

## First Half Year Results 2007

Dear Shareholders

Today marks the publication of Burckhardt Compression's interim report for the first half of the fiscal year 2007. The Burckhardt Compression Group (BC Group) is continuing to make gratifying progress.

The order intake of the BC Group increased by 16% to CHF 250.7 million in the first six months of the fiscal year 2007. Currency and acquisition effects had only a minimal impact on the order intake. While orders for new machines increased by a further 22% to CHF 200.1 million, orders for Customer Support Service (CSS) stabilized according to our expectations at a high level (-1%). The market for new machines continues to be very active. Special events of the first half of the fiscal year 2007 included orders for three hyper compressors, and orders for two further major petrochemical projects in China. The LNG business is showing high momentum. We were able to add compressor orders for three further terminals to our order book.

The CSS business developed lively. The order intake could not quite reach the value of the previous year, due to major spare parts orders in the first half of the fiscal year 2006.

### Key figures

in CHF million	April- Sept. 2007	April- Sept. 2006	Change 2006/2007
Order intake	250.7	215.5	+16%
- New machines	200.1	164.5	+22%
- CSS*	50.6	51.0	-1%
Sales	182.4	119.5	+53%
Gross profit	63.0	44.2	+43%
Operating income (EBIT)	42.2	24.8	+70%
Profit for the period	32.8	17.8	+84%
Balance sheet total	312.5	220.7	+42%
Shareholders' equity	131.5	85.1	+55%
Earnings per share in CHF	9.66	5.24	+84%
Headcount as per 30.9.	772	676	+14%

\*Customer Support Service

The capacity expansion already had an impact on the first half of the fiscal year 2007. BC Group sales jumped by 53% to CHF 182.4 million. Gross profit increased by CHF 18.8 million or 43% to CHF 63 million. The decrease in percentage from 37.2% to 34.5% in gross margin is due to the very sharp increase in sales of new machines (+82%) as compared with CSS sales (+1%). New machines basically show a lower gross margin. The lower gross margin in the CSS business compared with the first half of the fiscal year 2006 is a consequence of shifts in the BC product mix. The first half of the fiscal year 2007 saw only a minimal increase

in selling, marketing and administrative expenses, which resulted in the operating income (EBIT) rising by 70% to CHF 42.2 million. Profit and earnings per share for the period under review rose by 84% to a gratifying CHF 32.8 million and CHF 9.66 respectively. The situation in the sourcing markets continues to be very tight. Thanks to our well developed planning system, we were able to improve our supply security for forged and casted components. The situation in the supply market for accessories deteriorated significantly. The main reasons for the price increases on the sourcing side lay in high capacity utilization and not in the trend of raw materials prices.

The capacity expansion program in Winterthur and Pune, India, decided upon last year has largely been completed. The workforce of the Burckhardt Compression Group increased by 96 employees, 28 of whom joined the Group as a result of acquisitions.

Business in Burckhardt Compression's most important markets continues to develop dynamically. The product mix of the order intake of new machines in the first half of the fiscal year 2007 will mean – due to the capacity in project management – that our order intake for new machines can be expected to level off in the second half of the fiscal year 2007. The forecasted order intake for Burckhardt Compression for the fiscal year 2007 as a whole will be higher than the record order intake in 2006. Sales for fiscal year 2007 as a whole can be expected to be around 30% higher than the previous year, which will result in a significant increase in gross profit, operating income and profit for the period.

With the acquisition of MT Sealing Technology Inc in the first half of the fiscal year 2007 we have made a further step toward expanding the compressor component business.

Our Chief Financial Officer, Harry Otz, has decided to leave the Group in the third quarter of 2008 to take on after eight years as CFO at Burckhardt Compression a new challenge abroad. We have started the search for his succession.

A big thank you goes to our customers for placing their trust in our products and services, to our staff for all their sterling work and to our shareholders for their confidence in our company.

Yours sincerely,



Hans Hess  
Chairman of the  
Board of Directors



Valentin Vogt  
CEO & Executive Member  
of the Board of Directors

Winterthur, 14. November 2007

## Condensed income statement

in CHF million	First half 2007 April – Sept. 2007	First half 2006 April – Sept. 2006	Fiscal year 2006 April 2006 – March 2007
Sales	182.4	119.5	266.7
Cost of goods sold	-119.4	-75.3	-167.5
<b>Gross profit</b>	<b>63.0</b>	<b>44.2</b>	<b>99.2</b>
Selling, marketing and general administrative expenses	-18.2	-17.8	-38.9
Research and development expenses	-3.1	-2.4	-5.3
Other operating income/expenses	0.5	0.8	0.6
<b>Operating income (EBIT)</b>	<b>42.2</b>	<b>24.8</b>	<b>55.6</b>
Finance costs	1.0	0.1	-0.7
Other financial income/expenses	0.0	-0.6	-0.3
<b>Profit before income taxes</b>	<b>43.2</b>	<b>24.3</b>	<b>54.6</b>
Income tax expense	-10.3	-6.3	-13.9
<b>Profit for the period (before minority interests)</b>	<b>32.9</b>	<b>18.0</b>	<b>40.7</b>
Minority interests	-0.1	-0.2	-0.6
<b>Profit for the period (after minority interests)</b>	<b>32.8</b>	<b>17.8</b>	<b>40.1</b>
Basic earnings per share (in CHF)	9.66	5.24	11.80
Diluted earnings per share (in CHF)	9.66	5.24	11.80

## Condensed balance sheet

in CHF million	First half 2007 30.09.07	First half 2006 30.09.06	Fiscal year 2006 31.03.07
<b>Non-current assets:</b>			
Intangible assets	33.9	26.5	27.4
Property, plant and equipment	28.4	20.0	22.1
Financial assets	1.5	0.8	0.6
Deferred tax assets	1.1	1.1	0.6
<b>Total</b>	<b>64.9</b>	<b>48.4</b>	<b>50.7</b>
<b>Current assets:</b>			
Inventories	103.5	72.0	94.7
Trade and other receivables	76.0	67.5	64.0
Marketable securities	4.9	2.4	5.6
Cash and cash equivalents	63.2	30.4	55.1
<b>Total</b>	<b>247.6</b>	<b>172.3</b>	<b>219.4</b>
<b>Total assets</b>	<b>312.5</b>	<b>220.7</b>	<b>270.1</b>
<b>Total equity</b>	<b>131.5</b>	<b>85.1</b>	<b>108.3</b>
<b>Liabilities:</b>			
Non-current liabilities	18.6	14.7	15.0
Current borrowings	3.0	1.1	2.5
Other current liabilities	159.4	119.8	144.3
<b>Total</b>	<b>181.0</b>	<b>135.6</b>	<b>161.8</b>
<b>Total equity and liabilities</b>	<b>312.5</b>	<b>220.7</b>	<b>270.1</b>

## Condensed cash flow statement

in CHF million	First half 2007 April – Sept. 2007	First half 2006 April – Sept. 2006	Fiscal year 2006 April 2006 – March 2007
<b>Cash flow from operating activities:</b>			
Operating income	42.2	24.8	55.6
Depreciation and amortization	2.5	2.4	5.2
Change in net current assets and provisions	-8.1	-5.1	-2.7
Net interest and tax paid	-5.4	-6.0	-10.5
<b>Total</b>	<b>31.2</b>	<b>16.1</b>	<b>47.6</b>
<b>Cash flow from investing activities:</b>			
Acquisition/disposal of intangible assets, property, plant & equipment	-9.6	-2.9	-8.3
Acquisition/disposal of subsidiaries	-4.2	0.0	-0.0
Purchase/sale of financial assets and marketable securities	0.6	-0.2	-3.2
<b>Total</b>	<b>-13.2</b>	<b>-3.1</b>	<b>-11.5</b>
<b>Cash flow from financing activities:</b>			
Repayment of borrowings	0.2	-11.3	-9.8
Dividends paid	-10.3	-0.9	-0.9
<b>Total</b>	<b>-10.1</b>	<b>-12.2</b>	<b>-10.7</b>
Currency translation differences	0.2	-0.1	0.0
<b>Net change in cash and cash equivalents</b>	<b>8.1</b>	<b>0.7</b>	<b>25.4</b>
Cash and cash equivalents as of 1 Apr./31 Mar.	55.1	29.7	29.7
Cash and cash equivalents as of 30 Sept./31 Mar.	63.2	30.4	55.1

## Condensed statement of shareholders' equity

in CHF million	First half 2007 April – Sept. 2007	First half 2006 April – Sept. 2006	Fiscal year 2006 April 2006 – March 2007
Total equity April 1st	108.3	66.1	66.1
Profit for the period (before minority interests)	32.9	18.0	40.7
Adjustments of financial instruments	-0.1	2.2	1.3
Change in currency translation differences	0.7	-0.3	0.2
Share-based remuneration			+0.9
Dividends paid	-10.3	-0.9	-0.9
<b>Total equity</b>	<b>131.5</b>	<b>85.1</b>	<b>108.3</b>

### IR calendar:

10.06.2008	2007 Annual Results Media and Analysts' Conference
04.07.2008	Annual General Meeting

## Notes on the unaudited Group accounts for the first half of fiscal 2007

### 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 annual report 2006. The accounting principles in the annual report 2006 have been amended by the new, respectively revised standards (IAS 1 „Presentation of Financial Statements: Capital Disclosures“ and IFRS 7 „Financial Instruments: Disclosures“) and interpretations which have become effective as per January 1, 2007. The changes have not had any material effects on the results of the first half of the fiscal year 2007.

### 2. Major changes in the scope of consolidation

On 12 July 2007, Burckhardt Compression acquired 100% of the share capital of MT Sealing Technology Inc in Winterthur which develops and manufactures sealing components for compressors and diesel engines and generates annual sales of around CHF 5 million. MT Sealing technology Inc employs 28 people. The purchase price amounts to approx. CHF 5.4 million and depends on the achievement of certain balance sheet and performance values. Burckhardt Compression is in the process of calculating the final values for the purpose of the first-time consolidation.

### 3. Events after the balance sheet date

In October 2007, Burckhardt Compression acquired the remaining 40% of the shares in PROGNOST Systems GmbH. The condensed version of the consolidated interim report was approved for publication by the Board of Directors on November 8, 2007.

### 4. Sales and gross profit

in CHF million		First half 2007	%	First half 2006	%	Fiscal year 2006	%
		April – Sept. 2007		April – Sept. 2006		April 2006 – March 2007	
New machines	Sales	138.7		76.3		173.6	
	Gross profit	43.1	31.1	23.2	30.4	52.7	30.4
CSS*	Sales	43.7		43.2		93.1	
	Gross profit	19.9	45.6	21.0	48.6	46.5	49.9
Total	Sales	182.4		119.5		266.7	
	Gross profit	63.0	34.5	44.2	37.0	99.2	37.2

\*Customer Support Service

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 described herein are influenced by known or unknown risks and other factors. The interim 2007 report was also published in German and can be downloaded from our website at [www.burckhardtcompression.com/financial\\_reports](http://www.burckhardtcompression.com/financial_reports). 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. 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 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 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.

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