

First half year results 2006

Dear Shareholders,

Today marks the publication of Burckhardt Compression's first interim report since its IPO in June 2006. Burckhardt Compression (BC) managed to sustain the positive business trend of the past few years throughout the first half of 2006.

Orders received for the period from April to September were up by 51% from the prior-year period to CHF 215.5 million. This growth was driven by both new machines (+60%) and the service business (+29%). Compressor orders for our first LNG terminals in China and Canada and an order for a further hyper compressor are among the highlights in the new machine business for the first half year.

The high capacity utilization rates of our customers translated into correspondingly high demand for our replacement parts and services. Good progress is being made with the planned expansion of our service business (CSS).

Our key markets are still going strong. Capital expenditure for replacement purposes and capacity expansion is high.

Key figures

in CHF million	April– September 2006	April– September 2005
Orders received	215.5	142.6
– New machines	164.5	103.1
– CSS	51.0	39.5
Sales	119.5	111.6
Gross profit	44.2	30.0
Operating income (EBIT)	24.8	14.4
Profit for the period	17.8	10.8
Total assets	220.7	163.4
Shareholders' equity	85.1	53.5
Earnings per share in CHF	5.24	3.18
Employees	676	628

In the first half of the year BC Group sales grew by 7% to CHF 119.5 million. Sales growth was driven by both the new machine (+5%) and the CSS business (+11%). Gross profit increased at a proportionately faster rate of 47% to CHF 44.2 million. Gross profit in the new machine business benefited from the favorable product mix and high capacity utilization.

The gross profit growth and the moderate rise in selling, general and administrative expenses resulted in a very strong increase in operating income to CHF 24.8 million (+72%) and net profit to CHF 17.8 million (+65%).

The situation in the Group's sourcing markets remains very tight. We are undertaking great efforts to secure our sources of supply, particularly for forged and casted components. Substantially higher metals prices coupled with the high capacity utilization of our suppliers increased our sourcing costs significantly during the period under review, but we were able to compensate this with rationalization and price increases.

The Group workforce numbered 676 at the end of September, which means an increase of 38 people since the beginning of the business year.

We expect a lower order intake in the second half of the year compared to the first half. Order intake for the entire 2006 business year is projected to exceed last year's high level. Full-year sales are expected to be about 20% above the prior-year figure with significant growth in gross profit, operating income and net profit.

In view of the high order backlog, better visibility and persisting good market outlook, we have decided to continue expanding our capacity in order to meet customer demand faster and better. Capacity will be expanded in Switzerland and in India. At our head office in Winterthur, more staff will be hired, shift operations increased, additional space leased and capital spending plans moved forward. These measures will allow us to continue to grow Group sales in the years ahead and shorten delivery times.

BC's Board of Directors plans to introduce a profit-oriented dividend policy. A proposal to pay out a dividend of 25% of the net profits, beginning with fiscal 2006, will be put before shareholders at the next ordinary general meeting. It is our view that shareholders should benefit from the company's good performance through a rising stock price and profit-oriented dividend payouts.

We would like to thank to our customers for their confidence in our products and services, to our employees for their untiring dedication and to our shareholders for their trust in our company.

Yours sincerely,



Hans Hess
Chairman of the
Board of Directors



Valentin Vogt
CEO & Executive Member of the
Board of Directors

Winterthur, 29 November 2006

Condensed income statement

in CHF million	First half 2006 April–Sept. 2006	First half 2005 April–Sept. 2005	Business year 2005 April 2005–March 2006
Sales	119.5	111.6	210.4
Cost of goods sold	-75.3	-81.6	-144.4
Gross profit	44.2	30.0	66.0
Selling, marketing and general administrative expenses	-17.8	-14.4	-32.0
Research and development expenses	-2.4	-2.3	-4.6
Other operating income/expenses	0.8	1.1	0.2
Operating income (EBIT)	24.8	14.4	29.6
Finance costs	0.1	-0.5	-1.1
Other financial income/expenses	-0.6	1.2	1.2
Pre-tax profit	24.3	15.1	29.7
Income tax expense	-6.3	-4.0	-7.4
Profit for the period (before minority interest)	18.0	11.1	22.3
Minority interest	-0.2	-0.3	-0.2
Profit for the period (after minority interest)	17.8	10.8	22.1
Basic earnings per share (in CHF)	5.24	3.18	6.50
Diluted earnings per share (in CHF)	5.24	3.18	6.50

Condensed balance sheet

in CHF million	First half 2006 30.09.06	First half 2005 30.09.05	Business year 2005 31.03.06
Non-current assets:			
Intangible assets	26.5	26.8	27.2
Property, plant & equipment	20.0	15.6	19.6
Financial assets	0.8	0.7	0.7
Deferred tax assets	1.1	1.2	0.8
Total	48.4	44.3	48.3
Current assets:			
Inventories	72.0	47.8	55.9
Trade and other receivables	67.5	52.6	44.8
Marketable securities	2.4	4.8	2.3
Cash and cash equivalents	30.4	13.9	29.7
Total	172.3	119.1	132.7
Total assets	220.7	163.4	181.0
Total equity	85.1	53.5	66.1
Liabilities:			
Non-current liabilities	14.7	31.7	13.0
Current borrowings	1.1	2.7	12.6
Other current liabilities	119.8	75.6	89.3
Total	135.6	110.0	114.9
Total equity and liabilities	220.7	163.4	181.0

Condensed cash flow statement

in CHF million	First half 2006 April–Sept. 2006	First half 2005 April–Sept. 2005	Business year 2005 April 2005–March 2006
Cash flow from operating activities:			
Operating income	24.8	14.4	29.6
Depreciation and amortization	2.4	2.0	4.7
Change in net current assets and provisions	-5.1	-15.7	1.3
Net interest and tax paid	-6.0	-0.7	-1.9
Total	16.1	0.2	33.7
Cash flow from investing activities:			
Acquisition/disposal of intangible assets and property, plant & equipment	-2.9	-2.4	-8.8
Acquisition/disposal of subsidiaries	0.0	-5.1	-5.2
Purchase/sale of financial assets and marketable securities	-0.2	5.1	7.4
Total	-3.1	-2.4	-6.6
Cash flow from financing activities:			
Repayment of borrowings	-11.3	-3.4	-17.0
Dividends	-0.9	0.0	0.0
Total	-12.2	-3.4	-17.0
Currency translation differences	-0.1	0.1	0.2
Net change in cash and cash equivalents	0.7	-5.5	10.3
Cash and cash equivalents at the beginning of the reporting period	29.7	19.4	19.4
Cash and cash equivalents at the end of the reporting period	30.4	13.9	29.7

Condensed statement of shareholders' equity

in CHF million	First half 2006 30.09.2006	First half 2005 30.09.2005	Business year 2005 31.03.2006
Total equity April 1	66.1	43.2	43.2
Profit for the period (before minority interest)	18.0	11.1	22.3
Adjustments of financial instruments	2.2	-3.3	-2.0
Dividends	-0.9	0.0	0.0
Change in currency translation differences	-0.3	0.4	0.5
Change in minority interest	0.0	2.1	2.1
Total equity	85.1	53.5	66.1

IR calendar:

5 June 2007	2006 Annual Results Media and Analysts' Conference
7 July 2007	Annual General Meeting

Notes on the unaudited Group accounts for the first half of fiscal 2006

1. Basis of presentation

The presentation and disclosure of this unaudited financial report correspond with International Financial Reporting Standards (IFRS) in accordance with IAS 34, Interim Financial Reporting, and the accounting policies set out in the 2005 annual report.

Burckhardt Compression adopted all applicable new IFRS rules and revised standards effective from January 1, 2006. The changes did not have any material impact. The possibility to apply new standards (IFRS 7) and amended standards (IAS 1) prior to their effective date was not used. Burckhardt Compression is currently assessing the potential impacts of the changes that will become effective from January 1, 2007.

2. Changes in the scope of consolidation

There were no changes in the scope of consolidation of Burckhardt Compression Group during the first half of 2006 in comparison with the 2005 full-year accounts.

3. Events after the balance sheet date

No events occurred subsequent to the balance sheet date that would have a material impact on the income statement and balance sheet for the period ended 30 September 2006. The condensed version of the consolidated interim report was approved for publication by the Board of Directors on November 27, 2006.

4. Sales and gross profit

in CHF million		First half 2006 April–Sept. 2006		First half 2005 April–Sept. 2005		Business year 2005 April 2005–March 2006	
			%		%		%
New machines	Sales	76.3		72.6		131.6	
	Gross profit	23.2	30.4	12.4	17.0	27.6	20.9
CSS	Sales	43.2		39.0		78.8	
	Gross profit	21.0	48.6	17.6	45.1	38.4	48.8
Total	Sales	119.5		111.6		210.4	
	Gross profit	44.2	37.0	30.0	26.9	66.0	31.4

This document may contain forward-looking statements, including but not limited to projections of financial results and statements about potential future developments regarding materials and products. These statements are subject to risks and uncertainties and may be modified if the projected results or developments de-

scribed herein are influenced by known or unknown risks and other factors.

The interim 2006 report was also published in German and can be downloaded from our website at www.burckhardtcompression.com/a_ir/interim.htm. The original version is German.

About Burckhardt Compression

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. Burckhardt 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. Its products are used 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 the company's sales. 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, modular maintenance contracts.

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