number of shares from 850'000 to 3'400'000 and reducing the nominal value per share from CHF 10.00 to CHF 2.50. All shares are registered shares and are paid in full. The breakdown of equity into its individual components is shown in the statement of changes in equity.

As per March 31, 2007, Burckhardt Compression Holding AG did not hold any treasury shares.

Earnings per share

	31.03.07	31.03.06
Profit for the period attributable to shareholders of Burckhardt Compression Holding AG (in TCHF)	40'126	22'093
Average number of outstanding shares	3'400'000	850'000
Average number of shares for calculating earnings per share	3'400'000	3'400'000
Earnings per share	11.80	6.50

	31.03.07	31.03.06
Diluted earnings per share		
Profit for the period attributable to equity holders of Burckhardt Compression Holding AG (in TCHF)	40'126	22'093
Average number of outstanding shares	3'400'000	850'000
Average number of shares for calculating diluted earnings per share	3'400'000	3'400'000
Diluted earnings per share	11.80	6.50
Dividend per share	3.00 [1)]	0.25 [2)]

[1)] The Board of Directors will propose to the Annual General Meeting a dividend of CHF 3.00 per share. This will be paid in July 2007.
[2)] In the fiscal year 2006 a dividend of CHF 0.25 (in total CHF 850'000) was paid for the fiscal year 2005.

18 Borrowings

in 1'000 CHF	Current	Non-current	Total 31.03.07	Total 31.03.06
Bank loans	2'070	0	2'070	2'115
Shareholder loan	0	0	0	10'900
Others	420	1	421	0
Total	2'490	1	2'491	13'015
Thereof due in less than 1 year	2'490	0	2'490	12'626
Thereof due in 1 to 5 years	0	1	1	389

The shareholder loan was paid prior to the IPO on June 26, 2006. Burckhardt Compression AG has bank and guarantee facilities amounting to TCHF 105'000 (previous year TCHF 70'000). The bank loan as per March 31, 2007 is denominated in INR. The average effective interest rate amounts to 12% in the fiscal year 2006 compared with 3.5% in the previous fiscal year.

19 Provisions

in 1'000 CHF	Employee benefits	Other personnel expenses	Warranties, Penalties, Unprofitable contracts	Other	Total 2006	Employee benefits	Other personnel expenses	Warranties, Penalties, Unprofitable contracts	Other	Total 2005
Balance as per 1.04.06 / 1.04.05	4'339	556	5'069	668	10'632	4'332	952	6'170	618	12'072
Changes in the consolidation scope									308	308
Additions	401	557	1'752	300	3'010	138	472	3'739	487	4'836
Released as no longer required		-75	-1'223	-204	-1'502	-135	-54	-645	-98	-932
Released for utilization		-48	-82		-130		-823	-4'225	-671	-5'719
Currency translation differences	78	-2	-6	7	77	4	9	30	24	67
Total as per 31.03.07 / 31.03.06	**4'818**	**988**	**5'510**	**771**	**12'087**	**4'339**	**556**	**5'069**	**668**	**10'632**
Thereof current		898	1'916	771	3'585		407	1'761	510	2'678
Thereof non-current	4'818	90	3'594		8'502	4'339	149	3'308	158	7'954

The employee benefits category includes provisions for the employee benefit plans of the Burckhardt Compression company in Germany and provisions for long-service awards for employees at the Burckhardt Compression company in Switzerland. The other personnel expenses category mainly includes provisions for early retirements at the Burckhardt Compression company in Germany.

The warranties, penalties, unprofitable contracts category comprises provisions based on historical experience for work performed under warranties at the expense of Burckhardt Compression' penalties and losses arising from new machine projects.

20 Other current and accrued liabilities

in 1'000 CHF	**31.03.07**	**31.03.06**
Other current liabilities		
Social security institutions	328	201
Tax liabilities (excl. income taxes)	511	508
Miscellaneous	1'104	628
Total	**1'943**	**1'337**
Accrued liabilities		
Interest	0	328
Vacation and overtime	2'252	1'700
Salaries, wages and bonus payments	4'771	3'851
Contract related liabilities	19'400	11'682
Notes payable	15	221
Miscellaneous	746	2'164
Total	**27'184**	**19'946**
Total other current and accrued liabilities	**29'127**	**21'283**

Contract related liabilities include amounts for materials and services that have been supplied or rendered but not yet billed. The accrued liabilities have increased compared to the previous fiscal year because of the higher business volume.

21 Derivative financial instruments

	31.03.07		**31.03.06**	
in 1'000 CHF	Positive fair values	Negative fair values	Positive fair values	Negative fair values
Forward foreign currency contracts				
- Cashflow Hedges	686	1'147	71	2'213
- Others	0	141	0	132
Total	**686**	**1'288**	**71**	**2'345**
Thereof current	569	887	16	1'879
Thereof non-current	117	401	55	466

The fair value of the derivative assets quantifies the maximum loss that would occur if the counterparties fail to meet their obligations. The counterparties in the outstanding financial market transactions consist solely of prime-rated financial institutions. There is no excessive concentration of risk.

As per March 31, 2007 the contract value of the open derivative financial instruments was TCHF100'493. As per March 31, 2006 it amounted to TCHF 67'987. The increase in the fiscal year 2006 resulted from the higher business volume.

22 Outstanding guarantees

in 1'000 CHF	Limited maturity	Unlimited maturity	Total 31.03.07	Total 31.03.06
Total pending guarantees	108'976	921	109'897	72'544
Thereof from Swiss banks	79'682	381	80'063	50'573
Thereof from foreign banks	3'424	0	3'424	5'740
Thereof from Burckhardt Compression Holding AG	25'870	540	26'410	16'231

Burckhardt Compression issues guarantees essentially for securing customer advance payments and for eventual warranty claims from customers. The outstanding guarantees as per March 31, 2007 have increased by 52% compared to the previous fiscal year due to the higher business volume.

23 Contingent liabilities

Burckhardt Compression did not have any contingent liabilities as per March 31, 2007.

24 Other financial commitments

in 1'000 CHF	Buildings	Cars	Other	31.03.07	31.03.06
Total commitments	7'374	733	112	8'219	13'212
Thereof due in less than 1 year	4'180	128	42	4'350	3'834
Thereof due in 1 to 5 years	2'689	605	70	3'364	9'378
Thereof due in more than 5 years	505			505	

The most significant lease agreement covers the office and factory buildings of the Burckhardt Compression company in Switzerland. The lease is fixed until December 31, 2008. The notice period is 24 months with the first opportunity to give notice occurring on December 31, 2008. After this date the lease may be terminated by giving 24 months notice effective at the end of a calendar month. The Swiss Burckhardt Compression company will negotiate an extension of the leasing agreement with the landlord before December 2008. The fiscal year 2006 includes leasing expenses of TCHF 4'951.

The most significant capital expenditure projects approved during the fiscal year 2006 and for which there are purchase commitments as per March 31, 2007 include for Burckhardt Compression AG 3 turning centers for TCHF 3'330 expansion of the test bed for TCHF 1'800 various software packages for TCHF 500, 3 overhead cranes for TCHF 355 and the expansion of the warehouse shuttle for TCHF 350. Burckhardt Compression (India) Pvt. Ltd. has purchase commitments for TCHF 1'260 as per March 31, 2007 for the expansion of the shop building.

25 Business combinations

The Burckhardt Compression companies did not make any acquisitions during the fiscal year 2006. The acquisitions of the previous year present as follows:

PROGNOST Systems GmbH

	2005	
in 1'000 CHF	**Fair value**	**Acquiree's carrying amount**
Intangible assets	5'143	1'076
Property, plant and equipment	88	88
Inventories	427	427
Accounts receivable	4'406	4'406
Total assets	**10'064**	**5'997**
Deferred tax liabilities	1'586	
Non current liabilities	359	359
Current liabilities	2'952	2'952
Total liabilities	**4'897**	**3'311**
Net assets	**5'167**	**2'686**
Minority interest	2'067	
Net assets acquired	**3'100**	
Purchase consideration settled in cash		3'100
Cash and cash equivalents in subsidiary acquired		0
Cash outflow on acquisition		3'100

Burckhardt Compression (Brasil) Ltda.

	2005	
in 1'000 CHF	**Fair value**	**Acquiree's carrying amount**
Property, plant and equipment	235	235
Inventories	123	123
Accounts receivable	2'053	2'053
Total assets	**2'411**	**2'411**
Current liabilities	1'531	1'531
Total liabilities	**1'531**	**1'531**
Net assets acquired	**880**	**880**
Purchase consideration settled in cash		489
Cash and cash equivalents in subsidiary acquired		0
Cash outflow on acquisition		489
Negative goodwill		391

26 Remuneration of the Board of Directors and the Executive Board

in 1'000 CHF	No of persons	2006	No of persons	2005
Non-executive members of the Board of Directors:				
Fees and remuneration		167		89
Total	**3**	**167**	**2**	**89**
Executive member of the Board of Directors:				
Salaries		467		500
Post employment and social benefits		609		85
Total	**1**	**1'076**	**1**	**585**
Members of the Executive Board:				
Salaries		1'911		1'876
Post employment and social benefits		1'419		328
Share-based payments (1)		185		-
Total	**11**	**3'515**	**9**	**2'204**
(1) Allocated shares				
- 1. Step CHF 0.25 per share		1'920		
- 2. Step CHF 0.25 per share		1'765		

The Executive Board, all executives of the Burckhardt Compression Group and the executive member of the Board of Directors receive a performance and result-based bonus in addition to their base salaries. Total pay consisting of the base salary plus target bonus reflects the median market valuation of the relevant position, individual qualifications, and the prevailing local labor market conditions. The latter are regularly assessed and salary ranges adjusted accordingly. The target bonus corresponds to a percentage of the base annual salary; the actual bonus paid depends on the achievement of individual targets, 60% to 70% are of a financial nature, e.g. EBIT, order intake, project margin, net financial position; 40% to 30% are of a non-financial nature. A weighted percentage is defined for each target. The minimum bonus amounts to 50% of the target bonus. The maximum bonus amounts to 250% of the target bonus, while no bonus at all is paid if the minimum target level is not achieved. With the exception described in Note 27, there are no share-based payments (shares, option plans or other incentives).

Non-executive members of the Board of the Directors receive fixed remuneration. This is paid in cash. Non-executive members of the Board of Directors do not receive a bonus.

27 Transactions with the Board of Directors, the Executive Board and related parties

The major shareholder (Zurmont Capital I AG) had initiated immediately before the IPO according to the shareholders agreement of July 19, 2002 a transfer of 238'000 Burckhardt Compression Holding AG shares to the then existing management shareholders. Zurmont Capital I AG transferred these shares (ratchet shares) at a price of CHF 0.25 per share to the existing management shareholders. The transfer did not require any accounting entry in the consolidated annual accounts of Burckhardt Compression Holding AG. The social security contributions of that transaction were paid by the company and are part of the personnel expenses.

At the same time 14'545 out of the 238'000 shares were transferred to members of the Executive Board andother managers at a price of CHF 0.25 per share. The two-step allocation is based on a plan which was established in June 2006. The first allocation of 9'280 shares did not include any restrictions. The second allocation of 5'265 shares is tied to the condition that the recipient continues to work for further 5 years (lock-up period) in the company. In case a recipient leaves the company before that period he/she must sell those shares to the company at a price of CHF 0.25 per share. The corresponding value of the first allocation (resulting from the difference between issue price of CHF 85.00 and paid price of CHF 0.25 per share) and a pro rata share of the second allocation totaling TCHF 853 were charged to personnel expenses in the income statement. The corresponding credit was made directly in the shareholders' equity.

There are no other share-based payments or plans.

The employer's and employee social security contributions which were paid by Burckhardt Compression Holding AG amounted to TCHF 1'574. No other payments or fees for additional services were paid to the members of the Board of Directors and Executive Board. There are no pending loans in favour of officers of Burckhardt Compression as per March 31, 2007. As per March 31, 2007 the members of the Executive Board incl. the executive member of the Board of Directors owned 717’315 registered shares of Burckhardt Compression Holding AG. The non-executive members of the Board of Directors owned 9’600 registered shares of Burckhardt Compression Holding AG. In the fiscal years 2006 and 2005 the regular employer’s contributions of the Swiss Burckhardt Compression company were paid to the Sulzer pension trusts.

28 Events after the balance sheet date

When the consolidated financial statements were approved on May 23, 2007, the Board of Directors and the Executive Board were not aware of any significant events occurring after the balance sheet date.

Investments as per March 31, 2007

Group companies of
Burckhardt Compression Holding AG
Winterthur, Switzerland
Listed on SWX Swiss Exchange
Security no. 002553602
Share capital CHF 8’500’000
Market capitalization CHF 678’300’000

	Subsidiary of	Abbreviation	Research & development	Engineering & manufacturing	Contracting	Sales	Service	**Share capital Participation**
Burckhardt Compression AG Winterthur, Switzerland CEO Valentin Vogt	1	BCA	•	•	•	•	•	CHF 2’000’000 100%
Compressor Tech Holding AG Zug, Switzerland Managing Director Harry Otz	1	CTH						CHF 200’000 100%
Burckhardt Compression (Deutschland) GmbH Ravensburg, Germany Managing Director Christian Henninger	2	BCD				•	•	EUR 30’000 100%
PROGNOST Systems GmbH Rheine, Germany Managing Director Alex Deitermann	3	PSG	•	•	•	•	•	EUR 200’000 60%
Burckhardt Compression (Italia) S.r.l. Mailand, Italy Managing Director Tullio Buonocore	2	BCI			•	•	•	EUR 400’000 100%
Burckhardt Compression (France) S.A.S. Mantes la Jolie Cedex, France Managing Director Gerard Fraboulet	2	BCF			•	•	•	EUR 300’000 100%
Burckhardt Compression (España) S.A. Madrid, Spain Managing Director Javier Gamboa	2	BCE				•	•	EUR 550’000 100%
Burckhardt Compression (UK) Ltd. Farnborough, United Kingdom Managing Director Colin Webb	2	BCG				•	•	GBP 250’000 100%
Burckhardt Compression (US) Inc. Houston, USA Managing Director Rudolf Buschauer	2	BCU			•	•	•	USD 250’000 100%
Burckhardt Compression (Canada) Inc. Brampton, Canada Managing Director Peter J. Thuerig	2	BCC				•	•	CAD 200’000 100%
Burckhardt Compression (Japan) Ltd. Tokyo, Japan Managing Director Mamoru Tanaka	2	BCJ			•	•	•	JPY 50’000’000 100%

	Subsidiary of	Abbreviation	Research & development	Engineering & manufacturing	Contracting	Sales	Service	**Share capital Participation**
Burckhardt Compression (Shanghai) Co. Ltd. Shanghai, Volksrepublik China Managing Director Martin Heller a.i. as from 1.5.07 Keven Li	2	BCN				•	•	CNY 2’731’000 100%
Burckhardt Compression (India) Private Ltd. Pune, India Managing Director Narasimha Rao	2	BCP	•	•	•	•	•	INR 109’342’000 100%
Burckhardt Compression (Brasil) Ltda. São Paulo, Brazil Managing Director Fabio Santos	2	BCB			•	•	•	BRL 900’000 100%
Burckhardt Compression (Korea) Seoul, South Korea Managing Director Seunkeweon Li						•		100%

1 = subsidiary of Burckhardt Compression Holding AG
2 = subsidiary of Burckhardt Compression AG
3 = subsidiary of Compressor Tech Holding AG

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Report of the group auditors
to the general meeting of
Burckhardt Compression Holding AG
Winterthur

As auditors of the group, we have audited the consolidated financial statements (balance sheet, income statement, statement of cash flows, statement of changes in equity and notes / pages 46 to 73) of Burckhardt Compression Holding AG for the year ended 31 March 2007.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Urs Honegger
Auditor in charge

James Goffi

Winterthur, 23 May 2007

Financial Statements of Burckhardt Compression Holding AG

Balance sheet

In 1'000 CHF	Notes	31.03.07	31.03.06
Non-current assets			
Organizational cost	102	0	74
Investments in subsidiaries	103	14'276	14'143
Loans to subsidiaries	104	0	7'373
Total		**14'276**	**21'590**
Current assets			
Trade and other receivables	105	564	97
Cash and cash equivalents		10'721	947
Total		**11'285**	**1'044**
Total assets		**25'561**	**22'634**
Equity			
Share capital	106	8'500	8'500
General reserve		140	0
Prior year retained earnings		1'804	103
Net income		14'188	2'691
Total		**24'632**	**11'294**
Liabilities			
<u>Non-current liabilities</u>			
Borrowings from shareholders		0	10'900
<u>Current liabilities</u>			
Trade and other accounts payable		670	121
Accrued liabilities		259	319
Total		929	440
Total		**929**	**11'340**
Total equity and liabilities		**25'561**	**22'634**

Income statement

In 1'000 CHF	Notes	2006	2005
Income	107		
Income from investments		15'000	3'000
Financial income		222	768
Other income		409	3'468
Total		**15'631**	**4'236**
Expenses	108		
General and administrative expenses		-1'174	-584
Financial expenses		-195	-835
Amortization of organizational cost		-74	-126
Total		**-1'443**	**-1'545**
Net profit		**14'188**	**2'691**

Notes to the financial statements of Burckhardt Compression Holding AG

101 Accounting policies

The financial statements as per March 31, 2007 are in compliance with the requirements of the Swiss Corporation Law. For the purpose of including Burckhardt Compression Holding AG in the consolidated financial statements the corporate accounting principles remain fully applicable.

102 Organizational cost

The expenses in 2002 for the set-up of the Burckhardt Compression Group structure and the credit facility agreements totaling TCHF 567 are amortized over 5 years.

103 Investments in subsidiaries

The equity interests held directly and indirectly by Burckhardt Compression Holding AG are shown in the section investments as per March 31, 2007.

104 Non-current liabilities

In 1'000 CHF	31.03.07	31.03.06
Loan to Burckhardt Compression AG	0	7'373
Total	**0**	**7'373**

105 Trade and other receivables

In 1'000 CHF	31.03.07	31.03.06
Trade accounts receivable	451	45
Other receivables	99	21
Prepaid expenses	14	31
Total	**564**	**97**

106 Share capital and shareholders

The share capital amounts to CHF 8'500'000 and is composed of 3'400'000 shares' each with a nominal value of CHF 2.50. All shares are registered shares and are paid in full. A four-for-one share split was implemented prior to the IPO on June 26, 2006, increasing the number of shares from 850'000 to 3'400'000 and reducing the nominal value per share from CHF 10.00 to CHF 2.50. As per March 31, 2007, Burckhardt Compression Holding AG did not hold any treasury shares.

No person will be registered as a shareholder in the share register with a voting power of more than 5% of the registered share capital. This limitation applies also to persons who hold shares wholly or partly through nominee agreements. This limitation also applies if shares are acquired by exercising option or convertible rights.

Legal entities and partnerships which are linked by equity or voting rights' by sharing the same management or are linked in some other way are counted as one entity. The same applies to individuals' legal entities or partnerships that combine their shareholdings for the purpose of evading registration limitations.

Individual shareholders whose entry applications do not expressly declare that they hold their shares for their own account (nominees), will be entered in the share register with voting rights, provided that they are subject to supervision by a recognized banking and financial market regulator, and have signed an agreement with the Board of Directors concerning their status, and that the number of shares held by the nominee does not exceed 2% of the registered share capital. Beyond this registration limit, the Board of Directors may register nominees in the share register with voting rights provided that such nominees disclose the names, addresses, nationalities and shareholdings of the persons on whose account they hold 2% or more of the registered share capital.

Shareholder groups which existed before June 23, 2006 are excluded from the voting rights restrictions.

According to information available to the company, the following shareholders reported shareholdings above 5% of the share capital and voting rights as per March 31, 2007:

Shareholders as per March 31, 2007	**No. Shares**	**in %**
Members of the Executive Board incl. executive member of the Board of Directors	717'315	21.1
Bank of America	211'200	6.2[a)]
Deutsche Bank AG	190'103	5.6[a)]
Other shareholders	2'281'382	67.1
Total outstanding shares	**3'400'000**	**100.0**

a) According to the articles of incorporation of Burckhardt Compression Holding AG the voting rights of those shareholders is limited to 5%.

107 Income

In 1'000 CHF	**2006**	**2005**
Income from investments		
Dividends from Burckhardt Compression AG	15'000	3'000
Financial income		
Interest from Burckhardt Compression AG	187	768
Other income		
Income from services provided to Group companies	192	190
Other	252	278
Total	**15'631**	**4'236**

108 Expenses

In 1'000 CHF	2006	2005
General and administrative expenses	-1'174	-584
Financial expenses:		
Interest expense	-142	-793
Income tax expense	-10	-42
Others	-43	0
Subtotal	-195	-835
Amortization of organizational cost	-74	-126
Total	**-1'443**	**-1'545**

109 Disclosures required by Article 663b of the Swiss Code of Obligations

In 1'000 CHF	31.03.07	31.03.06
Guarantees	26'410	18'276
Total	**26'410**	**18'276**

Burckhardt Compression Holding AG issues advance payment guarantees and performance bonds in the name of Burckhardt Compression AG and in favor of a small number of selected customers. As per March 31, 2007, these guarantees amounted to TCHF 30'000.

The credit lines and guarantee facilities extended to Burckhardt Compression AG by financial institutions do not require any assets or shares of Burckhardt Compression Holding AG to be pledged as collateral.

Appropriation of earnings

In 1'000 CHF	2006	2005
Prior year retained earnings	1'804	103
Net income of the year	14'188	2'691
Retained earnings at the disposal of the annual general meeting	**15'992**	**2'794**
The Board of Directors proposes the following appropriation:		
- Appropriation to general reserve	-710	-140
- Gross dividend	-10'200	-850
Retained earnings carried forward	**5'082**	**1'804**

The Board of Directors proposes to the Annual General Meeting of Shareholders on July 7, 2007 payment of a gross dividend of CHF 3.00 per registered share.

in (CHF)	2006	2005
Gross dividend	3.00	0.25
less 35% withholding tax	-1.05	-0.09
Net dividend	**1.95**	**0.16**

Annual General Meeting of Shareholders
The Annual General Meeting of Shareholders will take place at 10:00 am on Saturday July 7, 2007 at the Park Arena, Barbara-Reinhardstrasse 24, 8404 Winterthur, Switzerland.

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Report of the statutory auditors
to the general meeting of
Burckhardt Compression Holding AG
Winterthur

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes / pages 76 to 79) of Burckhardt Compression Holding AG for the year ended 31 March 2007.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Urs Honegger
Auditor in charge

James Goffi

Winterthur, 23 May 2007

Pages 84- 91: Customers and Solutions
Burckhardt Compression delivers compressors throughout the world for the hydrocarbon processing and chemical industry, for gas transport and storage and for applications in the field of industrial gases.

Mechanical test run prior delivery to the customer.

Gas transport and storage is the logistic part of the gas processing and consuming industry. Vessels transport the liquefied gases that are either stored liquid or gaseous. Liquid gas tank of a LNG receiving terminal in Spain.

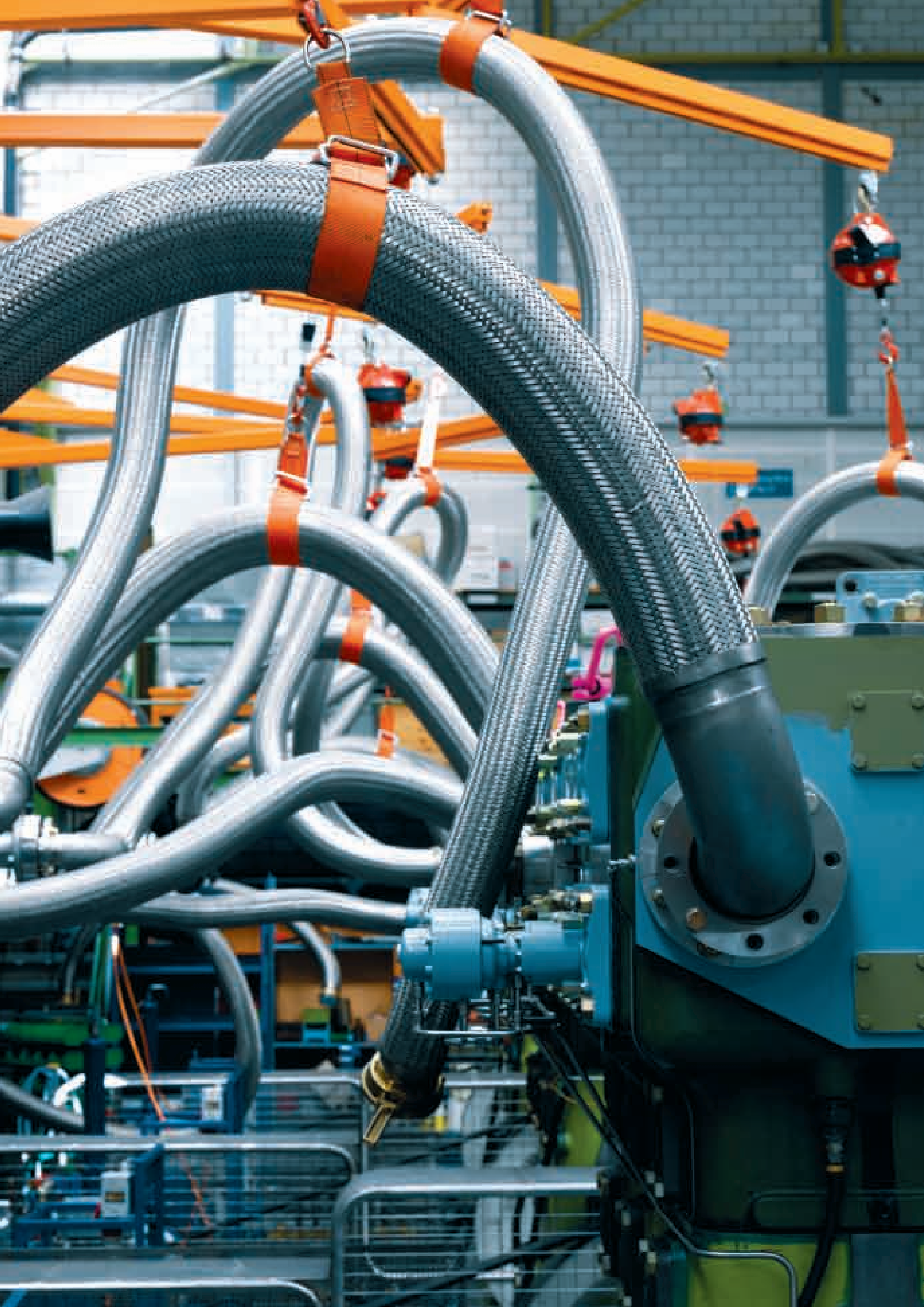
Frosted cylinder (-160°) of a Laby® compressor in a reliquefaction of liquefied natural gas plant of an import terminal.

The hydrocarbon processing industry (HPI) is the processing part of the oil and gas industry. Crude oil and natural gas out of oil and gas fields get processed to fuels, lubricants, plastics and other petrochemical and chemical products. Compressor in a petrochemical plant in Germany.

Lubrication lines of a process gas compressor.

Impression of a chemical plant.

View from a LNG receiving terminal.

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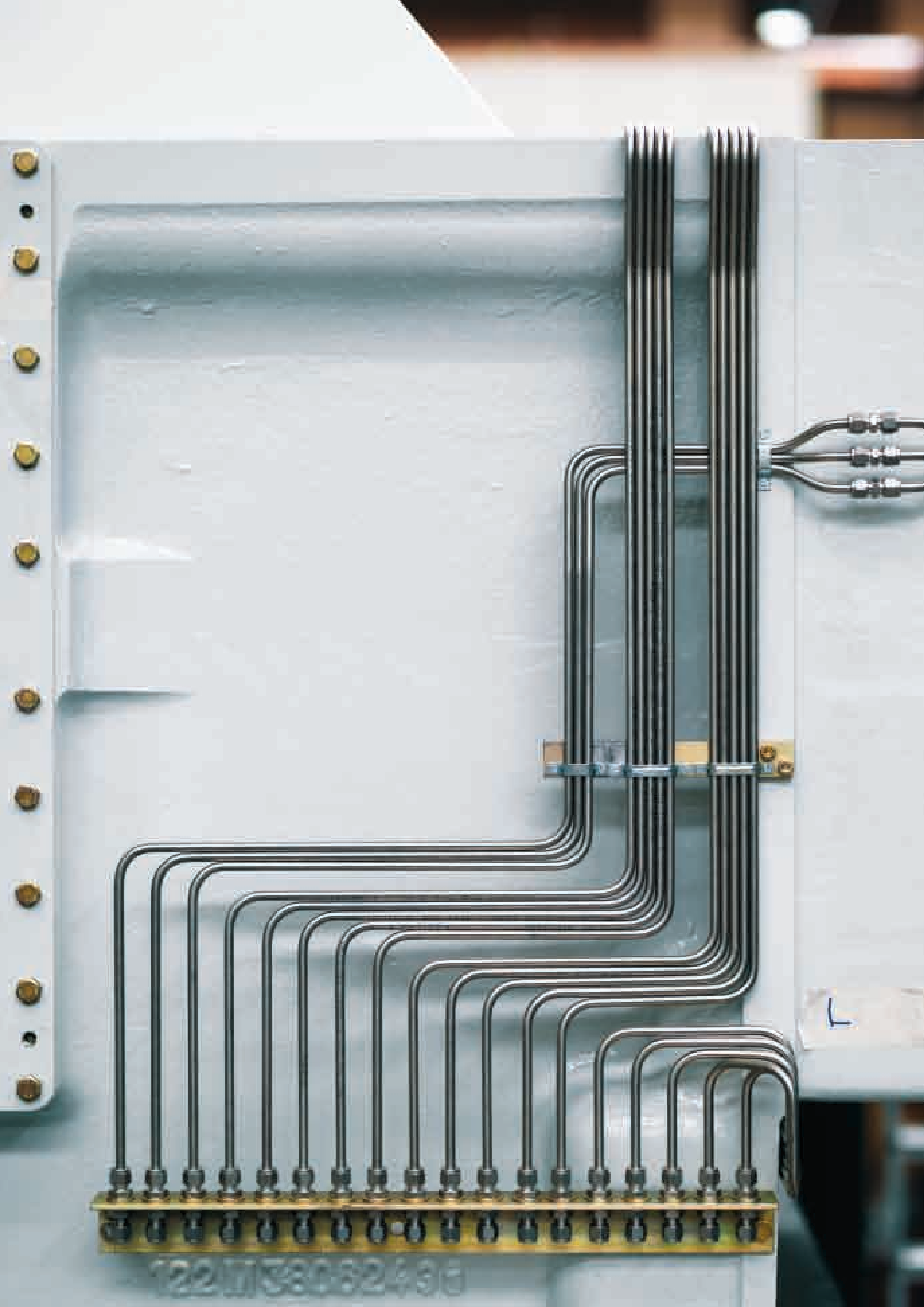
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Impressum

The statements in this review relating to matters that are not historical facts are forward-looking statements that are not guarantees of future performance and involve risks and uncertainties, including but not limited to: future global economic conditions, foreign exchange rates, regulatory rules, market conditions, the actions of competitors and other factors beyond the control of the company.

This annual report is published in German and English and is also available on the internet as an online version. The printed German version is binding.

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