Burckhardt Compression

ANNUAL REPORT 2008

Burckhardt Compression is one of the worldwide market leaders in the field of reciprocating compressors and the only manufacturer that offers a complete range of Laby® (labyrinth piston), Process Gas, and Hyper Compressors. The compressors are used to compress, cool or liquefy gases. Burckhardt Compression's customers include multinational companies active in the chemical, petrochemical, refinery, industrial gas and gas transport and storage industries. With the leading compressor technology, the high-quality compressor components and the comprehensive range of services Burckhardt Compression supports its customers in their effort to minimize the life cycle costs of their reciprocating compressor systems.

Content

To Our Shareholders

Dear Shareholders

Fiscal year 2008, ending March 31, 2009, was another highly successful year for Burckhardt Compression (BC) despite the slowdown in order intake during the final quarter. BC Group's operating performance remained strong and, for the first time in the company's history, annual sales exceeded 400 million Swiss francs. 2008 also marked a continuation of the above-average profitability.

Changing market fundamentals
The buoyant market dynamics from the preceding years persisted during the first three quarters of the year under review. In the fourth quarter the market environment clearly deteriorated. Due to the change in the general and financial environment, our customers have become much more cautious regarding their investment and spending plans. This means for BC a reduced visibility and a much more difficult planning process.

Order inflow weakens in the final quarter of the year
Orders received in fiscal year 2008 declined by 8.6% from the prior-year figure to CHF 389.9 million. However, in the first three quarters alone, new orders reached a historical high but the record-breaking trend weakened significantly in the final quarter, starting January 2009. The fourth-quarter order intake was sharply lower compared to the levels of the first nine months of the year.

Orders for new machines amounted to CHF 296.8 million, a 9.1% decline from the prior-year figure. Among last year's highlights in this business line were orders for two Hyper and two Process Gas Compressors for LDPE production plants in the Middle East and in South America (LDPE = Low Density Polyethylene). BC's refinery business continued to grow in the year under review and our business in industrial gas compressors was remarkably stable at a high level.
The service business (Customer Support Service CSS) weakened from the end of November 2008 because of the deteriorating economy. Our customers became more selective when ordering replacement parts as some of their operating assets were no longer fully utilized or had been temporarily shut down. BC's service personnel, whose number had increased considerably in the preceding years, were under considerable pressure last year due to the high level of service activities and the large number of new machine installations.

Substantial sales growth – above-average profitability
The strong growth in order intake during the preceding years resulted in another increase in sales during the year under review, which rose by CHF 56.5 million or 15.3% to CHF 424.5 million – and a new record high for Burckhardt Compression. Gross profit increased by 7.0%. Excluding one-time effects of the previous year, the increase in gross profit represents 12.9%. The decline of the gross profit margin is due in part to changes in the product mix in the new machine business. Administrative and selling expenses increased by 15.9%, at the rate of the top-line growth. Operating profit of CHF 94.3 million (+4.9%) was above the previous year's level and, at 22.2%, the operating profit margin exceeded the 20% mark once again. Burckhardt Compression achieved another outstanding bottom-line result with net profit of CHF 72.8 million and earnings per share of CHF 21.46 clearly surpassing average performance levels for industrial companies in general as well as for our competition. Bottom line return on sales reached 17.1%.

Real estate purchase in Winterthur
The planning phase for the expansion of the company's premises in Winterthur was completed during the past fiscal year. Building permits for the planned factory expansion and the construction of a parking garage have been received. In March 2009 Sulzer and Burckhardt Compression reached an agreement in principle regarding the purchase of commercial real estate in Winterthur. The signing of the contract and transfer of title took place in the first quarter of the fiscal year 2009. Acquiring the property in Winterthur gives BC greater flexibility in consolidating and securing all the commercial space needed from a long-term perspective. Due to terminating a current tenant's rental con-

tract, BC now has sufficient space within the existing building shell and, therefore, will realize only part of its original building expansion plans.

A growing workforce
The number of employees at the end of the year under review stood at 916, an increase of 97 or 11.8% compared to the end of March 2008. Among various other measures taken in response to the more difficult economic environment, we reduced the number of temporary staff in the final quarter.

Outlook for 2009: Ready to master the challenges
As mentioned above, the general environment in our markets deteriorated considerably towards the end of the fiscal year. Therefore, forward-looking statements are now subject to much greater uncertainty than in previous years. From today's standpoint, we are expecting for fiscal year 2009 substantial lower order intake, sales, operating income and profit for the period. The high order backlog, our good market position, strong service business, solid financial base and high cash position put us in a good position to respond expediently to the changing fundamentals and to take advantage of business opportunities also in such an environment.

Dividends
The Board of Directors will propose at the general meeting, due to the changing economic enviorment, the same dividend of CHF 6.00 per share as last year. This translates into 28.0% payout ratio.

Burckhardt Compression says thank you
Burckhardt Compression's dynamic and sustained development would not have been made possible without our highly motivated and flexible employees. Their hard work and superior performance levels are one of the foundations of our company's success. On behalf of the Board of Directors and the management, we express our sincere gratitude to the entire staff for their contribution to last year's results. A special thanks goes to our customers and suppliers for their trust and loyalty. And you, dear shareholders, are likewise thanked for your trust and loyalty during these turbulent and uncertain times. Your prudence and circumspection in the preceding months have contributed greatly to the stability of our shareholder structure.

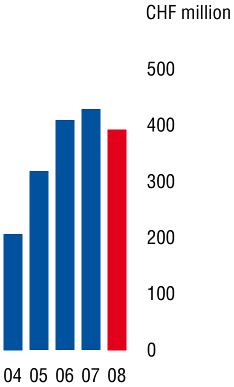
Yours sincerely,

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

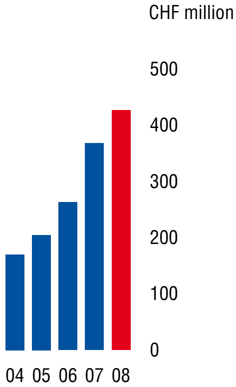
Winterthur, May 26, 2009

Figures at a Glance

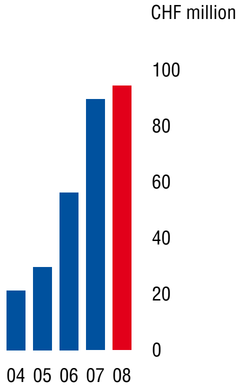
Order intake



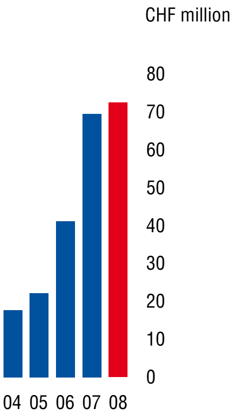
Sales



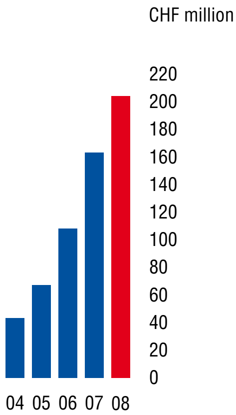
Operating income (EBIT)



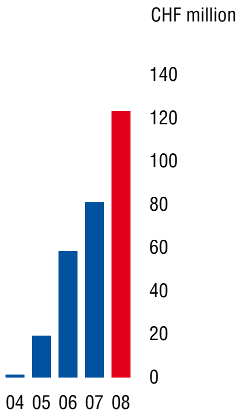
Profit for the period



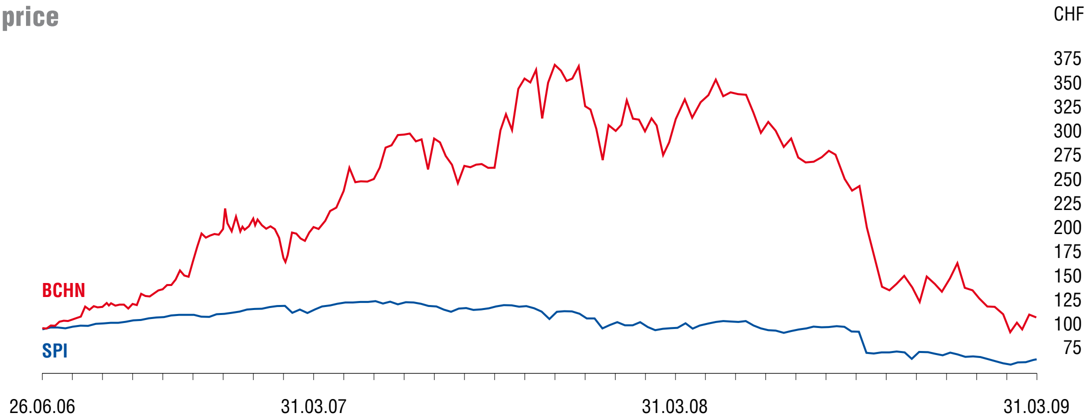
Shareholders’ equity



Net financial position



Share price



in million CHF		2006	2007	2008	Change 2007/2008
Order intake:					
- New machines		311.3	326.5	296.8	- 9.1%
- CSS (Customer Support Service)		96.9	100.2	93.1	- 7.1%
Total		408.2	426.7	389.9	- 8.6%
Sales and gross profit:					
- New machines	Sales	173.6	275.0	327.4	+ 19.1%
	Gross profit	52.7	94.6	99.0	+ 4.7%
	in % of sales	30.4%	34.4%	30.2%	
- CSS	Sales	93.1	93.0	97.1	+ 4.3%
	Gross profit	46.5	42.0	47.2	+ 12.4%
	in % of sales	49.9%	45.2%	48.6%	
Total	Sales	266.7	368.0	424.5	+ 15.3%
	Gross profit	99.2	136.6	146.2	+ 7.0%
	in % of sales	37.2%	37.1%	34.4%	
Operating income (EBIT)		55.6	89.8	94.3	+ 4.9%
in % of sales		20.8%	24.4%	22.2%	
Profit for the period (after minority interests)		40.1	68.0	72.8	+ 7.1%
in % of sales		15.0%	18.5%	17.1%	
Depreciation and amortization		5.2	5.4	6.9	+ 26.1%
Cash flow:					
- from operating activities		47.7	66.9	82.5	+ 23.4%
- from investing activities		-11.5	-57.7	6.5	+ 111.2%
- from financing activities (incl. translation differencies)		-10.7	-5.3	-22.4	- 323.6%
Total		25.4	3.9	66.6	+ 1'726.8%
Balance sheet total		270.1	359.7 [1)]	431.0	+ 19.8%
Non-current assets		50.7	71.3 [1)]	79.1	+ 10.9%
Current assets		219.3	288.5	351.9	+ 22.0%
Shareholders' equity		108.3	165.5 [1)]	203.9	+ 23.2%
in % of balance sheet total		40.1%	46.0% [1)]	47.3%	
Net financial position		58.2	83.7	123.3	+ 47.3%
Headcount as per 31.3.		712	819	916	+ 11.8%
Share price as per 31.3. (in CHF)		199.50	317.00	106.00	
Market capitalization (in mn CHF)		678.3	1'077.8	360.4	
Earnings per share (in CHF)		11.80	20.00	21.46	+ 7.3%

[1)] Restatement (see notes to the consolidated financial statement, item 2.2 "Changes in accounting policies")

Pages 8-17: People and Values

Serdar Selimoglu, Assembly, Switzerland

Vinicius Mattos, Contracting, Brazil

François Bouziguet, Head of
Burckhardt Compression France

André Brinkhoff, Apprentice, Switzerland

Thomas Kälin, Research & Development, Switzerland

Richard Hotz, Field Service Engineer, Switzerland

Tsering Netsang, Assembly, Switzerland

Edisa Latovic, Purchasing, Switzerland

COMMITMENT


Burckhardt
Compression


Burckhardt
Compression


Process Gas Compressor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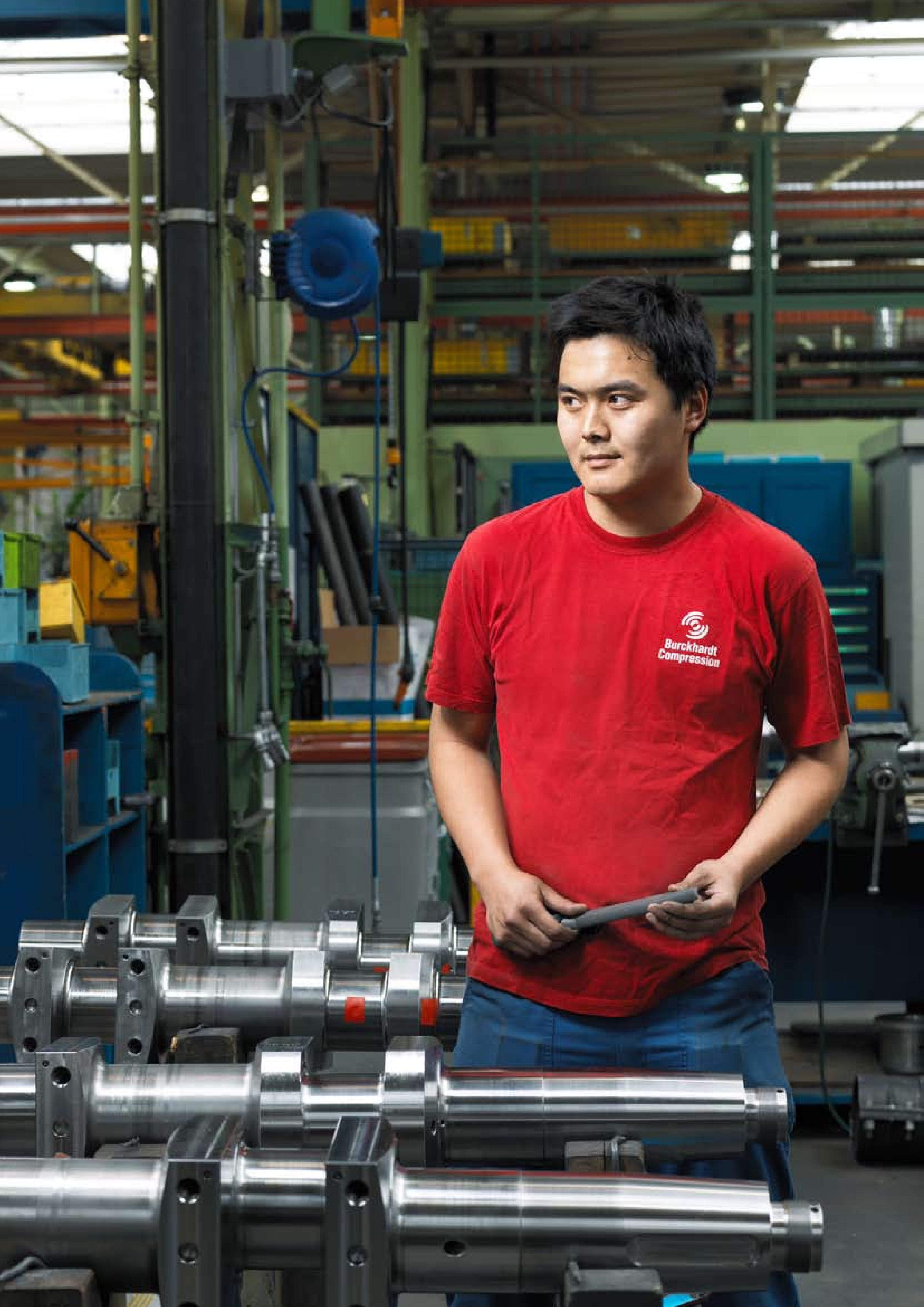
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SULZER

Review of the Fiscal Year 2008

Change in market fundamentals

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Order inflow weakens in the final quarter of the year

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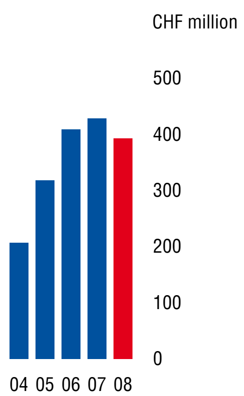
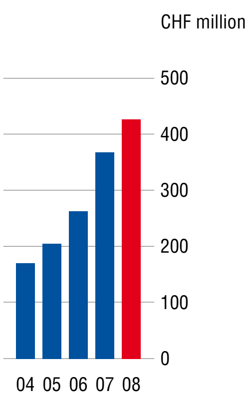
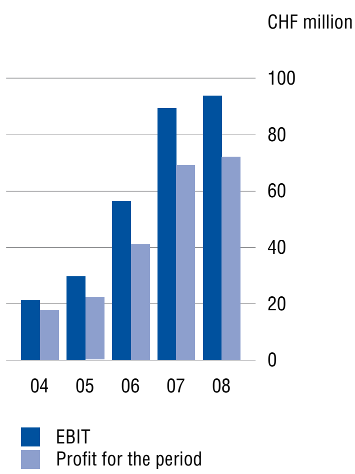
Order intake



Sales



EBIT and profit for the period



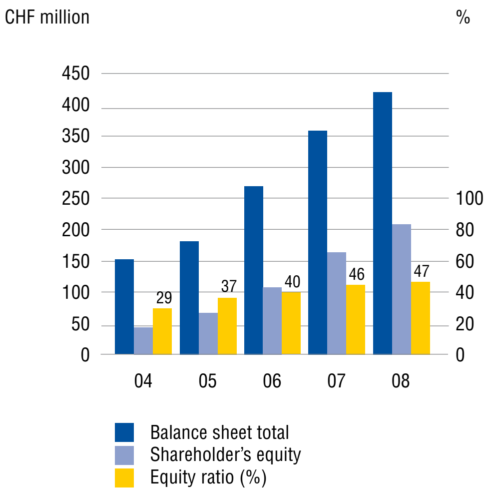
Financial base stronger – high cash position

Continued sales growth led to a further increase in balance sheet assets and our good operating performance further strengthened the company's equity base. Consolidated equity amounted to CHF 203.9 mn (+23.2%) at the end of the fiscal year. The equity ratio was 47.3%, in the middle of the targeted range of 45 to 50%. A high cash position (CHF 130.9 mn) and the further increase in borrowing potential put Burckhardt Compression in a good position to weather the difficult market environment and to seize business opportunities as they arise.

New machine business weakens towards the end of the fiscal year

The pleasing order intake for new machines experienced in recent years continued during the first nine months of the year. Order intake for the first three quarters was very strong in all market segments and exceeded the corresponding prior-year levels. In the fourth quarter the market environment for new machines deteriorated considerably. Various projects were postponed and decisions to construct new plants were deferred.

Equity ratio



Orders for new machines amounted to CHF 296.8 mn in the year under review, which corresponds to a decline of 9.1% from the previous year. The main application areas addressed by Burckhardt Compression are:

- Gas transport and storage
- Refinery
- Petrochemical / Chemical industry
- Industrial gases

Gas transport and storage

Demand for environmentally friendly natural gas as a fossil fuel remains on a long-term upward trend. Approximately 23% of total natural gas trading volumes worldwide is liquefied (abbreviated as LNG or Liquified Natural Gas) to economize on transportation costs as liquefaction reduces gas volume by a factor of 600. The LNG process chain begins with natural gas production and purification and extends to liquefaction, ship loading, transportation and subsequent off-loading, re-gasification and, finally, feed into a gas distribution grid.

Owing to delays in the construction and commissioning of new liquefaction facilities, the market for LNG remained a seller's market. Besides a number of long-term supply contracts that were signed between companies operating out of different countries, the spot market for LNG also continued to develop last year. The need to secure long-term energy supply and to adapt to future market situations can be met by investing in both land-based LNG facilities as well as flexible offshore solutions. With its Laby® and Laby®-GI product lines, Burckhardt Compression offers attractive solutions also for these fields of application.

The highlights of the past business year include orders for LNG receiving terminals in the Netherlands, Spain and Thailand, several orders in the gas tanker business for liquefied petroleum gases (LPG) and liquified ethylene in Germany, England and Norway. For the new machine business of the India-based subsidiary for compressed natural gas for vehicles (CNG/NGV) we have chosen to be selective.

Refinery

Refineries process crude oil into products such as gasoline, kerosene, diesel, liquefied petroleum gas as well as solvents and lubricants. Demand for these products will continue to grow over the long term. Additional factors having a positive impact on investment spending in the refining industry are more stringent environmental regulations, cost degression, plant expansion trends and the need to process both lower-quality grades of crude oil and, in technologically more enhanced processes, heavy petroleum by-products. For state-owned refineries, strategic issues regarding location and supply security are also of considerable importance.

Oil prices began to tumble in the summer of 2008, lowering the margins of oil-producing companies. Conversely, companies that process crude oil bought in the open market benefited from the falling trend in oil prices. Burckhardt Compression's overall growth in this segment was strong. Highlights here were orders for refineries in Russia, India and Korea.

Petrochemical/Chemical industry

The production of a vast range of petrochemical and chemical products such as polyolefins (polymers), lacquers, synthetic rubbers, adhesives and dyes, solvents, paints, fertilizers, detergents or textiles entails, among other things, the processing of oil, natural gas and even coal as the primary input materials. The long-term trend in demand for petrochemical and chemical products, especially for polyolefins, will steadily increase worldwide. In this segment, too, the same factors are at play: achieving cost degression by replacing smaller scale plants with larger ones, establishing strategic production sites, and the extension of value-added chains in traditional oil-exporting countries. Our customers were clearly affected by the general business trends in the auto and auto supplier industries during the second half of the year.

Highlights in this market segment were orders from total two LDPE production plants for two Hyper and Process Gas Compressors as a booster/primary compressor and an order for a Laby® compressor for a polypropylene plant in Russia.

Industrial gases

Industrial gases such as argon, helium, carbon dioxide, oxygen, nitrogen and hydrogen are produced in air separation or hydrogen generation plants. The end market for industrial gases is quite broad, encompassing industries as diverse as metalworking and metallurgy, chemical companies, energy technology, food manufacturing, environmental technology, glass manufacturing, electronics, construction, rubber and plastics processing, and pharmaceutical companies.

Among the highlights for Burckhardt Compression in this market segment were an order for several large Process Gas Compressors for hydrogen and several orders for Laby® Compressors for oxygen applications.

Expansion of the service business

Burckhardt Compression's Customer Support Service segment (CSS) is a one-stop provider of comprehensive services for reciprocating compressors. It offers complementary service modules that can be combined in various ways to meet specific customer needs for any type of reciprocating compressor in the market today. Original spare parts backed by Burckhardt Compression's manufacturing guarantee stand for superior quality and ensure both low life cycle costs as well as the optimal operation of compressor systems.

The service business experienced a positive development in the first nine months of the year under review. In the final quarter we noticed that some customers were seeking short-term cost savings by ordering spare parts more selectively and postponing maintenance work. Full-year order intake amounted to CHF 93.1 mn, 7.1% less than the high previous year's level.

Burckhardt Compression strengthened its service organization last year to enable it to competently and efficiently handle even highly complex customer projects involving reciprocating compressor engineering, repair, overhaul and performance enhancement – and not only our own but also those built by other companies. Customer proximity and, consequently, service response times, are key factors when a company is seeking maintenance or repair services. Burckhardt Compression opened a new service center in Germany. Service centers in China and England were expanded as were the range of services they offer. The US subsidiary in Houston, Texas expanded its footprint on the West coast by acquiring Selltech – Compressor Pumps & Engine Products, Inc.

Expansion of compressor components business

Condition monitoring and diagnostic systems for reciprocating compressors are valuable tools for enhancing operating safety, prolonging service intervals, ensuring early diagnosis and avoiding equipment downtime and damage, as well as for optimizing operating parameters. Furthermore, these systems allow customers to monitor compressors at different sites simultaneously with fewer specialists. The diagnostic systems made by PROGNOST Systems GmbH are equipped with cutting-edge technology and boast an impressive list of references containing international names in the oil, gas and chemicals industries. During the year under review PROGNOST continued to grow and gained several high-profile reference customers. One highlight here was the market launch of the PROGNOST®-SILver, the industry's first equipment safety protection system worldwide to receive SIL certification. PROGNOST®-SILver safely shuts down reciprocating compressor systems if any potential safety hazards are detected. It constantly monitors reciprocating compressors according to individual parameters and has provided proof for reliability. PROGNOST®-SILver can be seamlessly integrated into PROGNOST®-NT, the industry's leading compressor diagnostic system, at any time.

MT Sealing Technology Inc, a company operating in the vicinity of Winterthur, develops and manufactures high-quality metallic and non-metallic sealing components for reciprocating compressors and marine diesel engines. During the year under review MT Sealing consolidated its manufacturing activities at the Winterthur location and aligned it to future requirements of the market. The course of business with sealing components of MT Sealing Technology Inc was positive.

Compressor valves, a business area where strong organic growth is targeted, are another focus of priority in the expansion of our reciprocating compressor components business. This is a new unit that was successfully established and organized during the year under review. Considerable progress was also made on the process side to ensure optimal coverage of market-specific customer needs. On the sales front, several initial major successes were achieved.

Focused strategy and clearly defined targets

Burckhardt Compression is one of the world's leading providers for reciprocating compressors, and is operating in the areas of new machines, services (CSS) and compressor components. According to our own market research, in recent years we advanced from the fourth to the second largest player in our industry. Our stated goal is to strengthen our strategic position in all three business lines during the coming years through organic growth as well as acquisitions while also maintaining better-than-average profitability compared to the overall sector, thereby ensuring our financial independence. We are striving to be our customers' supplier of choice for reciprocating compressor systems and services and to build a position as a recognized compressor competence partner for original equipment manufacturers (OEM) as well as for other brand compressors.

Situation on procurement markets set to ease

Slowing economic growth has clearly brought relief to the tight supply situation in procurement markets relevant to Burckhardt Compression in recent months. Prices for raw materials such as nickel, copper and scrap steel have declined significantly over the past few months. The previously high capacity utilization rates among our suppliers, which were additionally boosted by high business activity in marine diesel engine manufacturing and the mechanical engineering sector in general, have drifted lower in the meantime. Suppliers are now beginning to acknowledge that their prices must be adjusted to the new market reality.

Customer satisfaction depends on employee satisfaction

At Burckhardt Compression we are convinced that employee satisfaction is a basic prerequisite for customer satisfaction. Only satisfied employees can engender satisfied customers. Burckhardt Compression participated in the "CASH Employer Award", a national survey of employee satisfaction at companies throughout Switzerland, for the second time in 2007 and was voted by its employees as the best employer listed on the Swiss Stock Exchange. We reached particularly high scores among the 91 companies participating in the survey (employing more than 50'000 people) with regard to employee commitment and identification with the company. Various suggestions for improvement based on the findings from the survey have been acted on in the meantime. We will participate in this survey for the third time in 2009 to help us evaluate the effectiveness of the measures implemented and to obtain ideas for further improvements.

Further progress was made in promoting young talent in 2008. Besides the assessments and promotion programs for prospective line management candidates that have long been in use, a special internal career advancement program for young management talent was organized last year in which members of the Management Team and the Board of Directors were involved in training the company's potential future leaders about various aspects of leadership. This promotion program is one more example of Burckhardt Compression's efforts to fill as many future management positions as possible with internal candidates. In instances where no appropriate internal candidates are available to fill a vacant or new management position, we are well positioned to recruit highly skilled and competent executives in the open market, not least due to our prominent company profile and good image. The former managing director of the BC subsidiary in France retired and was replaced during the year under review.

Continual product development and innovation

Product management and development is an important element in strengthening our competitive position and optimally meeting market needs, also with respect to new applications. Our objective is to develop reciprocating compressors and components with lowest life cycle costs. Quality, technology, materials and design specifications are all geared to provide high operational reliability, long service intervals and easy maintenance – the overall aim being to achieve a very high level of operational reliability and the lowest possible operating costs. In the year under review a product enhancement and development project for Laby® compressors was launched. The potential areas of application for Laby®-GI fuel gas compressors were also broadened to include additional offshore applications and customers can now benefit from the clear advantages of our unique compressor solutions for floating storage and regasification units (FSRU) and for floating production storage and offloading (LNG FPSO).

Real estate purchase in Winterthur, further investment in machinery and equipment

All planning for the expansion of the company's premises at its main site in Winterthur was completed during the past year. Building permits have been received for the expansion of the building facilities and the construction of a multi-storey parking. In March 2009 Sulzer and Burckhardt Compression reached an agreement in principle regarding the purchase of commercial real estate in Winterthur. The signing of the final contract and transfer of title took place in the first quarter of the fiscal year 2009. Acquiring the property in Winterthur gives BC greater flexibility in consolidating and securing all the commercial space needed from a long-term perspective. Due to terminating a current tenant's rental contract, BC now has sufficient space within the existing building shell and, therefore, will realize only part of its original building expansion plans.

We continued to modernize machinery and equipment in Winterthur and in Pune (India) during the year under review. The new high-performance machine tools have shortened processing times considerably while further improving quality. A new inspection room with an additional inspection machine for large parts was also commissioned in 2008 which will help to further optimize process workflows.

Customer satisfaction a key indicator

Burckhardt Compression is applying the leadership model of the European Foundation for Quality Management (EFQM) for many years. Customer satisfaction, employee satisfaction and financial performance are the key indicators of sustainable corporate development. The needs of our customers are multifaceted and can vary significantly, for example, depending on whether they concern new machine business or services. Therefore, Burckhardt Compression uses various yardsticks to measure customer satisfaction. The primary means of ensuring a high degree of customer satisfaction are the 6P Process and the customer satisfaction/operations meeting, which are integrated in the management cycle.

Assuming social and environmental responsibility

Corporate social responsibility and environmental awareness are both important issues at BC. We take the sustainability of our value added processes very seriously. We strongly believe that addressing important social problems while strengthening the social network of the communities in which we work and live are crucial to the success of our company in the long term. During the past two years we have set up programs that helps us to support local social projects in Switzerland and India and thereby strengthen the broader social network. The projects we support are selected according to the following criteria: One or more BC employees are personally involved in the project, the project is of a fixed duration and it is clearly aiming for sustainability.

Burckhardt Compression's environmental policy is an integral part of its management system. It is in conformity with the relevant legal and regulatory guidelines. As in previous years, various environmental management projects were carried out during the past fiscal year. In addition to the categorization of hazardous substances in use, a compressor test site with a closed cooling water system was inaugurated and more new, energy-efficient machine tools were installed.

Continuous improvement – the foundation of our business

Our business is founded on the premise that constant process and structural improvement is a must. One of the reasons for our company's success is that we have steadfastly addressed, prioritized and surmounted the hurdles we faced during the past nine years. At BC, process improvement is a responsibility that devolves upon both management and the staff. During the past year the process through which individual employee contributions to ongoing internal improvements is determined was reviewed and made an integral part of the annual performance appraisal.

Consistent brand management

Burckhardt Compression and its umbrella brand Burckhardt stand for innovation and leading reciprocating compressor technology. The brand image is supported by technology which is distinguished by lowest life cycle costs, Burckhardt Compression's globally recognized specialists in the various technical fields with outstanding problem-solving competencies and an unyielding commitment to premium Swiss quality – be it in new machines, compressor components or customer support service. The umbrella brand Burckhardt and corresponding graphic mark in the form of the red-blue, stylized compressor valve plate have been internationally registered for many years. In our industry the compressor valve is viewed as the heart, or the heart valve, of a reciprocating compressor and it is often the critical part that determines the operating time of the entire compressor system. The graphic mark is a symbol of the commitment of every Burckhardt Compression employee to keeping this heart beating strongly for as long as possible. Burckhardt Compression's brand and patent attorneys will vigorously and steadfastly defend the company against any imitations, counterfeiting or patent infringements. There are clear rules governing the use of Burckhardt Compression brands and their perception is developed and promoted through active usage in our corporate and marketing communication activities.

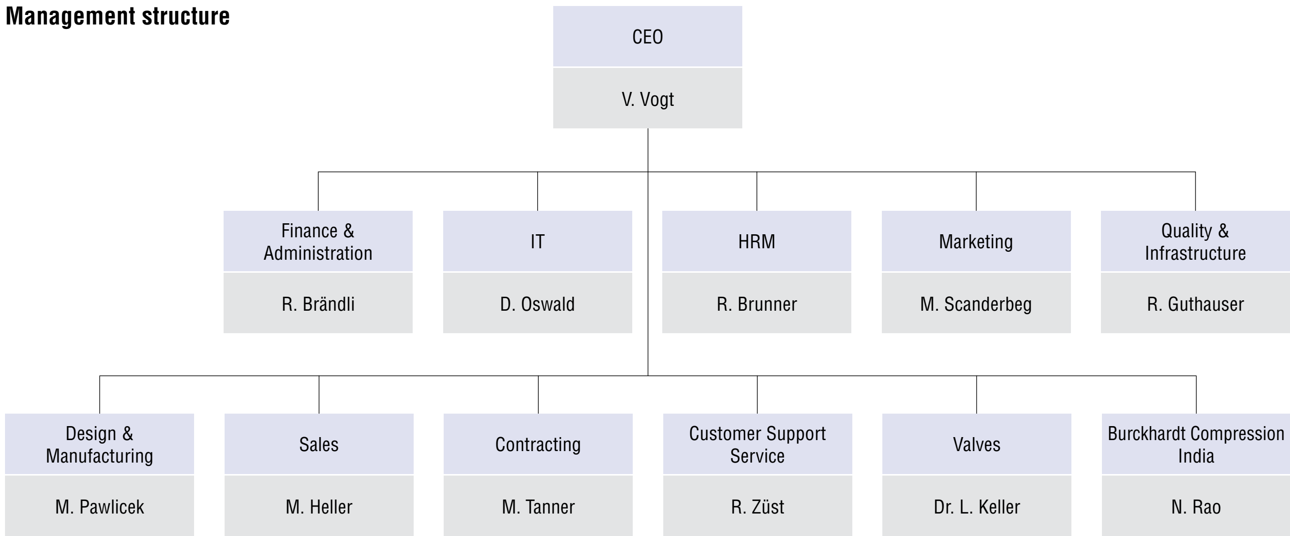
Corporate Governance

This report complies with the SIX Swiss Exchange Corporate Governance Directive effective since July 1, 2002 and related commentaries, where applicable to Burckhardt Compression. Unless otherwise stated, the information presented reflects the situation on Mach 31, 2009.

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 SIX Swiss Stock Exchange in Zurich (ISIN: CH0025536027; security no. 002553602). The market capitalization as per March 31, 2009 amounted to CHF 360.4 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, 2009.

Important shareholders
As per March 31, 2009 the following groups of shareholders were registered:

Shareholders	Number of shares	%
Individuals	927’474	27
Corporate entities	896’019	27
Shares in the process of transfer	1’028’892	30
Others	517’891	15
Treasury shares	29’724	1
Total	**3’400’000**	**100**

According to information available to the company, the following shareholders reported shareholdings above 3% of the share capital and voting rights as per March 31, 2009:

Name	Country	% of shares
Members of the Executive Board and of the Board of Directors	Switzerland	18.4 a)
Deutsche Bank AG	Germany	5.6 b)
Bank of America	USA	4.8
Allianz Global Investors	Germany	4.0

a) Detailed in the note 27 "Transactions with the Board of Directors, the Executive Board and related parties".
b) According to the articles of incorporation of the Burckhardt Compression Holding AG the voting rights of those shareholders are 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.

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. As of March 31, 2009, one nominee holding 8'879 shares had signed such a declaration; all shares held by this nominee have been entered in the share register with full voting rights.

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	Year of first appointment	Elected until
Hans Hess	Swiss	Chairman, non-executive	2006	2010
Heinz Bachmann	Swiss	Deputy Chairman, non-executive	2002	2010
Urs Fankhauser	Swiss	Non-executive member	2006	2010
Urs Leinhäuser	Swiss	Non-executive member	2007	2010
Valentin Vogt	Swiss	Chief Executive Officer (CEO) and executive member	2002	2010

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:

Masters degree in Materials Science & Engineering, ETH Zurich, Switzerland, MBA University of Southern California, USA

Professional background:

Since 2006: self-employed (Hanesco AG, Switzerland)

1996-2005: 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:

- Chairman of the board COMET Holding AG, Switzerland
- Chairman of the board Reichle & De-Massari AG, Switzerland
- Board member Geberit AG, Switzerland
- Board member Schaffner Holding AG, Switzerland
- Vice-Chairman of Swissmem
- Member of the executive committee of Swiss Employer's Association
- Vice-Chairman of Swiss Armament Committee
- Trustee of Vontobel Foundation, Switzerland
- Trustee of Swisscontact, Switzerland
- Trustee of ISPRS Foundation, USA
- Member of the board of ETH-Domain

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 executive management committee of Swissmem

Urs Leinhäuser (1959)

Education:

Degree in Business Administration, University of Applied Sciences, Zurich, Switzerland

Professional background:

Since 2004: CFO and Head Corporate Center, Member of the Group Executive Committee, Rieter Holding Ltd., Switzerland

2003-2004: Head Group Controlling, Member of the Group Executive Committee, Rieter Holding Ltd., Switzerland

1999-2003: CFO Mövenpick-Holding, Member of the Group Executive Committee, Switzerland

1997-1999: Head of Finance and Controlling, Piping Systems Division, Georg Fischer AG, Switzerland

199-1997: Head of Corporate Controlling, Georg Fischer AG, Switzerland

1994-1995: Head Controlling, Deputy Chief Financial Officer, Gretag AG, Switzerland

1988-1993: Group Controller, Cerberus Ltd., Switzerland

1992: Managing Director, Cerberus, Denmark

1986-1988: Tax Consultant, Deputy Head, Tax Consultancy Department, Refidar Moore Stephens, Switzerland

1983-1986: Tax Inspector, Cantonal Tax Department SH, Switzerland

Urs Fankhauser (1960)

Education:

Degree in Engineering FH 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

Other important activities and interests:

- Board member of Bossard AG, Switzerland
- Board member of Buss AG, Switzerland

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, Schubert & 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:

- Chairman of Santex Group, Switzerland
- Board member of Grob AG, Switzerland
- Board member of Hunziker AG, Switzerland
- Board member of Swisslog AG, Switzerland
- Board member of AUTO-i-DAT AG, Switzerland
- Member of the executive committee of Swissmem, section textile machines

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. In the reporting period 2008 the Board of Directors held six 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.

The heads of Sales, Customer Support Service (CSS), Design & Manufacturing, Contracting, Valves 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. In the reporting period 2008, the Audit Committee has held two half-day meetings. The CEO, the CFO and two members of the auditors participated in those meetings.

The members are:
- Urs Leinhäuser, 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, assessment 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 two meetings in the reporting period 2008. The meetings lasted half a day. The CEO participated in those meetings as well.

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 periodic forecasts, 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
- Decisions on new 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 leaders 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. A forecast for the coming twelve months is prepared and approved at least twice a year (January and July). 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 and the Executive Board members report on the course of business and on all issues of relevance to the Group.

The statutory auditor assesses and reports on the effectiveness of the internal control system (ICS) to the Audit Committee and to the Board of Directors once a year.

The management of risks is integrated in the existing planning and management processes. The CEO reports on the assessment of the operational and financial risks to the Audit Committee and the Board of Directors twice a year. The Board of Directors regularly assesses the strategic risks.

4. Executive Board

Members

Name	Nationality	Function
Valentin Vogt	Swiss	CEO and executive member of the Board of Directors
Rolf Brändli	Swiss	CFO since 1.9.2008
Regula Brunner	Swiss	VP Human Resources
René Guthauser	Swiss	VP Quality & Infrastructure
Martin Heller	German	VP Sales
Dr. Leonhard Keller	Swiss	VP Valves
Daniel Oswald	Swiss	VP IT
Harry Otz	Swiss	CFO until 31.8.2008
Marcel Pawlicek	Swiss	VP Design & Manufacturing
Narasimha Rao	Indian	Managing Director Burckhardt Compression (India) Pvt. Ltd.
Marco Scanderbeg	Swiss	VP Marketing
Matthias Tanner	Swiss	VP Contracting
Robert Züst	Swiss	VP Customer Support Service

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. Daniel Oswald has been member of parliament in the canton of Zurich since November 26, 2007.

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 executive management committee of Swissmem

Regula Brunner (1957)

Education:

Federal Diploma in Human Resources, Switzerland

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

Narasimha Rao (1962)

Education:

Degree in Mechanical Engineering, Jawaharlal Nehru Technological University, Hyderabad, India, Masters degree in Industrial Engineering, NITIE, Mumbai, India

Professional background:

Since 2005: Managing Director, Burckhardt Compression (India) Pvt. Ltd., India

1999-2004: General Manager Manufacturing and Vice President Compressor Division, Sulzer India Ltd., India

1995-1998: Assistant Director Venture Capital, Pathfinder Investment Co. Ltd., India

1993-1995: Materials Manager, Marico Industries Ltd, India

1986-1993: Planning, Manufacturing and QA Manager, Sulzer India Ltd., India

1985-1986: Management Trainee, Ceat Tyres of India Ltd., India

Daniel Oswald (1965)

Education:
Degree in Mechanical Engineering, HTL St. Gallen, Switzerland, EMBA

Professional background:

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

2000-2002: Head of Controlling, 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

Other important activities and interests:

- Member of parliament in the canton of Zurich

René Guthauser (1965)

Education:

Engineer TS, Switzerland

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

Marco Scanderbeg (1966)

Education:

Degree in Mechanical Engineering, HTL Winterthur, Switzerland, Swiss Federal Diploma for Marketing Directors

Professional background:

Since 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

Robert Züst (1963)

Education:

Federal Diploma in Logistics, Switzerland

Professional background:

Since 2008: Head of CSS, Burckhardt Compression AG, Switzerland

2001-2008: Head of Production-Logistics, Burckhardt Compression AG, Switzerland

1996-2001: Head of Planning, Ferag AG, Switzerland

1993-1995: Team Leader Logistics ABB Verkehrssysteme AG, Switzerland

1991-1993: Team Leader Production Control, Ascom Zelcom AG, Switzerland

1986-1991: Material Planning and Subcontracting, Ascom Zelcom AG, Switzerland

1983-1986: Assembly Mechanic, G&W Maschinen AG, Switzerland

Rolf Brändli (1968)

Education:

Degree in Business Administration HWV Zurich, Switzerland

Professional background:

Since 1.9.2008: CFO, Burckhardt Compression AG, Switzerland

2001-2008: Head of Finance & Administration, Sulzer Brasil S.A., São Paulo, Brazil; Regional Controller Sulzer Pumps South America & South Africa

1997-2001: Regional Controller Asia / Pacific, Sulzer International Ltd.; General Manager, Sulzer Hong Kong Ltd., Hong Kong - SAR China

1994-1997: Management Consultant, OBT Treuhand AG Zurich, Switzerland

Matthias Tanner (1964)

Education:

Degree in Mechanical Engineering, HTL Muttenz, Switzerland

Professional background:

Since 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

Marcel Pawlicek (1963)

Education:

Degree in Mechanical Engineering, HTL Winterthur, Switzerland

Professional background:

Since 2008: Head of Design & Manufacturing, Burckhardt Compression AG, Switzerland

2001-2008: 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

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 2008: Head of Valves, Burckhardt Compression AG, Switzerland

1997-2008: 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

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

5. Compensation, shareholdings and loans

The explanations below follow para 5.1 of the Corporate Governance Directive of the SIX Swiss Exchange. In this section we present the compensation policy. In accordance with the provisions of the Swiss Code of Obligations Art. 663b^{bis} and Art. 663c para 3 OR the remunerations paid in the fiscal year 2008 are listed in the financial report, note 26 “Remuneration of the Board of Directors and Executive Board”.

Non-executive Directors
Compensation paid to the non-executive members of the Board of Directors comprises a fixed cash component, an additional cash payment for the directors serving on a formal Board committee, and a variable profit-related component distributed as shares (free shares). The variable compensation is based on a percentage of the profit for the period after minorities generated by the Burckhardt Compression Group and converted into a specific number of shares using the closing price of BCHN shares at the end of the respective business year. If a minimum financial target with regard to return on sales is not achieved, entitlement to the variable compensation for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the competition and peers, entitlement to the full variable compensation component will be granted; if not, the variable component will be reduced by 50%. The free shares for the 2008 business year will initially be eligible for distribution in June 2011. The shares received will not be subject to any restrictions upon the date of transfer. The compensation paid to the directors is determined by the full Board of Directors pursuant to the proposal submitted by the Nomination and Compensation Committee.

Executive Board including executive member of the Board of Directors
The Executive Board and the executive member of the Board of Directors receive variable performance and profit-related pay in addition to their base salaries. The variable pay comprises a percentage of the profit for the period after minorities generated by the Burckhardt Compression Group and is contingent on the attainment of minimum financial targets. If the minimum financial target with regard to return on sales is not achieved, entitlement to variable pay for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the competition and peers, entitlement to the full variable pay will be granted; if not, the variable pay will be reduced by 50%.

Members of the Executive Board excluding the team that participated in the management buyout in 2002 additionally receive a long-term incentive in the form of shares (free shares). The long-term incentive is based on a percentage of the profit for the period after minorities generated by the Burckhardt Compression Group and converted into a specific number of shares using the closing price of BCHN shares at the end of the respective business year. If a minimum financial target with regard to return on sales is not achieved, entitlement to the long-term incentive for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the competition and peers, entitlement to the full long-term incentive will be granted; if not, the long-term incentive will be reduced by 50%.

The free shares for the 2008 business year will initially be eligible for distribution in June 2011, provided the employment contract for the respective Executive Board members has not been terminated. The shares received will not be subject to any restrictions upon the date of transfer.

The Nomination and Compensation Committee regularly reviews the remuneration system and submits a proposal to the full Board of Directors regarding the total remuneration of the Executive Board and the executive member of the Board of Directors. Changes to the compensation system must be adopted by resolution of the full Board of Directors.

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 and related parties have received neither loans nor advances as per March 31, 2009.

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 of 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. In the reporting period 1’030 shares were allocated to the members of the Board of Directors and 4’190 shares were allocated to the members of the Executive Board. Nobody had received shares in the reporting period 2008.

The share-holdings of the member of the Board of Directors and the Executive Board in the Burckhardt Compression Holding AG are detailed in the financial report, section 27 “Transactions with the Board of Directors, the Executive Board and related parties”.

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 2008.

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 preemptive 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 33⅓% 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 since 2002 and is also in charge for the audit of the consolidated financial statements. The statutory auditor is 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. The Audit Committee held two meetings during the reporting period 2008 in which the lead auditor and another representative of the auditor took part.

Auditor's fees
The total fees for auditing services performed by PwC amounted to TCHF 343.

Fees for other advisory services, performed by PwC amounted to TCHF 77 for the fiscal year 2008.

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 SIX Swiss Exchange. Burckhardt Compression Holding AG will send via e-mail distribution potentially share price-sensitive information to all interested parties. Financial reports are available on our website and will be delivered on request.

Key dates for 2009 and 2010:

July 4, 2009	Annual General Meeting of Shareholders
November 10, 2009	Results of the first half of fiscal year 2009 (as per September 30, 2009)
June 8, 2010	Results of fiscal year 2009 (as per March 31, 2010)
July 2, 2010	Annual General Meeting of Shareholders

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 38-47: Company and Products

Precise measurement of a piston on a
cutting-edge 3D CNC measurement machine

Assembly hall in Oberwinterthur, Switzerland

Castings before further processing

Multiple clamping device for
valve discs for a HSC machine with
automated part feed

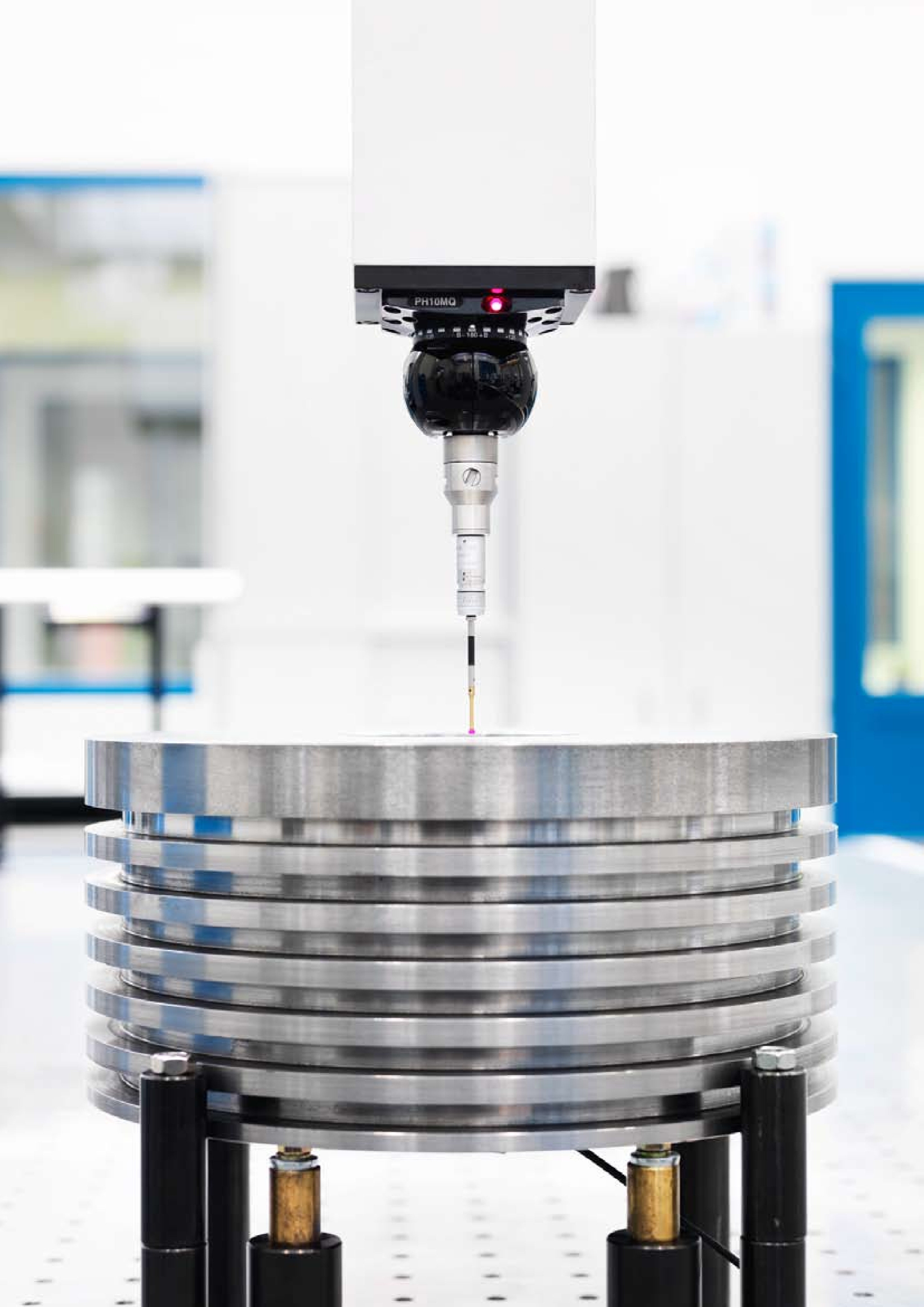
Fastening of a cylinder cover

Laby® Compressors in assembly stage

Crankcase assembly in the facility
in Pune, India

Vertical Process Gas Compressors
in the final stage of procuction

QUALITY AT HIGHEST LEVEL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ACHTUNG
WARNUNG
ACHTUNG
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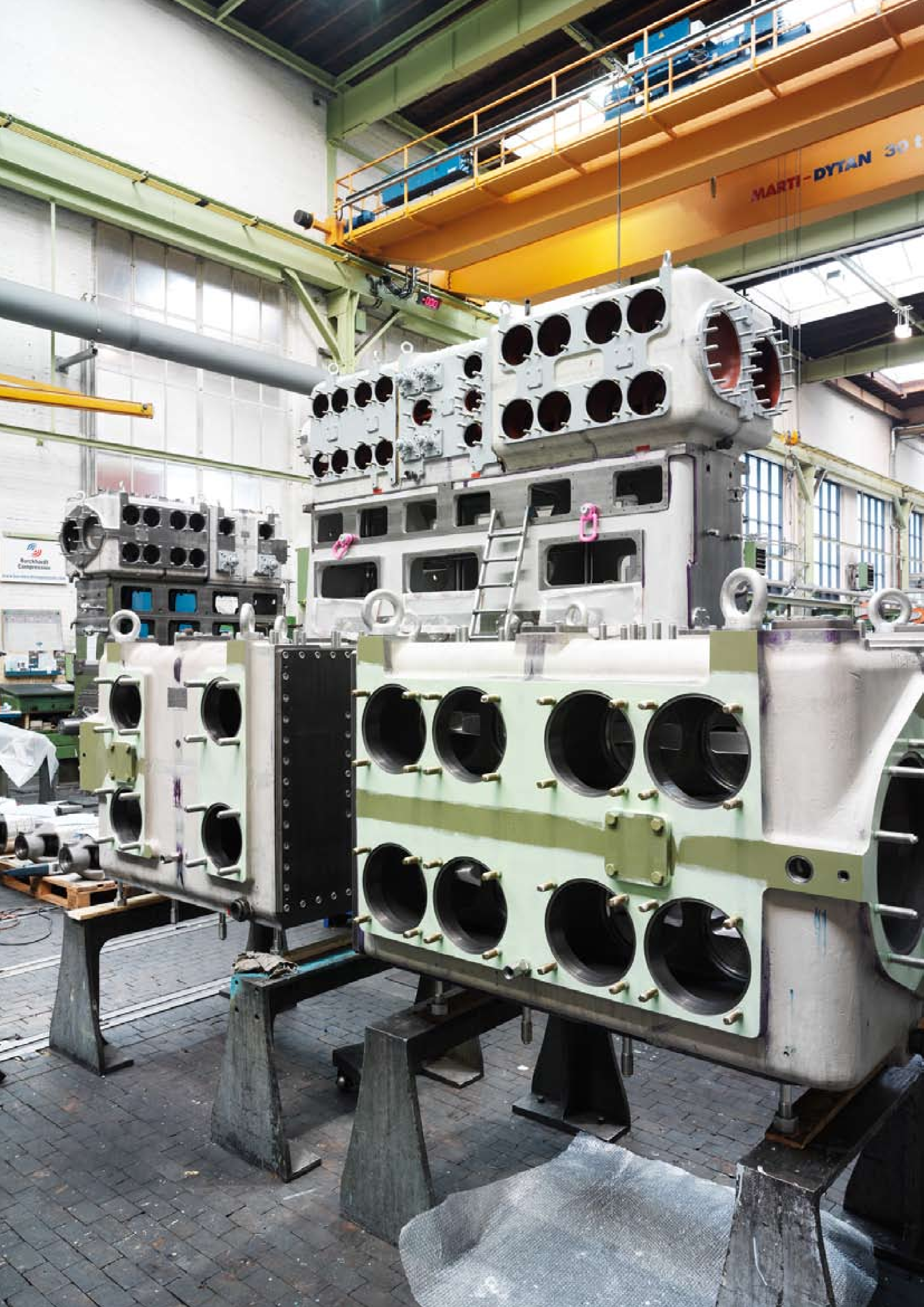
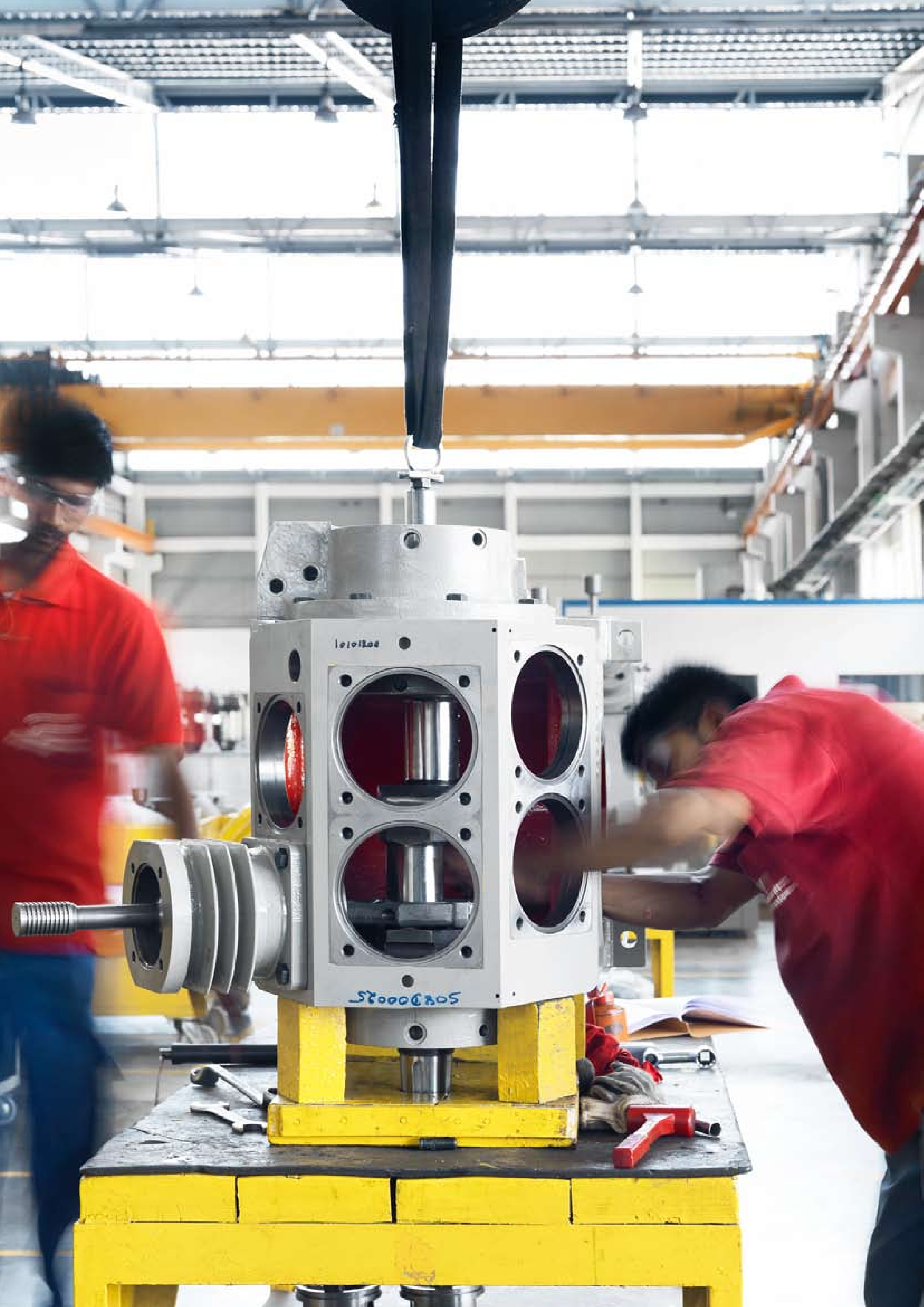


MARTI-DYTAN



Financial Report

Comments on financial report

Summary

in 1'000 CHF	2008	2007
Order intake	389'894	426'736
Sales	424'507	368'043
Gross profit	146'167	136'561
Operating income	94'258	89'838
Profit for the period after minority interests	72'802	67'989
Balance sheet total	431'015	359'739
Shareholders' equity	203'932	165'473
Basic earnings per share in CHF	21.46	20.00
Headcount	916	819

Sales

Burckhardt Compression further increased sales significantly in the fiscal year 2008 by CHF 56.5 mn to CHF 424.5 mn, which represents an increase of 15.3% compared to the previous year. After adjustments for currency fluctuations and acquisitions the sales growth represents 17.1%. As in the previous year, the sales growth mainly results from the new machine business which increased by 19.1% compared to the previous year; the CSS activities have grown 4.3% in the same period. All geographic regions have shown higher sales compared to the previous year. In terms of absolute values, the strongest growth was registered in the region "Asia, Australia, Middle East".

The increase in turnover was achieved at a high level of gross margin, although the average margin was one percentage point below last year's record level (not considering the one-time effect of CHF 7.1 mn at that time). While the gross margin in CSS increased by three percentage points compared to the previous year, the gross margin of the proportionally more relevant new machine business declined by four percentage points in the same period, mainly as a result of the one-time effect in new machines.

Operating income

Burckhardt Compression achieved an operating income (EBIT) of CHF 94.3 mn in fiscal year 2008, which represents an increase of CHF 4.4 mn or 4.9%. Operating income as a percentage of sales was yielding 22.2%, slightly below the EBIT-margin of the previous year (24.4%, including the one-time effect in fiscal year 2007 of CHF 7.1 mn). Selling and marketing and general administrative expenses were at 10.8% of sales, basically unchanged compared to the previous year. Burckhardt Compression spent CHF 6.3 mn or approximately 1.5% of sales for research and development which is about CHF 0.7 mn less than in fiscal year 2007, partly due to projects which are spread unevenly over several accounting periods. Other operating income has increased compared with the previous year, thanks to the overall favourable impact from currency exchange differences.

Financial income and tax expenses

Finance costs are at about the same level as in the previous year and are mostly related to the Burckhardt Compression company in India. Other financial expenses increased by CHF 1.5 mn compared to the previous period due to the significantly lower currency translation differences on the Swiss Franc loans in some of the foreign Burckhardt Compression companies. Interest income, which is reported under the same position, was slightly lower than in the previous year as a consequence of the generally lower level of interest rates in the course of 2008.

As a result of the higher profit, income tax expenses increased by CHF 1.1 mn to CHF 22.2 mn. The underlying tax-rate of 23.3% remained at about the same level as in the previous year (23.7%). Due to the positive results Burckhardt Compression does not have major tax loss carry forwards as per the end of the fiscal year 2008.

Profit for the period after minority interests

Burckhardt Compression achieved in the fiscal year 2008 a profit for the period (after minority interests) of CHF 72.8 mn, which amounts to 17.1% of sales. The increase in terms of absolute figures was mainly caused by the CHF 4.4 mn higher operating income as well as the higher financial income; Previous year's profit for the period was at 18.5% of sales. The slightly lower profit margin is mainly a result of the one time impact of CHF 7.1 mn that was included in 2007 figures.

Basic earnings of the fiscal year 2008 total CHF 21.46 per share in comparison with CHF 20.00 per share of the previous year.

Balance sheet

The higher business volume resulted in a further rise of the balance sheet. Compared with the previous year the balance sheet total has increased by CHF 71.3 mn to CHF 431.0 mn. Assets with the biggest increase comprise financial instruments and cash & cash equivalents, which were CHF 41.3 mn above previous year's level, as well as trade and other receivables with an increase of CHF 21.5 mn compared to 2007. The aging of the outstanding receivables has increased over the past twelve months. As per March 31, 2009, 56.4% of the receivables were not due for payment and 17.9% were more than 61 days overdue. A year ago 72.5% of the outstanding receivables were not due and only 6.8% were more than 61 days overdue for payment. In the business year 2008 no bad debts had to be written off that would be worth mentioning. The increase in intangible assets and property, plant and equipment is a result of the acquisition of Selltech - Compressor Pumps & Engine Products, Inc. as well as of some investments for the increase of capacity mainly in Winterthur. Total inventories have increased by CHF 8.1 mn, basically due to the higher volume of work in progress as of the closing date.

The following liabilities show the biggest increases compared with the previous year: Equity has increased by CHF 38.5 mn mainly because of the profit for the period 2008. The equity amounts to 47.3% of the balance sheet total as per March 31, 2009. Current liabilities have also expanded by CHF 33.7 mn mainly because of the higher accruals for project costs.

The average net working capital of the fiscal year 2008 slightly increases compared to the previous year: It amounted to 7.0% of sales compared with 6.3% for the fiscal year 2007, mainly due to the slightly higher accounts receivables.

Cash flow

The operating activities in fiscal year 2008 generated a cash flow of CHF 82.5 mn. In comparison with the previous year this represents an increase of CHF 15.7 mn and is resulting mainly from the operating income and the moderate increase of inventories. The cash-out for income tax expenses was CHF 2.0 mn lower than in the previous year due to a tax reimbursement that was received in the course of fiscal year 2008. The various investments required funds in the amount of CHF 14.9 mn (previous year: CHF 15.7 mn). Those funds were mainly used for the further modernization and increase of capacity of the machine park in Winterthur. Total cash flow from investment activities was at CHF 6.5 mn which is CHF 64.2 mn above the previous year, mainly because of the transfer of non-interest bearing time-deposits to cash, which does not represent a cash flow into Burckhardt Compression but a transfer into other financial investment instruments. With one single acquisition (Selltech - Compressor Pumps & Engine Products, Inc.) closed in fiscal year 2008, the cash-out for acquisition of subsidiaries amounted CHF 2.8 mn, CHF 12.2 mn less than in the previous year.

Consolidated income statement

in 1'000 CHF	Notes	2008	2007
Sales	3	**424'507**	**368'043**
Cost of goods sold		-278'340	-231'482
Gross profit	4	**146'167**	**136'561**
Selling and marketing expenses		-31'094	-26'532
General and administrative expenses		-14'691	-12'972
Research and development expenses	6	-6'246	-6'930
Other operating income / expenses	7	122	-289
Operating income		**94'258**	**89'838**
Finance costs		-804	-818
Other financial income / expenes	8	1'499	38
Profit before income taxes		**94'953**	**89'058**
Income tax expenses	9	-22'151	-21'082
Profit for the period		**72'802**	**67'976**
Profit for the period attributable to			
- Shareholders of Burckhardt Compression Holding AG		72'802	67'989
- Minority interests		0	-13
Earnings per share for profit attributable to shareholders of Burckhardt Compression Holding AG (in CHF):			
- Basic	17	21.46	20.00
- Diluted	17	21.46	20.00

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

Consolidated balance sheet

in 1'000 CHF	Notes	31.03.2009	31.03.2008 [1]
Non-current assets			
Intangible assets	10	33'878	31'811
Property, plant and equipment	11	41'486	32'853
Derivative financial instruments	21	140	3'297
Trade and other receivables	13	2'950	2'667
Deferred tax assets	9	608	638
Total		**79'062**	**71'266**
Current assets			
Inventories	12	120'271	112'135
Trade and other receivables	13	99'867	78'368
Marketable securities	14	5'271	30'589
Derivative financial instruments	21	948	8'386
Cash and cash equivalents	15	125'596	58'995
Total		**351'953**	**288'473**
Total assets		**431'015**	**359'739**
Equity			
Share capital	17	8'500	8'500
Retained earnings and other reserves		204'209	151'554
Treasury shares		-3'921	0
Financial instruments		-492	8'476
Currency translation differences		-4'364	-3'097
Total before minority interests		**203'932**	**165'433**
Minority interests		0	40
Total		**203'932**	**165'473**
Liabilities			
Non-current liabilities			
Borrowings	18	1'345	1'613
Derivative financial instruments	21	57	260
Deferred tax liabilities	9	11'989	11'543
Provisions	19	12'332	13'152
Total		**25'723**	**26'568**
Current liabilities			
Borrowings	18	6'201	4'442
Trade accounts payable		27'363	23'761
Current income tax liabilities		19'224	15'014
Customers' advance payments		91'276	92'408
Derivative financial instruments	21	1'323	529
Other current and accrued liabilities	20	50'954	27'011
Provisions	19	5'019	4'533
Total		**201'360**	**167'698**
Total		**227'083**	**194'266**
Total equity and liabilities		**431'015**	**359'739**

[1] Restatement (see notes to the consolidated financial statements, item 2.2 "Changes in accounting policies")

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	Treasury shares	Financial instruments	Currency translation differences	Total	Minority interests	Total
		Attributable to shareholders of Burckhardt Compression Holding AG							
Balance at 31.03.07		**8'500**	**97'661**	**0**	**-376**	**-312**	**105'473**	**2'796**	**108'269**
Restatement IFRIC 14 [1)]			1'560				1'560		1'560
Balance at 1.04.07	**17**	**8'500**	**99'221**	**0**	**-376**	**-312**	**107'033**	**2'796**	**109'829**
Cash flow hedges net of tax					8'852		8'852		8'852
Currency translation differences						-2'785	-2'785	16	-2'769
Income and expenses for the period recognized directly in equity			**0**	**0**	**8'852**	**-2'785**	**6'067**	**16**	**6'083**
Profit for the period 2007			67'989				67'989	-13	67'976
Total recognized income for 2007			**67'989**	**0**	**8'852**	**-2'785**	**74'056**	**3**	**74'059**
Share based payments	27		89				89		89
Purchase of minorities	1		-5'545				-5'545	-2'585	-8'130
Dividends			-10'200				-10'200	-174	-10'374
Balance at 31.03.08		**8'500**	**151'554**	**0**	**8'476**	**-3'097**	**165'433**	**40**	**165'473**
Balance at 1.04.08	**17**	**8'500**	**151'554**	**0**	**8'476**	**-3'097**	**165'433**	**40**	**165'473**
Cash flow hedges net of tax					-8'968		-8'968		-8'968
Currency translation differences						-1'267	-1'267		-1'267
Income and expenses for the period recognized directly in equity			**0**	**0**	**-8'968**	**-1'267**	**-10'235**	**0**	**-10'235**
Profit for the period 2008			72'802				72'802		72'802
Total recognized income for 2008			**72'802**	**0**	**-8'968**	**-1'267**	**62'567**	**0**	**62'567**
Treasury shares				-3'921			-3'921		-3'921
Share based payments	27		253				253		253
Purchase of minorities								-40	-40
Dividends			**-20'400**				**-20'400**		**-20'400**
Balance at 31.03.09		**8'500**	**204'209**	**-3'921**	**-492**	**-4'364**	**203'932**	**0**	**203'932**

1) Restatement (see notes to the consolidated financial statements, item 2.2 "Changes in accounting policies")

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	2008	2007
Cash flow from operating activities			
Operating income		94'258	89'838
Depreciation	11	5'334	4'448
Amortization	10	1'530	997
Change in inventories		-8'198	-19'086
Change in accounts receivable		-14'523	-16'990
Change in other net current assets		6'249	7'320
Change in provisions		4'249	14'382
Changes in non-monetary items		3'488	-1'644
Interest received		1'248	460
Interest paid		-712	-456
Income tax paid		-10'375	-12'397
Total		**82'548**	**66'872**
Cash flow from investing activities			
Purchase of property, plant and equipment		-14'907	-15'650
Sale of property, plant and equipment		161	272
Acquisition of intangible assets		-1'172	-1'401
Acquisition of subsidiaries, net of cash acquired	25	-2'834	-15'079
Sale of marketable securities	14	25'315	0
Purchase of marketable securities	14	-106	-26'014
Sale of financial assets		0	146
Total		**6'457**	**-57'726**
Cash flow from financing activities			
Increase of borrowings		2'259	5'834
Repayment of borrowings		-360	0
Purchase of treasury shares		-3'921	0
Dividends paid	17	-20'400	-10'374
Total		**-22'422**	**-4'540**
Currency translation differences on cash and cash equivalents		18	-749
Net change in cash and cash equivalents		**66'601**	**3'857**
Cash and cash equivalents at 1.04.08 / 1.04.07	15	58'995	55'138
Cash and cash equivalents at 31.03.09 / 31.03.08	15	125'596	58'995
Net change in cash and cash equivalents		**66'601**	**3'857**

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

Notes to the 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 a comprehensive customer support services, such as delivery 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 2008 comprises the period April 1, 2008 through March 31, 2009. These consolidated financial statements were authorized for issue by the Board of Directors on May 26, 2009 and are subject to approval of the Annual General Meeting scheduled for July 4, 2009.

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 2008 consolidated financial statements of Burckhardt Compression Holding AG were prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of International Accounting Standards Board (IASB) and are based on the individual financial statements of the group companies as per March 31, 2009. 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, 2009 the following new or revised IFRS standards and interpretations have become effective:

IFRIC 11 IFRS 2 "Group and treasury share transactions" (effective from accounting period 2008) provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example options over parent shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies.

IFRIC 12 "Service concession arrangements" (effective from accounting period 2008) applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services.

IFRIC 14 IAS 19 "The limit on a defined benefit asset, minimum funding requirements and their interaction" (effective from accounting period 2008) provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

The management had assessed the new standards and interpretations and concluded that - with the exception of IFRIC 14 IAS 19 - none of those standards and interpretations has any material effect on the financial reporting of Burckhardt Compression. IFRIC 14 required a restatement of the respective previous year figures (CHF 2 mn). Total equity as of April 1, 2007 was adjusted accordingly by CHF 1.6 mn (after consideration of CHF 0.4 mio. in provision for deferred taxes). No restatements were necessary in the income statement.

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

IAS 1 (amended) "Presentation of financial statements" (effective for accounting periods beginning on or after January 1, 2009) primarily affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosures of specific transactions and other events required by other IFRS standards.

IAS 23 (amended) “Borrowing costs“ (effective for accounting periods beginning on or after January 1, 2009) requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.

IAS 27 (amended) “Consolidated and separate financial statements” (effective for accounting periods beginning on or after July 1, 2009) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interests in the entity are re-measured to fair value and a gain or loss is recognized in profit or loss. In addition, total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. These changes will impact the accounting of future transactions with non-controlling interests formerly minority interests.

IAS 32 (amended) „Financial Instruments: Presentation“ (effective for accounting periods beginning on or after January 1, 2009) introduces two exceptions in IAS 32 which permit that shares where the shareholder has the right to tender the shares of the company are classified as equity where strict criteria are met.

IAS 39 (amended) “Eligible hedge items” (effective for accounting periods beginning on or after July 1, 2009) refers to complex hedging relationships. Inflation qualifies for hedge accounting only under certain circumstances. In instances of one-sided risks, it is no longer allowed to designate the time value of hypothetical derivates as a hedging relationship. Amendment will apply retrospectively.

IFRS 1 (amended) “First time adoption of IFRS” (effective for accounting periods beginning on or after January 1, 2009) allows first time adopters to value an investment in a subsidiary, jointly controlled entity or associate at historical cost or on a re-valued basis. A dividend paid out from pre-acquisition reserves will not be automatically considered a return of investment. Rather, it may be a indicator of impairment.

IFRS 2 (amended) “Share-based payment” (effective for accounting periods beginning on or after January 1, 2009) deals with two matters. It clarifies that vesting conditions can be service conditions and performance conditions only. Other features of share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

IFRS 3 (revised) “Business combinations“ (effective for accounting periods beginning on or after July 1, 2009) requires significant changes in the application of the acquisition method regarding business combinations. All payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through profit or loss. Goodwill may be calculated based on the parent’s share of net assets or it may also include goodwill related to the minority interests. All transaction costs will be expensed. The standard is applicable to business combinations occurring in accounting periods beginning on or after July 1, 2009, with earlier application permitted. The change may have a significant impact on the accounting for future business combinations.

IFRS 8 “Operating segments” (effective for accounting periods beginning on or after January 1, 2009) replaces IAS 14 and aligns segment reporting with the requirements of the US GAAP (SFAS 131). The new standard requires a “management approach“, under which segment information is presented on the same basis as that used for internal reporting purposes. This new standard may impact the way in which the segments are reported, such as the number of segments and contents to be reported. The change may also require management to reallocate goodwill to the newly identified operating segments.

IFRIC 13 “Customer loyalty programmes“ (effective for accounting periods beginning on or after July 1, 2008) clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values.

IFRIC 15 “Agreements for the construction of real estate” (effective for accounting periods beginning on or after January 1, 2009) provides guidance on how and when revenue from the construction of real estate should follow IAS 11 “Construction contracts” or IAS 18 “Revenue”.

IFRIC 16 “Hedges of a net investment in a foreign operation” (effective for accounting periods beginning on or after October 1, 2008) clarifies that net investment hedging relates to differences in functional, rather than presentation currency, that hedging instruments can be held anywhere in the group and that IAS 21 requirements apply to the hedged item.

IFRIC 17 “Distributions of non-cash assets to owners” (effective for accounting periods beginning on or after July 1, 2009) clarifies how an entity should measure distributions of assets, other than cash, when it pays dividends to its owners.

IFRIC 18 “Transfers of assets from customers” (effective for accounting periods beginning on or after July 1, 2009) clarifies the accounting for arrangements where an item of property, plant and equipment, which is provided by the customer, is used to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

A number of minor amendments, which are part of the IASB’s annual improvement project, were published in May 2008. These amendments will become effective on January 1, 2009, and are unlikely to have an impact on Burckhardt Compression’s financial statements.

The management is currently assessing these new standards and interpretations regarding the effects on the future financial reporting of Burckhardt Compression.

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, income and expenses, are recognized in full. Minority interests are presented separately in the balance sheet and income statement. All material intercompany transactions and balances, including unrealized gains and losses of transactions between group companies, are eliminated. The group companies are listed in section “Investments as per March 31, 2009”.

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 (CHF), which is the functional and the reporting currency of Burckhardt Compression as the main part of the labor and material expenses arise in that currency.

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 as 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.
The goodwill resulting from purchasing minority interests is recognized directly in equity according to the Economic Entity Method.

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 useful lives are as follows:

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 (so called "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. Impairments are assessed case by case. 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:

- <u>Financial assets "at fair value through profit or loss"</u>: 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 after the balance sheet date.

- <u>Loans and receivables</u>: 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.

- <u>Held-to-maturity investments</u>: 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.

- <u>Available-for-sale financial assets</u>: 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 them within 12 months after the balance sheet date.

Regular purchases and sales of financial assets are recognized on trade 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 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 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 future 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 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 future transaction occurs. When a future 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 cost incurred. In subsequent periods, they are measured at amortized cost. Any difference between the amount borrowed (after deduction of transaction cost) 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 the 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. No provisions are recognized for future operating losses.

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 the Burckhardt Compression Group, 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).

The provision recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation (DBO) 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.

- Variable compensation plans: The Group recognizes a liability and an expense for variable compensation plans, based on a formula that takes into consideration the achievement of financial 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 acquisition 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 in the run-up to and released by the IPO on June 26, 2006. Effective from the fiscal year 2008 Burckhardt Compression introduced a share based compensation plan (see note 26, section "Explanatory notes to the consolidated financial statements", and section 5 of "Corporate Governance" for further details).

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 costs to design and manufacture such compression systems accrue 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 recognized 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 present value of the cash-flow from future revenue from such projects is higher than the development expenses. All other research and development costs are recognized as expenses as incurred.

2.18. Deferred taxes

Using the liability method, deferred tax is provided for all temporary differences arising between the tax basis 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 of the probability 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 when it is probable that the temporary differences will not reverse in the foreseeable future.

2.19. Leases

Lease agreements in which a substantial portion of the risks and rewards associated with ownership of the leased asset remain with the lessor are classified as operating leases. Payments under operating leases are debited to the income statement on a straight-line basis over the duration of the lease.

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.

2.21. Treasury shares

If a Group company acquires treasury shares, the value of the paid consideration, including directly attributable additional costs (net of taxes) is subtracted from the shareholders' equity until the shares are redeemed, reissued or sold. If such shares are subsequently reissued or sold, the consideration received, after subtracting directly attributable additional transaction costs and associated taxes, is recognized as shareholders' equity.

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 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's treasury department, which is responsible for the group-wide management of financial risks. The financial principles and 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 risks: 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.

  Burckhardt Compression follows the principle of security before return in the investment of financial resources. The liquidity is invested mainly in the money market (time deposits with first class financial institutions) and to a small extent in investment funds with first class financial institutions. The investment period ranges from a couple of weeks up to three years.

  The actual and future cash flows and cash reserves are compiled monthly in a rolling liquidity forecast. The Executive Board and the Board of Directors are informed about the liquidity situation and outlook with the regular financial reporting.

  As per the balance sheet date Burckhardt Compression disposes of the following liquidity:

in 1'000 CHF	2008	2007
Cash and cash equivalents	125'596	58'995
Marketable securities	5'271	30'589
Free credit facilities	20'000	20'000
Total	**150'867**	**109'584**

The following table shows the open financial liabilities according to their due dates:

Financial liabilities as per March 31, 2009	Total balance sheet	Cash flow				
in 1'000 CHF		less than 1 year	in 2nd year	in 3rd to 5th Year	more than 5 years	Total cash flow
Current and non-current financial borrowings	7'546	6'325	320	1'220		7'865
Liabilities from supply and services	27'363	27'363				27'363
Other liabilities	622	622				622
Total	**35'531**	**34'310**	**320**	**1'220**	**0**	**35'850**

Financial liabilities as per March 31, 2008	Total balance sheet	Cash flow				
in 1'000 CHF		less than 1 year	in 2nd year	in 3rd to 5th Year	more than 5 years	Total cash flow
Current and non-current financial borrowings	6'055	4'442	240	1'691		6'373
Liabilities from supply and services	23'761	23'761				23'761
Other liabilities	854	854				854
Total	**30'670**	**29'057**	**240**	**1'691**	**0**	**30'988**

The table below discloses cash flows of the forward foreign exchange contracts as per the balance sheet date. The amounts disclosed equal the contractual non-discounted cash flows.

Forward foreign exchange contracts as per March 31, 2009		Cash flow			
in 1'000 CHF	less than 1 year	in 2nd year	in 3rd to 5th year	more than 5 years	**Total**
Cash flow Hedge outflow	77'592	29'826			**107'418**
Cash flow Hedge inflow	76'934	29'602			**106'536**

Forward foreign exchange contracts as per March 31, 2009		Cash flow			
in 1'000 CHF	less than 1 year	in 2nd year	in 3rd to 5th year	more than 5 years	**Total**
Cash flow Hedge outflow	76'251	37'619			**113'870**
Cash flow Hedge inflow	84'309	40'890			**125'199**

- Currency risks: 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 on a case-by-case basis 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 income and invested capital, the following currencies are primarily relevant: EUR, USD, INR, NOK. Burckhardt Compression Holding AG does not hedge these translation risks.

  As per the balance sheet date the following hypothetical foreign currency exchange rate risks existed:

March 31, 2009				
Exchange rate	EUR / CHF	INR / CHF	NOK / CHF	USD / CHF
Change of exchange rate (hypothetical)	5%	15%	10%	10%
in 1'000 CHF				
Effect on result				
- with increase of exchange rate against CHF	182	372	-111	-886
- with decrease of exchange rate against CHF	-182	-372	111	886
Effect on equity				
- with increase of exchange rate against CHF	0	0	233	5'619
- with decrease of exchange rate against CHF	0	0	-233	-5'619

March 31, 2008				
Exchange rate	EUR / CHF	INR / CHF	NOK / CHF	USD / CHF
Change in exchange rate (hypothetical)	5%	15%	10%	10%
in 1'000 CHF				
Effect on result				
- with increase of exchange rate against CHF	-1'469	483	201	-620
- with decrease of exchange rate against CHF	1'469	-483	-201	620
Effect on equity				
- with increase of exchange rate against CHF	0	0	639	7'597
- with decrease of exchange rate against CHF	0	0	-639	-7'597

- 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 risks: 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.

  Burckhardt Compression does not have a concentration of customer risks as the most important customers – based on the project business in which Burckhardt Compression is active to an important extent of its overall business – are different year by year. In the past years Burckhardt Compression had no major impairments of receivables due to customer risks.

  Financial instruments are exclusively concluded with first-class banks (mainly two institutes with ratings AAA respectively B-). The maximum credit risk is the market value of the available financial assets as per the balance sheet date. Burckhardt Compression invests its cash with institutions with a high credit rating and mostly in the money market which shows a lower interest risk.

- Interest risks: Burckhardt Compression does not have major borrowings as per March 31, 2009. The operational not required funds are mainly invested in the short-term money market and therefore are not exposed to the fluctuations of the short-term interest rates. As per March 31, 2009 all money market investments are placed at fixed interest rates, and therefore are not exposed to interest risks. For this reason Burckhardt Compression has not performed a sensitivity analysis.

- Capital risks: Burckhardt Compression focuses the capital management to secure the continuation of the operation, to achieve an acceptable return for the shareholders and to finance the growth of the business to a certain extent from own cash flow. In order to achieve these objectives Burckhardt Compression can adjust the dividend payments, repay share capital, issue new shares or divest parts of the assets.

Burckhardt Compression monitors and manages capital and capital return based on the following ratios:

Ratio	Definition
Equity base	Equity as percentage of balance sheet total (equity ratio)
Net financial position	Marketable securities, cash and cash equivalents less short- and long-term borrowings

As a long-term oriented industrial company, exposed to cyclical market developments, Burckhardt Compression aims to keep a strong equity base and a solid net financial position.

As per the balance sheet date those ratios showed the following values:

	2008	**2007**
Equity base	47.3%	46.0% [1)]
Net financial position (TCHF)	123'321	83'749

[1)] Restatement (see notes to the consolidated financial statements, item 2.2 "Changes in accounting policies")

Overview of financial assets and liabilities
Carrying amount and fair value of financial assets and liabilities
(carrying amount corresponds mainly to fair value)

in CHF 1'000	Note	31.03.2009	31.03.2008 [1]
Financial assets at fair value through profit or loss (designated)			
Marketable securities	14	4'140	4'455
Cash, marketable securities and receivables			
Cash and cash equivalents	15	125'596	58'995
Marketable securities	14	1'131	26'134
Trade receivables	13	86'909	68'941
Other receivables	13	9'215	11'572
Total		222'851	165'642
Derivative financial instruments from hedge accounting	21	1'088	11'683
Total financial assets and derivatives		**228'079**	**181'780**
Trade accounts payable		27'363	23'761
Financial liabilities			
Current financial liabilities	18	6'201	4'442
Non-current financial liabilities	18	1'345	1'613
Total		7'546	6'055
Derivative financial instruments from hedge accounting	21	1'380	789
Total liabilities and derivatives		**36'289**	**30'605**

[1] Restatement (see notes to the consolidated financial statements, item 2.2 "Changes in accounting policies")

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 "Impairment of assets". 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 and potential liquidated damages 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.

- Pension liabilities: Pension liabilities are calculated on the balance sheet date using an actuarial based procedure. For these projections assumptions must be made regarding interest rates, expected yields from assets, wage rises, staff fluctuations, etc. Changing the assumptions mentioned could lead to significant deviations because of the long-term nature of these calculations.

5. Explanatory notes to the consolidated financial statements

01 Significant changes in the scope of consolidation

Prognost Systems GmbH in Rheine (Germany), acquired the remaining 17% of the capital of Prognost Systems Inc. in Houston (USA) in March 2009.

In February 2009 Burckhardt Compression (US) Inc. in Houston, Texas (USA) acquired 100% of the shares of Selltech - Compressor Pumps & Engine Products, Inc. in Valencia, California (USA). Selltech is servicing the oil and gas industry compressor components such as cylinders, valves, pistons, rods, packing cases and complete compressors.

In the fiscal year 2007 Compressor Tech Holding AG - a fully owned subsidiary of Burckhardt Compression Holding AG - acquired 100% of the shares of MT Sealing Technology Inc in Winterthur/Switzerland. MT Sealing Technology Inc develops and manufactures sealing elements for compressors and diesel engines. MT Sealing Technolgy Inc acquired the plastics division of SUBA AG in Berg/Switzerland in August 2007.

Compressor Tech Holding AG acquired the remaining 40% of the capital of PROGNOST Systems GmbH in October 2007.

02 Currency exchange rates

	Average rates		Year-end rates	
	2008	2007	**31.03.09**	31.03.08
1 EUR	**1.56**	1.64	**1.52**	1.57
1 GBP	**1.88**	2.33	**1.63**	1.97
1 USD	**1.10**	1.16	**1.14**	0.99
1 CAD	**0.98**	1.12	**0.91**	0.97
100 BRL	**56.90**	62.50	**49.00**	56.80
100 JPY	**1.11**	1.01	**1.16**	1.00
100 CNY	**16.00**	15.50	**16.70**	14.16
100 INR	**2.40**	2.88	**2.25**	2.48
100 KRW	**0.09**	0.12	**0.08**	0.10

03 Segment information

Primary reporting format: by business segment

The Burckhardt Compression Group operates solely in the segment of 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 in 1'000 CHF	**2008**	**2007**
Europe:		
- EU	177'409	190'000
- Switzerland	2'917	2'292
- Other European countries	47'848	38'912
Total Europe	**228'174**	**231'204**
North America	25'462	20'282
South America	19'161	12'443
Asia, Australia, Middle East	147'226	101'590
Africa	4'484	2'524
Total	**424'507**	**368'043**

Carrying amount of assets by locaction of assets in 1'000 CHF	**2008**	**2007**
Europe:		
- EU	31'662	31'716
- Switzerland	338'865	277'822
- Other European countries	0	0
Total Europe	**370'527**	**309'538**
North America	20'218	13'523
South America	2'598	4'196
Asia, Australia, Middle East	37'672	32'482
Total	**431'015**	**359'739**

Capital expenditure in 1'000 CHF	**2008**	**2007**
Europe:		
- EU	3'122	699
- Switzerland	11'685	12'344
- Other European countries	0	0
Total Europe	**14'807**	**5'966**
North America	95	224
South America	83	16
Asia, Australia, Middle East	745	2'555
Total	**15'730**	**15'838**

04 Additional information regarding the income statement

Sales and gross profit in 1'000 CHF		2008	2007
New machines	Sales	327'452	274'982
	Gross profit	98'954	94'553
Customer Support Service	Sales	97'055	93'061
	Gross profit	47'213	42'008
Total	**Sales**	**424'507**	**368'043**
	Gross profit	**146'167**	**136'561**

Expenses by nature in 1'000 CHF		2008	2007
Raw materials and consumables		**-178'339**	**-204'836**
Personnel expenses:	Salaries and wages	-72'378	-62'628
	Defined benefit plans	-3'653	-4'038
	Other social benefits	-9'008	-6'722
	Other personnel costs	-6'991	-8'237
Total		**-92'030**	**-81'625**
Depreciation		-5'334	-4'448
Amortization		-1'530	-997

The amounts shown under expenses by nature are related to the costs of goods manufactured during the fiscal year 2008. The higher personnel expenses result from an increase in the headcount from 819 employees as per March 31, 2008 to 916 employees as per March 31, 2009.

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	2008	2007 [1]
Reconciliation of the amount recognized in the balance sheet				
Fair value of plan assets	84'687	0	84'687	94'076
Present value of defined benefit Obligations	-101'051	-2'490	-103'541	-104'425
Overfund (+) / underfund (-)	**-16'364**	**-2'490**	**-18'854**	**-10'349**
Unrecognised actuarial gains (-) / losses (+)	18'562	18	18'580	9'095
Amounts not recognised because of limitation	0	0	0	0
Asset (+) / Liability (-) recognized in balance sheet	**2'198**	**-2'472**	**-274**	**-1'254**
thereof current provision	2'199	0	2'199	1'980
thereof non-current provision	-1	-2'472	-2'473	-3'234
Pension expenses recognized in profit or loss				
Current service costs (employer)			**5'211**	**4'538**
Interest costs			3'490	3'038
Expected return on plan assets			-4'276	-4'417
Actuarial gain (+) / loss (-) recognised in current year			253	879
Past service costs			-1'025	0
Effect of overfund not recognised			0	0
Expenses recognized in profit or loss			**3'653**	**4'038**
Reconciliation of defined benefit obligation				
Defined benefit obligation as per 1.04.08 /1.04.07			104'425	97'869
Interest cost			3'490	3'038
Current service cost (employer)			5'211	4'538
Contributions by plan participants			2'996	2'604
Past service costs			-1'025	0
Benefits paid/deposited			-5'627	-8'936
Changes in the consolidation scope			0	4'325
Actuarial gain (-) / loss (+) on obligation			-5'842	1'070
Currency translation differences			-87	-83
Defined benefit obligation as per 31.03.09 / 31.03.08			**103'541**	**104'425**
Reconciliation of the fair value of plan assets				
Fair value of plan assets as per 1.04.08 / 1.04.07			94'076	97'146
Expected return on plan assets			4'276	4'417
Contributions by the employer / benefits paid directly by employer			4'546	3'917
Contributions by plan participants			2'995	2'604
Benefits paid/deposited			-5'627	-8'936
Changes in the consolidation scope			0	3'702
Actuarial gain (+) / loss (-) on plan assets			-15'580	-8'774
Fair value of plan assets as per 31.03.09 / 31.03.08			**84'687**	**94'076**
thereof equity instruments Burckhardt Compression Ltd			116	40
thereof equity instruments - third party			18'316	30'614
thereof debt instruments - third party			35'714	39'143
thereof properties occupied by or used by third party			21'264	19'592
thereof others			9'277	4'687
Actual return on plan assets			**-11'304**	**-4'358**

[1] Restatement (see notes to the consolidated financial statements, item 2.2 "Changes in accounting policies")

in 1'000 CHF	Funded Plans	Unfunded Plans	2008	2007 [1]
Movement in the net amount recognised in the balance sheet				
Opening net liability (-) / asset (+)			-1'254	-599
Expense recognised in profit or loss			-3'653	-4'038
Contributions by the employer / benefits paid directly by employer			4'546	3'917
Changes in the consolidation scope			0	-623
Currency translation differences			87	89
Closing net liability (-) / asset (+)			**-274**	**-1'254**

Best estimate of contributions for upcoming financial year				
Contributions by the employer (only Swiss plans)			4'721	4'025
Contributions by plan participants			3'071	2'682

Information over several years	**2008**	**2007**	**2006**	**2005**
Fair value of plan assets	84'687	94'076	97'146	88'492
Present value of funded defined benefit obligation	-103'541	-104'425	-95'166	-87'197
Overfund (+) / underfund (-)	**-18'854**	**-10'349**	**1'980**	**-1'295**
Present value of unfunded defined benefit obligation	-2'490	-2'433	-2'703	-2'654
Experience adjustments on defined benefit obligation	-1'540	63	-1'338	13'293
Experience adjustments on plan assets	-15'579	-8'774	2'965	1'193

Principal actuarial assumptions as per 31.03.09 / 31.03.08	**2008**	**2007**
Discount rate	3.25%	3.25%
Expected rate of return on plan assets	4.00%	4.50%
Future salary increases	2.00%	2.00%
Future pension increases	0.25%	0.50%
Workforce fluctuation rate	8.3%	8.20%
Expected average remaining working lives in years	9.10	9.00
Age of retirement	60-65	60-65

[1] Restatement (see notes to the consolidated financial statements, item 2.2 "Changes in accounting policies")

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: 2.5% for bonds, 6.3% for equities, 4.1% for properties and 3.5% for others.

06 Research and development expenses

During fiscal year 2008, research and development activities focused on improving and updating certain types of compressors and components, research in the field of tribology, mechatronics, the further development of calculation and sizing tools and the development and scaling up of a SIL-certified equipment protection system extending the monitoring and diagnostic systems of PROGNOST. No research and development expenses could be capitalized in fiscal year 2008 and 2007.

07 Other operating income and expenses

in 1'000 CHF	2008	2007
Currency exchange losses / gains	-980	-228
Other operating expenses / income	1'102	-61
Total	**122**	**-289**

The currency exchange losses in the fiscal year 2008 resulted mainly from new machine projects which were sold in foreign currencies. The increase in other operating income is mainly related to the change in provisions of employee benefit plans.

08 Other financial income / expenses

in 1'000 CHF	2008	2007
Interest income	1'557	1'846
Other financial income and expenses	-58	-1'808
Total	**1'499**	**38**

In spite of the increased liquidity and the higher average volume of investments, the interest income in the fiscal year 2008 was lower than in the previous year due to generally lower interest rates. The amount reported under other financial expenses is the result of the foreign currency valuation of Swiss Franc loans some of the foreign Burckhardt Compression companies hold.

09 Taxes

Income taxes

in 1'000 CHF	2008	2007
Current income taxes	-19'725	-19'467
Deferred taxes	-2'426	-1'615
Total	**-22'151**	**-21'082**

Reconciliation of income tax expenses

in 1'000 CHF	2008	2007
Profit before income taxes	94'953	89'058
Income tax expenses at the local tax rates in the respective countries	-22'151	-21'659
Utilization of tax loss carry forwards	0	256
Effect of changes in tax rates on deferred tax provisions	0	321
Total income tax expenses	**-22'151**	**-21'082**
as % of profit before income taxes	23.33%	23.67%

Deferred taxes

in 1'000 CHF	2008	2007
Deferred tax assets:		
- which can be used within 12 months	-377	-638
- which can be used after 12 months	-231	0
Subtotal	-608	-638
Deferred tax liabilities:		
- which can be used within 12 months	4'744	5'547
- which can be used after 12 months	7'245	5'996
Subtotal	11'989	11'543
Total	**11'381**	**10'905**
Total changes in deferred taxes:		
Balance as per 31.3.08 / 31.3.07	10'905	5'496
Changes in the consolidation scope	502	910
Charged to the income statement	2'426	1'615
Restatement IFRIC 14		440
Taxes charged to equity for hedging reserves	-2'452	2'444
Total	**11'381**	**10'905**

Breakdown of deferred taxes in the balance sheet

in 1'000 CHF	31.03.2009 Assets	31.03.2009 Liabilities	31.03.2008 [1)] Assets	31.03.2008 [1)] Liabilities
Intangible assets	6	2'310	5	1'662
Property, plant and equipment		4'557		4'140
Financial assets		484		1'165
Inventories	57	2'010		1'851
Customers' advance payments		33		27
Accounts receivable	203	3'234	78	2'021
Derivative financial instruments		151		1'805
Non-current borrowings			194	
Provisions for retirement plan obligations	187		304	
Other non-current liabilities	12		42	
Other non-current provisions	493	363	490	66
Trade accounts payable	214	6	305	12
Accruals	41			
Current provisions	489		326	
Tax loss carry forward	65		100	
Total deferred taxes (gross)	**1'767**	**13'148**	**1'844**	**12'749**
Offset	-1'159	-1'159	-1'206	-1'206
Total deferred taxes (net)	**608**	**11'989**	**638**	**11'543**

[1)] Restatement (see notes to the consolidated financial statements, item 2.2 "Changes in accounting policies")

Temporary differences related to investments in subsidiaries, on which no deferred tax liabilities were provided, amounted on March 31, 2009 to CHF 58.4 mn (previous year CHF 57.4 mn)

Tax loss carry forwards

in 1'000 CHF	2008	2007
Expiring in the next 3 years	0	0
Expiring in 4 to 7 years	253	523
Total tax loss carry forwards	**253**	**523**
Potential tax assets calculated	65	100
Valuation allowance	0	0
Deferred tax assets	**65**	**100**

10 Intangible assets

Acquisition value

in 1'000 CHF	2008 Goodwill	2008 Trademarks incl. IT licenses	2008 Customer lists	2008 Total	2007 Goodwill	2007 Trademarks incl. IT licenses	2007 Customer lists	2007 Total
Cost as per 1.04.08 / 1.04.07	23'011	4'129	7'385	34'525	21'951	2'533	4'254	28'738
Changes in the consolidation scope	1'502		1'475	2'977	2'693	146	3'275	6'114
Additions		294		294		1'455		1'455
Disposals								
Reclassifications		878		878		96		96
Currency translation differences	-470	-91	-87	-648	-1'633	-101	-144	-1'878
Balance as per 31.03.09 / 31.03.08	**24'043**	**5'210**	**8'773**	**38'026**	**23'011**	**4'129**	**7'385**	**34'525**

Accumulated amortization

in 1'000 CHF	2008 Goodwill	2008 Trademarks incl. IT licenses	2008 Customer lists	2008 Total	2007 Goodwill	2007 Trademarks incl. IT licenses	2007 Customer lists	2007 Total
Balance as per 1.04.08 / 1.04.07		-1'368	-1'346	-2'714		-547	-739	-1'286
Changes in the consolidation scope						-146		-146
Additions		-799	-731	-1'530		-347	-650	-997
Disposals						-54		-54
Reclassifications						-316		-316
Currency translation differences		47	49	96		42	43	85
Balance as per 31.03.08 / 31.03.07		**-2'120**	**-2'028**	**-4'148**		**-1'368**	**-1'346**	**-2'714**

Net book value

	2008 Goodwill	2008 Trademarks incl. IT licenses	2008 Customer lists	2008 Total	2007 Goodwill	2007 Trademarks incl. IT licenses	2007 Customer lists	2007 Total
As per 1.04.08 / 1.04.07	23'011	2'761	6'039	31'811	21'951	1'986	3'515	27'452
As per 31.03.09 / 31.03.08	**24'043**	**3'090**	**6'745**	**33'878**	**23'011**	**2'761**	**6'039**	**31'811**

Impairment tests for goodwill

Goodwill is allocated to the identifiable cash-generating units of the Burckhardt Compression Group (crosshead piston compressors and standard high-pressure compressors). 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 2008 and 2007.

in 1'000 CHF	Crosshead piston compressors	Standard high-pressure compressors	Total
Goodwill as per 31.03.09	18'799	5'244	24'043
Goodwill as per 31.03.08	17'231	5'780	23'011
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 8.5%.

11 Property, plant and equipment

in 1'000 CHF	Land and buildings	Machinery and equipment	Other assets	Assets under construction	2008 Total	Land and buildings	Machinery and equipment	Other assets	Assets under construction	2007 Total
Acquisition costs										
Balance as per 1.04.08 / 1.04.07	4'024	46'699	15'771	3'960	70'454	9'485	41'681	17'292	2'096	70'554
Changes in the consolidation scope			29		29		501	260		761
Additions	2'315	941	1'011	11'463	15'730	1'309	8'208	2'374	3'947	15'838
Disposals		-859	-167	-66	-1'092	-6'423	-4'948	-3'906	-94	-15'371
Revaluations		93	55		148					
Reclassifications		8'341	887	-10'106	-878	21	1'669	192	-1'978	-96
Currency translation differences	-516	-248	-147	-18	-929	-368	-412	-441	-11	-1'232
Balance as per 31.03.09 / 31.03.08	**5'823**	**54'967**	**17'439**	**5'233**	**83'462**	**4'024**	**46'699**	**15'771**	**3'960**	**70'454**
Accumulated depreciation										
Balance as per 1.04.08 / 1.04.07	-765	-26'826	-10'010		-37'601	-7'000	-29'129	-12'357		-48'486
Changes in the consolidation scope							-226	-170		-396
Additions	-283	-3'468	-1'583		-5'334	-215	-2'521	-1'712		-4'448
Discposals		859	72		931	6'423	4'923	3'753		15'099
Revaluations	6	-51	-48		-93					
Reclassifications								316		316
Currency translation differences	26	62	33		121	27	127	160		314
Balance as per 31.03.09 / 31.03.08	**-1'016**	**-29'424**	**-11'536**	**0**	**-41'976**	**-765**	**-26'826**	**-10'010**	**0**	**-37'601**
Net book value										
as per 1.04.08 / 1.04.07	3'259	19'873	5'761	3'960	32'853	2'485	12'552	4'935	2'096	22'068
as per 31.03.09 / 31.03.08	**4'807**	**25'543**	**5'903**	**5'233**	**41'486**	**3'259**	**19'873**	**5'761**	**3'960**	**32'853**
Fire insurance values	**6'786**	**66'180**	**18'494**	**5'233**	**96'693**	**4'684**	**52'317**	**16'560**	**3'960**	**77'521**

The "Other assets" category includes IT Hardware, patterns, tools, fixtures, instruments, vehicles and other operating equipment. In the fiscal years 2008 and 2007 no leased assets were capitalized.

12 Inventories

in 1'000 CHF	31.03.2009	31.03.2008
Acquisition costs		
Raw materials, supplies and consumables	16'148	11'799
Work in progress	61'528	67'191
Finished products and trade merchandise	24'955	24'209
Advance payments to suppliers	22'506	13'736
Valuation allowances	-4'866	-4'800
Total	**120'271**	**112'135**

in 1'000 CHF	2008	2007
Valuation allowances		
Balance	-4'800	-3'916
Utilized due to disposals	266	140
Additions	-332	-1'024
Balance	**-4'866**	**-4'800**

The slightly increased inventories are the consequence of the continuing high business volume and the higher amount of advance payments from customers as per March 31, 2009. Work in progress as per March 31, 2009 and as per March 31, 2008 are financed by customers' advance payments in the amount of TCHF 91'276, respectively of TCHF 92'408.

13 Trade and other receivables

in 1'000 CHF	31.03.2009	31.03.2008 [1]
Trade receivables	86'909	68'941
Allowance for bad debts	-1'115	-708
Other receivables	6'265	8'905
Prepaid expenses	7'808	1'230
Total current receivables	**99'867**	**78'368**
Other receivables	2'950	2'667
Total non-current receivables	**2'950**	**2'667**
Total	**102'817**	**81'035**

[1] Position "Other non-current receivables" contains the asset related to the IFRIC 14 restatement (see item 2.2 "Changes in accounting policies" in section "Notes to the consolidated financial statements")

in 1'000 CHF	31.03.2009	31.03.2008
Allowance for bad debts		
Balance as per 1.04.08 / 1.04.07	-708	-510
Changes in the consolidation scope	0	-65
Additions	-435	-253
Disposals	0	60
Utilization	9	20
Currency translation differences	19	40
Balance as per 31.03.09 / 31.03.08	**-1'115**	**-708**

in 1'000 CHF	31.03.2009		31.03.2008	
Age profile of trade receivables				
Not due	49'012	56.4%	50'021	72.5%
Overdue 1 - 30 days	13'524	15.6%	10'038	14.5%
Overdue 31 - 60 days	8'803	10.1%	4'249	6.2%
Overdue 61 - 90 days	5'888	6.8%	2'313	3.4%
Overdue more than 90 days	9'682	11.1%	2'320	3.4%
Balance as per 31.03.09 / 31.03.08	**86'909**	**100.0%**	**68'941**	**100.0%**

in 1'000 CHF	31.03.2009	31.03.2008
Trade receivables broken down into currencies		
CHF	24'861	35'211
EUR	35'508	13'959
USD	15'674	9'301
GBP	491	682
NOK	0	2'950
JPY	1'148	330
INR	5'238	3'618
BRL	1'516	1'677
CAD	543	306
CNY	815	199
Total (after allowance for bad debts)	**85'794**	**68'233**

Burckhardt Compression is not exposed to major credit risks as it has a large and globally diverse customer base. The largest individual position of trade receivables represents less than 15% of the according total balance. The risk of default of the customers of Burckhardt Compression is small; a high share of the accounts receivables are secured by balance letters of credit.

14 Marketable securities

Marketable securities are invested in time deposits with maturities between 3 to 12 months and in an institutional portfolio module with a first class Swiss financial institution. The time deposits totaled TCHF 1’131 (fiscal year 2007 TCHF 26’134) and the investment in the institutional portfolio module amounted to TCHF 4’140 as per March 31, 2009 (fiscal year 2006 TCHF 4’455). The institutional portfolio module was opened in the fiscal year 2006 in the amount of TCHF 5’000; the asset allocation comprises 10% shares, 80% bonds and 10% European real estate funds.

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 21 days in the fiscal year 2008 compared with an average period of 19 days in the previous fiscal year.

in 1’000 CHF	31.03.2009	31.03.2008
Cash	395	526
Bank deposits	124’899	20’404
Short-term deposits	302	38’065
Total cash and cash equivalents	**125’596**	**58’995**

16 Pledged assets

The Indian Burckhardt Compression company has pledged property, inventories and receivables in the amount of TCHF 13’452 as collateral for the credit lines and guarantee facilities provided by local banks. No further assets were pledged as collateral in the fiscal year 2008. In the previous fiscal year, assets were pledged in the amount of TCHF 5’786.

17 Share capital

	31.03.2009	31.03.2008
Number of shares issued	3’400’000	3’400’000

The nominal value per share amounts 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.

Treasury shares

	31.03.2009	31.03.2008
Treasury shares	29’724	0

In December 2008, the Board of Directors of Burckhardt Compression Holding AG decided to repurchase up to 170’000 of the outstanding BCHN shares or up to 5% of the share capital of the company over the next 12 months. The share buy back is done at market prices with no second trading line in place.

Earnings per share

	31.03.2009	31.03.2008
Profit for the period attributable to shareholders of Burckhardt Compression Holding AG (in TCHF)	72’802	67’989
Average number of outstanding shares	3’392’038	3’400’000
Average number of outstanding shares for the calculation of earnings per share	3’392’038	3’400’000
Earnings per share (in CHF)	21.46	20.00
Diluted earnings per share (in CHF)	21.46	20.00
Dividend per share (in CHF) [1)]	6.00	6.00

The average number of outstanding shares is calculated based on the issued shares minus the weighted average of treasury shares. There are no conversion or option rights outstanding; therefore there is no dilution of earnings per share.

[1)] The Board of Directors will propose to the Annual General Meeting a dividend of CHF 6.00 per share, to be paid in July 2009.

18 Borrowings

in 1’000 CHF	Current	Non-current	Total 31.03.2009	Total 31.03.2008
Bank loans	5’976	1’287	7’263	5’835
Others	225	58	283	220
Total	**6’201**	**1’345**	**7’546**	**6’055**
Thereof due in less than 1 year	6’201	0	6’201	4’442
Thereof due in 1 to 5 years	0	1’345	1’345	1’613

Burckhardt Compression AG has bank and guarantee facilities totaling TCHF 160’000 thereof TCHF 20’000 credit limits as per March 31, 2009 (previous year total bank and guarantee facilities amounted to TCHF 140’000). The bank loans as per March 31, 2009 are denominated largely in Indian Rupees and in Swiss Francs for a minor amount. The average effective interest rate amounted to 11.9% in the fiscal year 2008 compared with 6.8% in the previous fiscal year.

19 Provisions

in 1’000 CHF	Employee benefits	Other personnel expenses	Warranties, penalties, unprofitable contracts	Other	2008 Total	Employee benefits	Other personnel expenses	Warranties, penalties, unprofitable contracts	Other	2007 Total
Balance as per 1.04.08 / 1.04.07	5’511	1’065	9’572	1’537	17’685	4’818	988	5’510	771	12’087
Changes in the consolidation scope						623				623
Additions	534	1’044	1’867	825	4’270	286	1’009	6’966	1’048	9’309
Released as no longer required	-922	-262	-727	-30	-1’941	-77	-117	-999	-61	-1’254
Released for utilization		-594	-1’380	-410	-2’384	-13	-748	-1’767	-104	-2’632
Currency translation differences	-120	-19	-36	-104	-279	-126	-67	-138	-117	-448
Total as per 31.03.09 / 31.03.08	**5’003**	**1’234**	**9’296**	**1’818**	**17’351**	**5’511**	**1’065**	**9’572**	**1’537**	**17’685**
Thereof current	380	1’073	2’035	1’531	5’019		968	2’300	1’265	4’533
Thereof non-current	4’623	161	7’261	287	12’332	5’511	97	7’272	272	13’152

The employee benefits category includes provisions for the employee benefit plans of the Burckhardt Compression company in Germany, provisions for long-service awards for employees of the Burckhardt Compression company in Switzerland as well as the change in provisions of the employee benefit plans in line with IAS 19.
The “Warranties, penalties, unprofitable contracts” category comprises provisions based on historical experience for work performed under warranties, penalties and losses arising from new machine projects at the expense of Burckhardt Compression.

20 Other current and accrued liabilities

in 1'000 CHF	31.03.2009	31.03.2008
Other current liabilities		
Social security institutions	722	210
Tax liabilities (excl. income taxes)	588	587
Miscellaneous	622	854
Total	**1'932**	**1'651**
Accrued liabilities		
Vacation and overtime	2'816	1'360
Salaries, wages and bonus payments	6'038	4'357
Contract related liabilities	38'903	18'169
Notes payable	0	2
Miscellaneous	1'265	1'472
Total	**49'022**	**25'360**
Total other current and accrued liabilities	**50'954**	**27'011**

The accrued contract related liabilities have increased by CHF 20.7 mn compared to the previous year, mainly as a result of the higher volume of pending invoices from suppliers on invoiced new machine projects.

21 Derivative financial instruments

	31.03.2009		31.03.2008	
in 1'000 CHF	Positive fair values	Negative fair values	Positive fair values	Negative fair values
Forward foreign exchange contracts				
- Cash flow hedges	1'088	1'138	11'683	742
- Others		242		47
Total	**1'088**	**1'380**	**11'683**	**789**
Thereof current	948	1'323	8'386	529
Thereof non-current	140	57	3'297	260

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

As per March 31, 2009 the contract value of the open derivative financial instruments amounted to TCHF 106'251; as per March 31, 2008 it totaled TCHF 128'942. The reduction in the fiscal year 2008 resulted from the lower volume of business transactions to be hedged as of the closing date.

In the business year 2008 the ineffective portion of the cash flow hedges of TCHF 0 (previous year TCHF 350) has been transferred from the equity into the income statement.

22 Outstanding guarantees

in 1'000 CHF	Limited maturity	Unlimited maturity	Total 31.03.09	Total 31.03.08
Total pending guarantees	148'294	6'915	155'209	134'769
Thereof from Swiss banks	127'098	355	127'453	112'936
Thereof from foreign banks	4'553	0	4'553	2'833
Thereof from Burckhardt Compression Holding AG	16'643	6'560	23'203	19'000

Burckhardt Compression issues guarantees essentially for securing customer advance payments and for eventual warranty claims from customers. The outstanding guarantees at March 31, 2009 have increased compared to the previous fiscal year due to the higher business volume. The guarantees with unlimited maturity issued by Burckhardt Compression Holding AG serve to secure the credit lines with foreign banks of the group companies in India and Germany.

23 Contingent liabilities

Burckhardt Compression did not have any contingent liabilities as per March 31, 2009 and as per March 31, 2008.

24 Other financial commitments

Liabilities from operating leases

in 1'000 CHF	Buildings	Cars	Other	31.03.2009	31.03.2008
Total commitments [1]	2'979	832	1'025	4'836	28'150
Thereof due in less than 1 year	515	220	310	1'045	4'112
Thereof due in 1 to 5 years	2'023	612	715	3'350	16'523
Thereof due in more than 5 years	441			441	7'515

[1] without events after the balance sheet date

The most significant lease agreement as per March 31, 2009 covers the office and factory buildings of the Burckhardt Compression company in Switzerland. With the acquisition of the office and factory buildings through the Burckhardt Compression company in Switzerland in May 2009, this lease agreement has turned into an inter-company contractual relationship (see note 29 "Events after the balance sheet date") and is therefore not shown anymore on above table.

The income statement includes leasing expenses for buildings of TCHF 5'013 for the fiscal year 2008.

Other financial obligations

The most significant capital expenditure projects approved during the fiscal year 2008 and for which there are purchase commitments as per March 31, 2009 comprise for Burckhardt Compression AG one vertical lathe for TCHF 5'000, one machining centre for TCHF 2'761, one CNC-controlled cylindrical grinding machine for TCHF 725 and several hard- and software for TCHF 419. Burckhardt Compression (India) Pvt. Ltd. has signed a purchase commitment for TCHF 1'966 for a machining centre as per March 31, 2009.

25 Business combinations

The Burckhardt Compression companies made the following acquisitions during the fiscal year 2008:

Selltech - Compressor Pumps & Engine Products, Inc. in Valencia, California / USA	**2008**	
in 1'000 CHF	**Fair value**	**Acquiree's carrying amount**
Intangible assets	1'475	0
Property, plant and equipment	29	29
Inventories	234	234
Accounts receivable	693	693
Cash and cash equivalents	0	0
Total assets	**2'431**	**956**
Deferred tax liabilities	502	0
Non-current liabilities	0	0
Current liabilities	681	681
Total liabilities	**1'183**	**681**
Net assets	1'248	**275**
Acquired goodwill	1'502	
Purchase price	**2'750**	
Purchase considerations in cash	2'750	
Cash and cash equivalents in subsidiary acquired	0	
Cash outflow on acquisiton	2'750	

The existing customer lists of the acquired companies have been accounted for as intangible assets.

Burckhardt Compression (US) Inc. in Houston, Texas (USA) acquired 100% of the shares of Selltech - Compressor Pumps & Engine Products, Inc. in Valencia, California (USA) on February 28, 2009. Because of this acquisition sales of Burckhardt Compression increased by TCHF 354 and profit for the period increased by TCHF 155.

If the acquisition of Selltech - Compressor Pumps & Engine Products, Inc. had occurred as per April 1, 2008 instead as per February 28, 2009 sales and profit for the period of Burckhardt Compression would have amounted to TCHF 428'762 and to TCHF 74'662 respectively.

MT Sealing Technology Inc, Ohringen / Switzerland	2007	
in 1'000 CHF	Fair value	Acquiree's carrying amount
Intangible assets	2'308	0
Property, plant and equipment	265	265
Inventories	1'257	1'257
Accounts receivable	1'512	1'512
Cash and cash equivalents	106	106
Total assets	**5'448**	**3'140**
Deferred tax liabilities	702	337
Non-current liabilities	464	0
Current liabilities	787	787
Total liabilities	**1'953**	**1'124**
Net assets	3'495	**2'016**
Acquired goodwill	1'903	
Purchase price	**5'398**	
Purchase consideration settled in cash	5'398	
Cash and cash equivalents in subsidiary acquired	106	
Cash outflow on acquisition	5'292	

Compressor Tech Holding AG acquired 100% of the shares of MT Sealing Technology Inc on July 1, 2007. Because of this acquisition sales of Burckhardt Compression increased by TCHF 4'406 and profit for the period decreased by TCHF 71. The integration of the acquired plastics division of SUBA AG in MT Sealing Technology Inc entailed nonrecurring expenses of TCHF 143, those expenses are included in the income statement of the fiscal year 2007.

If the acquisition of MT Sealing Technology Inc had occurred as per April 1, 2007 instead as per July 1, 2007 sales and profit for the period of Burckhardt Compression would have amounted to TCHF 369'537 and to TCHF 68'163 respectively.

Plastics division of SUBA AG, Berg / Switzerland	2007	
in 1'000 CHF	Fair value	Acquiree's carrying amount
Intangible assets	967	0
Property, plant and equipment	100	100
Inventories	110	110
Accounts receivable	0	0
Total assets	**1'177**	**210**
Deferred tax liabilities	208	0
Non-current liabilities	159	0
Current liabilities	0	0
Total liabilities	367	0
Net assets	810	**210**
Acquired goodwill	790	
Purchase price	**1'600**	
Purchase consideration settled in cash	1'600	
Cash and cash equivalents in subsidiary acquired	0	
Cash outflow on acquisition	1'600	

The existing customer lists of the acquired companies have been accounted for as intangible assets.

26 Remuneration of the Board of Directors and the Executive Board

Compensation paid to the non-executive members of the Board of Directors comprises a fixed cash component, an additional cash payment for the directors serving on a formal Board committee, and a variable profit-related component distributed as shares (free shares). The variable compensation is based on a percentage of the profit for the period after minorities generated by the Burckhardt Compression Group and converted into a specific number of shares using the closing price of BCHN shares at the end of the respective fiscal year. If a minimum financial target with regard to return on sales is not achieved, entitlement to the variable compensation for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the competition and peers, entitlement to the full variable compensation component will be granted; if not, the variable component will be reduced by 50%. The free shares for the fiscal year 2008 will initially be eligible for distribution in June 2011. The shares received will not be subject to any restrictions upon the date of transfer.

The Executive Board and the executive member of the Board of Directors receive variable performance and profit-related pay in addition to their base salaries. The variable pay comprises a percentage of the net profit after minorities generated by Burckhardt Compression Group and is contingent on the attainment of minimum financial targets. If the minimum financial target with regard to return on sales is not achieved, entitlement to variable pay for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the competition and peers, entitlement to the full variable pay will be granted; if not, the variable pay will be reduced by 50%.

Members of the Executive Board excluding the team that participated in the management buyout in 2002 additionally receive a long-term incentive in the form of shares (free shares). The long-term incentive is based on a percentage of the profit for the period after minorities generated by the Burckhardt Compression Group and converted into a specific number of shares using the closing price of BCHN shares at the end of the respective fiscal year. If a minimum financial target with regard to return on sales is not achieved, entitlement to the long-term incentive for the corresponding business year will lapse. If the financial target is at least reached and the return on sales is equal to or higher than the returns achieved by the competition and peers, entitlement to the full long-term incentive will be granted; if not, the long-term incentive will be reduced by 50%. The free shares for the 2008 fiscal year will initially be eligible for distribution in June 2011, provided the employment contract for the respective Executive Board members has not been terminated. The shares received will not be subject to any restrictions upon the date of transfer.

The following remunerations were paid to the members of the Board of Directors and the Executive Board for the fiscal years 2008 and 2007:

in 1'000 CHF							2008
Name	Position	Fees and remuneration	Salary fix in cash	Salary variable in cash	Share based payments [1]	Post employment and other social benefits	Total
Non-executive members of the Board of Directors							
Hans Hess	Chairman	100			14		114
Heinz Bachmann	Deputy Chairman	55			7	2	64
Urs Fankhauser	Member	53			7	2	62
Urs Leinhäuser	Member	55			7	4	66
Total		**263**			**35**	**8**	**306**
Executive Board							
Valentin Vogt	CEO & Executive member		385	161	0	119	665
Members of the Executive Board (11 persons)			1'843	556	140	492	3'031
Total			**2'228**	**717**	**140**	**611**	**3'696**

in 1'000 CHF							2007
Name	Position	Fees and remuneration	Salary fix in cash	Salary variable in cash	Share based payments [2]	Post employment and other social benefits	Total
Non-executive members of the Board of Directors							
Hans Hess	Chairman	90					90
Heinz Bachmann	Deputy Chairman	50				1	51
Urs Fankhauser	Member	50					50
Urs Leinhäuser	Member	37				2	39
Total		**227**				**3**	**230**
Executive Board							
Valentin Vogt	CEO & Executive member		320	203		106	629
Members of the Executive Board (11 persons)			1'640	550	30	382	2'602
Total			**1'960**	**753**	**30**	**488**	**3'231**

(1) Long-term incentive to the eligible members of the Executive Board and variable pay to the non-executive members of the Board of Directors (free shares) – valid as from fiscal year 2008

(2) Allocated shares (see note 27)	
- 1. step CHF 0.25 per share	1'920
- 2. step CHF 0.25 per share	1'765

Allocated free shares

The following free shares have been allocated to the members of the Executive Board eligible for long-term incentive and to the non-executive members of the Board of Directors as share-based variable pay:

					2008
Name	Position	Allocated shares	Shares disponible	Shares locked until June 30, 2011	Total shares
Non-executive members of the Board of Directors					
Hans Hess	Chairman	412	0	412	412
Heinz Bachmann	Deputy Chairman	206	0	206	206
Urs Fankhauser	Member	206	0	206	206
Urs Leinhäuser	Member	206	0	206	206
Total		**1'030**	**0**	**1'030**	**1'030**
Executive Board					
Members of the Executive Board (8 persons)		4'190	0	4'190	4'190
Total		**5'220**	**0**	**5'220**	**5'220**

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 2006 of Burckhardt Compression Holding AG. The social security contributions of that transaction were paid by the company and are part of the personnel expenses of fiscal year 2006.

At the same time 14'545 out of the 238'000 shares were transferred to other 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 2006. The employer's and employee social security contributions which were paid by Burckhardt Compression Holding AG amounted to TCHF 1'574.

In the fiscal year 2007 the share of the second allocation amounted to TCHF 89 and was charged to personnel expenses in the income statement 2007. The corresponding credit was made directly in the shareholders' equity.

No other payments or fees for additional services were paid to the members of the Board of Directors and Executive Board during the fiscal year 2008. There are no pending loans in favor of the members of the Board of Directors and Executive Board as per March 31, 2009.

As per March 31, 2009 the members of the Executive Board including the executive member and the non-executive members of the Board of Directors (including their closely related persons) owned the following numbers of shares of Burckhardt Compression Holding AG:

		31.03.09			31.03.08
Name	Position	Total shares	Shares disbonible	Shares locked until June 30, 2011 [1]	Total shares
Non-executive members of the Board of Directors					
Hans Hess	Chairman	5'600	5'600		5'600
Heinz Bachmann	Deputy Chairman	600	600		600
Urs Fankhauser	Member	150	150		750
Urs Leinhäuser	Member	150	150		150
Total		**6'500**	**6'500**		**7'100**
Executive Board					
Valentin Vogt	CEO & Executive member	222'633	104'666	117'967	222'633
Rolf Brändli	CFO from 01.09.08	0	0	0	0
Regula Brunner	VP Human Resources	660	560	100	660
René Guthauser	VP Quality & Infrastructure	510	460	50	510
Martin Heller	VP Sales	112'300	51'267	61'033	112'300
Dr. Leonhard Keller	VP Valves	96'563	40'130	56'433	107'600
Daniel Oswald	VP IT	1'200	920	280	1'200
Harry Otz	CFO until 31.08.08	97'833	40'000	57'833	109'353
Marcel Pawlicek	VP Design & Manufacturing	85'424	28'991	56'433	103'434
Narsimha Rao	Managing Director BCP	360	360		360
Marco Scanderbeg	VP Marketing	1'305	990	315	1'305
Matthias Tanner	VP Contracting	420	400	20	420
Robert Züst	VP CSS	885	760	125	735
Total		**620'093**	**269'504**	**350'589**	**660'510**
Total		**626'593**	**276'004**	**350'589**	**667'610**
In % of total shares		18.4%			19.6%

[1] No shares are locked as from July 1, 2011.

28 Risk Management Process

Burckhardt Compression has an integrated risk management. In a process consisting of two steps, the Board of Directors identifies key risks in an early stage and assigns them into categories of strategic, financial and operational risks. The risks are then being assessed and processed and consistently monitored, avoided, reduced or transfered through adequate measures in risk management. The first step consists of a continuous risk management process where risks are systematically identified and assessed in a periodic leadership cycle at the larger locations of the Burckhardt Compression Group in order to define and monitor the necessary measures with responsible people and deadlines for the according implementation. The second step consists of a periodic management review which takes place as part of the semi-annual meeting of the Audit Committee of the Board of Directors. For this purpose the CEO prepares an overview of the key risks the Burckhardt Compression Group is exposed to and presents an assessment of the probability of such risks to occur and the impact they could have on the Group. The presentation is given to the Audit Committee of the Board of Directors together with adequate measures and responsible people and deadlines to implement these measures. The Audit Committee of the Board of Directors then informs the Board about the findings from the risk management review.

29 Events after the balance sheet date

On April 6, 2009, Burckhardt Compression has signed an agreement with Sulzer Immobilien AG (Switzerland) to acquire the office and factory building in Oberwinterthur (Switzerland). The purchase price for this real estate was CHF 77 mn, 60% of which will be financed through mortgages. The transfer of the title was executed on May 6, 2009.

Other than that, the Board of Directors and the Executive Board were not aware of any significant events which have occurred after the balance sheet date when the consolidated financial statements were approved on May 26, 2009.

Investments as per March 31, 2009

Group companies of
Burckhardt Compression Holding AG
Winterthur, Switzerland
Listed on SIX Swiss Exchange
Security no. 002553602
Share capital CHF 8’500’000
Market capitalization TCHF 360’400

	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 Rolf Brändli	1	CTH						CHF 200’000 100%
MT Sealing Technology Inc Ohringen/Winterthur, Switzerland Managing Director Dr. Georg Samland	3	MTS	•	•		•	•	CHF 100’000 100%
Burckhardt Compression (Deutschland) GmbH Ravensburg, Deutschland Managing Director Christian Henninger	2	BCD				•	•	EUR 30’000 100%
PROGNOST Systems GmbH Rheine, Germany Managing Director Eike Drewes	3	PSG	•	•	•	•	•	EUR 200’000 100%
Burckhardt Compression (Italia) S.r.l. Milan, Italiy Managing Director Tullio Buonocore	2	BCI			•	•	•	EUR 400’000 100%
Burckhardt Compression (France) S.A.S. Mantes la Jolie Cedex, France Managing Director François Bouziguet	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. Bicester, United Kingdom Managing Director Colin Webb	2	BCG				•	•	GBP 250’000 100%

	Subsidiary of	Abbreviation	Research & development	Engineering & manufacturing	Contracting	Sales	Service	Share capital Participation
Burckhardt Compression (US) Inc Houston, USA Managing Director Rudolf Buschauer	2	BCU			•	•	•	USD 250'000 100%
PROGNOST Systems Inc. Houston, USA Managing Director Edward D. Morrison Jr.	4	PSI				•		USD 200'000 100%
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%
Burckhardt Compression (Shanghai) Co. Ltd. Shanghai, People's Republic of China Managing Director Keven Li	2	BCN				•	•	CNY 2'731'000 100%
Burckhardt Compression (India) Pvt. Ltd. Pune, India Managing Director Narasimha Rao	2	BCP	•	•	•	•	•	INR 223'080'000 100%
Burckhardt Compression (Brasil) Ltda. São Paulo, Brasil Managing Director Fabio Santos	2	BCB			•	•	•	BRL 900'000 100%
Selltech - Compressor Pumps & Engine Products Inc. Valencia, USA Managing Director a.i. Rudolf Buschauer	5	SET				•	•	USD 10'000 100%
Burckhardt Compression (Korea) Seoul, South Korea Managing Director Seunkweon Lee		BCK				•		

1 = subsidiary of Burckhardt Compression Holding AG
2 = subsidiary of Burckhardt Compression AG
3 = subsidiary of Compressor Tech Holding AG
4 = subsidiary of PROGNOST Systems GmbH
5 = subsidiary of Burckhardt Compression (US) Inc

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

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Burckhardt Compression Holding AG, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes (pages 50 to 87), for the year ended 31 March 2009.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 March 2009 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.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

Urs Honegger	James Goffi
Audit expert	Audit expert
Auditor in charge	

Winterthur, 26 May 2009

Financial Statements of Burckhardt Compression Holding AG

Balance sheet

in 1'000 CHF	Notes	31.03.2009	31.03.2008
Non-current assets			
Investments in subsidiaries	102	14'276	14'276
Loans to subsidiaries		15'175	15'175
Total		**29'451**	**29'451**
Current assets			
Trade and other receivables	104	567	813
Marketable securities	103	3'151	25'000
Cash and cash equivalents		71'217	9'715
Total		**74'935**	**35'528**
Total assets		**104'386**	**64'979**
Equity			
Share capital	105	8'500	8'500
General reserve		1'700	850
Treasury shares		3'921	0
Prior year retained earnings		29'764	5'082
Net income		59'169	49'853
Total		**103'054**	**64'285**
Liabilities			
Current liabilities			
Trade and other payables against			
- Third parties		21	16
- Group companies		0	2
Accrued liabilities		1'311	676
Total		**1'332**	**694**
Total equity and liabilities		**104'386**	**64'979**

Income statement

in 1'000 CHF	Notes	2008	2007
Income	106		
Income from investments		60'012	50'008
Financial income		1'086	713
Other income		302	367
Total		**61'400**	**51'088**
Expenses			
Personnel expenses		-114	-4
Financial expenses		-770	-13
Tax expenses		-377	-345
Other operating expenses		-970	-873
Total		**-2'231**	**-1'235**
Net profit		**59'169**	**49'853**

Notes to the financial statements of Burckhardt Compression Holding AG

101 Accounting policies

The financial statements as per March 31, 2009 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 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, 2009".

103 Marketable securities

In December 2008, the Board of Directors of Burckhardt Compression Holding AG decided to repurchase up to 170'000 of the outstanding BCHN shares or up to 5% of the share capital of the company over the next 12 months through the regular market. As per March 31, 2009 Burckhardt Compression Holding AG holds the following quantity of treasury shares:

	31.03.2009	**31.03.2008**
Number of treasury shares	29'724	0

The average acquisition cost was TCHF 3'921, which represents a price of CHF 132.0 per share.

104 Receivables

in 1'000 CHF	**31.03.2009**	**31.03.2008**
Trade receivables against group companies	0	248
Other receivables	228	156
Accrued income against third parties	13	83
Group companies	326	326
Total	**567**	**813**

105 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.

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. As per March 31, 2009, there is one nominee, owning 8'879 BCHN shares, who signed an agreement about his status accordingly. All shares of this nominee are stated in the share register.

Shareholder groups which had 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 3% of the share capital and voting rights:

Shareholders		**31.03.2009**	**31.03.2008**
	Country	in %	in %
Members of the Executive Board and the Board of Directors	CH	18.4 1)	19.6 1)
Deutsche Bank AG	D	5.6 2)	5.1 2)
Bank of America	USA	4.8	4.8
Allianz Global Investors	D	4.0	4.1
Other shareholders		67.2	66.4
Total shares outstanding		**100.0**	**100.0**

1) Details are listed in the financial report, in Note 27 "Transactions with the Board of Directors, the Executive Board and related parties".

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

106 Income

in 1'000 CHF	2008	2007
Income from investments		
Dividends	60'012	50'008
Financial income:		
Interest income	1'086	713
Other income:		
Income from services provided to group companies	192	192
Other	110	175
Total	**61'400**	**51'088**

Further disclosures required by the Swiss Code of Obligations, article 663b:

Risk management process
Burckhardt Compression Holding AG is the parent company of the Burckhardt Compression group. The key risks of the Burckhardt Compression Holding AG are equal to the ones of the group and are covered by the risk management process that is explained in note 28 of the explanatory notes to the consolidated financial statements.

Guarantees

in 1'000 CHF	31.03.09	31.03.08
Guarantees	23'203	19'000
Total	**23'203**	**19'000**

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, 2009 and as per March 31, 2008 the limit for 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.

Remuneration of the Board of Directors and the Executive Board
Type and amount of remuneration of the members of the Board of Directors and the Executive Board as well as the number of shares of Burckhardt Compression Holding AG which the members of the Board of Directors and the Executive Board owned as per March 31, 2009 are disclosed in note 26 "Remuneration of the Board of Directors and the Executive Board" and in note 27 "Transactions with the Board of Directors, the Executive Board and related parties".

Carry-forward and appropriation of earnings

in 1'000 CHF	2008	2007
Prior year retained earnings	33'685	5'082
Appropriation to reserves for treasury shares	-3'921	0
Net income of the year	59'169	49'853
Retained earnings at the disposal of the Annual General Meeting	**88'933**	**54'935**
The Board of Directors proposes the following appropriation		
- Appropriation to general reserve	0	-850
- Gross dividend	-20'400	-20'400
Retained earnings carried forward	**68'533**	**33'685**

The Board of Directors proposes to the Annual General Meeting of Shareholders on July 4, 2009 payment of a gross dividend of CHF 6.00 per registered share.

in CHF	2008	2007
Gross dividend	6.00	6.00
Less 35% withholding tax	-2.10	-2.10
Net dividend	**3.90**	**3.90**

Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders will take place at 10.30 am on Saturday July 4, 2009, at the Park Arena, Barbara Reinhart-Strasse 24, 8404 Winterthur, Switzerland.

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

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Burckhardt Compression Holding AG, which comprise the balance sheet, income statement and notes (pages 90 to 94), for the year ended 31 March 2009.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31 March 2009 comply with Swiss law and the company's articles of incorporation.

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Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies 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	James Goffi
Audit expert	Audit expert
Auditor in charge	

Winterthur, 26 May 2009

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Erection of a K12 Hyper Compressor
in a LDPE production plant in Sweden

Laby® Compressor for oxygen in an
industrial gas plant

Impressions of an industrial gas plant in Sweden

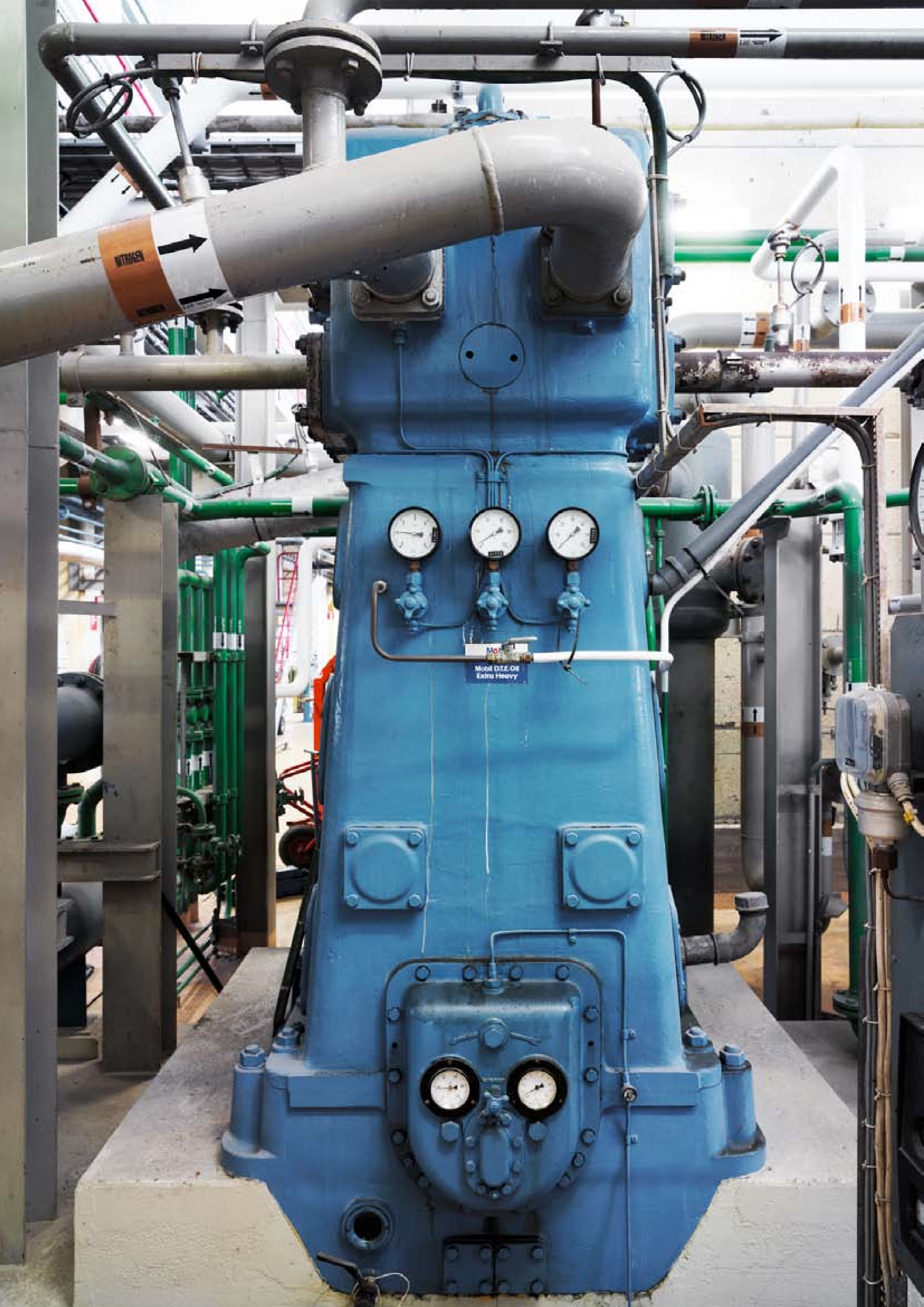
Process Gas Compressor as a booster/
primary compressor in a LDPE production
plant in China

Process control system in a polyolefin
production plant

Vice Plant Manager with Zhang Chunyue,
Manager Valve Service,
Burckhardt Compression in China

Administration and production of a
petrochemical plant in China

EXCEEDING EXPECTATIONS


NITROGEN
Mobil D.T.E. Oil
Extra Heavy


AGA
AGA
OXYGEN
RÅARGON


C-1201-D9


ABB
必须戴安全帽
火警电话：2238119
急救电话：2238120


期 大效益


新起点
新发展
新跨越

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.

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