

First half-year results 2009

Dear Shareholders

Today marks the publication of Burckhardt Compression's interim report for the first half of fiscal year 2009. The deteriorating market environment observed during the fourth quarter of the past fiscal year persisted throughout the first six months of the current fiscal year.

Order intake down 17%

Orders received declined by 17% to CHF 163.6 million during the first half of 2009 compared to the first half of fiscal year 2008. Currency translation had a minimal effect on the reported order intake. Orders for new machines were down 20%, while orders in the service business stabilized at a slightly lower level (-4%). Beginning with the period under review, orders received for compressor components are reported as a separate business. Orders for compressor components declined 25% during the first half of 2009 compared to the prior-year period. The large number of orders from refineries for process gas compressors deserves special mention, as do the follow-up orders for LNG import terminals in China. Order intake at Customer Support Services (CSS) was positively impacted by several large orders for retrofitting projects. In the compressor components business we won a large contract from an American customer who ordered the latest generation of monitoring and diagnostic systems for reciprocating compressors.

Sales only slightly lower thanks to high order backlog

Sales of Burckhardt Compression Group were down 12% compared to the first half of fiscal year 2008. Gross profit receded 7% to CHF 62.6 million, resulting in a gross profit margin of 34.3% (32.7% in the prior-year period). The increase in the gross profit margin is attributable to the greater contribution of CSS and the compressor component business to first-half consolidated sales compared to the year-ago period and slightly better margins in the new machines business. Sales and administrative expenses

Key figures

| in CHF million | April-Sept. 2009 | April-Sept. 2008 | Change 2008/2009 | Fiscal year 2008 |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Order intake | 163.6 | 197.0 | -17% | 389.9 |
| - New machines | 109.4 | 137.4 ¹⁾ | -20% | 277.6 ¹⁾ |
| - CSS (Customer Support Service) | 44.2 | 46.2 ¹⁾ | -4% | 88.0 ¹⁾ |
| - Compressor components | 10.0 | 13.4 ¹⁾ | -25% | 24.3 ¹⁾ |
| Sales | 182.5 | 207.0 | -12% | 424.5 |
| Gross profit | 62.6 | 67.6 | -7% | 146.2 |
| Operating income (EBIT) | 35.0 | 43.3 | -19% | 94.3 |
| Net income | 26.3 | 33.1 | -21% | 72.8 |
| Balance sheet total | 468.2 ²⁾ | 358.6 | 31% | 431.0 |
| Shareholders' equity | 211.3 | 170.9 | 24% | 203.9 |
| Earnings per share (in CHF) | 7.82 | 9.73 | -20% | 21.46 |
| Headcount as per 30.9./31.3. | 919 | 881 | 4% | 916 |

¹⁾ Restated split of order intake

²⁾ Including CHF 77 million land and buildings from the acquired real estate in Winterthur

were stable compared to the first half of 2008 (+1.4%). As to be expected, the measures to reduce capacity introduced at the end of June 2009 did not yet have a positive effect on the results for the reporting period. Operating income in the first half amounted to CHF 35.0 million, a 19% decline from the year-ago figure, which can be traced to the lower gross profit and particularly the creation of provisions for the reduction in capacity. This resulted in a lower operating margin of 19.2% (20.9% in the year-ago period). Net income declined by 21%, earnings per share by 20%. The difference compared to the percentage decline in operating income can be traced to higher financing expenses stemming from the recent purchase of commercial real estate in Winterthur. The tax rate of 23.8% is slightly lower than the previous year's tax rate.

Package of measures implemented

The global slowdown in Burckhardt Compression's markets continued during the period under review. Since we do not expect our markets to recover in the near future, we have decided to take various measures to adjust capacity and lower costs. In Winterthur 54 jobs will be shed, for which a social plan has been drawn up. Provisions for the related costs were already set aside in the first-half accounts. In addition, short time work was introduced at various departments at the Winterthur location beginning in October. We regret having to reduce the workforce but, unfortunately, these layoffs were unavoidable in order to secure the company's long-term prosperity and maintain its competitive edge. Besides these cost-reduction measures, pro-active measures were also initiated on the sales front and in product development. These included strengthening our sales front by transferring staff from other areas that also have customer contact, bringing forward product development projects and strengthening development teams to expedite the development times of projects already in progress.

Situation on procurement markets eases

The slowing global economy has clearly eased the formerly tight supply situation in procurement markets relevant to Burckhardt Compression. Raw material prices have declined during the past few months, in some cases significantly. Furthermore, the capacity utilization rates of our suppliers have declined, which, in turn, has resulted in a normalization of supply delivery schedules and lower sourcing prices.

Commercial real estate purchased in Winterthur

May 6, 2009 marked the transfer of ownership of the commercial real estate purchased in Winterthur. The purchase price was CHF 77 million, of which 60% was financed through several mortgages with fixed terms of up to 10 years. Acquiring the land and the building from the company Sulzer has given Burckhardt Compression more options in consolidating and securing all the commercial space it needs over the long term. Thanks to the termination of a rental contract, we will have sufficient space within the existing building and, therefore, will realize only part of the initial building expansion plans. At the end of July Burckhardt Compression reached an amicable agreement with the current tenant, who will have vacated the premises by the end of 2011. The scaled-back expansion work commenced at the end of September.

Share buyback program

As announced in the 2008 interim report, the Board of Directors decided on December 15, 2008 to repurchase up to 170,000 of the outstanding shares (BCHN) or 5% of the company's share capital on the regular market over the next 12 months. The shares held by the company may be used by the Board of Directors for acquisitions. As of September 30, the company had repurchased 33,063 shares. Further action regarding this program will be decided no later than December 15, 2009.

Outlook

Due to the obvious deterioration in the general market environment and the limited visibility, reliable statements regarding future order intake cannot be made. Sales for fiscal year 2009 as a whole should reach approximately CHF 350 million and enable an EBIT margin of well over 15%.

Thanks to all our stakeholders

The Board of Directors and the Executive Board would like to take this opportunity to give a word of thanks to all employees. As mentioned above, we regret having to reduce the company's workforce. Our goal is to remain a well financed and profitable enterprise and, as such, a reliable partner for our long-term-oriented customers, suppliers, employees and shareholders. We thank you for your continued support in these difficult economic times.

Yours sincerely,



Hans Hess
Chairman of the
Board of Directors



Valentin Vogt
CEO & Executive Member
of the Board of Directors

Winterthur, November 10, 2009

IR calendar:

| | |
|--------------|--|
| June 8, 2010 | 2009 Annual Report (closing March 31, 2010) Media and Analysts' Conference |
| July 2, 2010 | Annual General Meeting |

Condensed income statement

| in CHF million | Frist half 2009 April – Sept. 2009 | Frist half 2008 April – Sept. 2008 | Fiscal year 2008 April 2008 – March 2009 |
|--|---------------------------------------|---------------------------------------|---|
| Sales | 182.5 | 207.0 | 424.5 |
| Cost of goods sold | -119.9 | -139.4 | -278.3 |
| Gross profit | 62.6 | 67.6 | 146.2 |
| Selling, marketing and general administrative expenses | -21.6 | -21.3 | -45.8 |
| Research and development expenses | -3.5 | -3.2 | -6.2 |
| Other operating income/expenses | -2.5 | 0.2 | 0.1 |
| Operating income(EBIT) | 35.0 | 43.3 | 94.3 |
| Finance costs | -0.9 | -0.3 | -0.8 |
| Other financial income | 0.4 | 0.7 | 1.5 |
| Profit before income taxes | 34.5 | 43.7 | 95.0 |
| Income tax expense | -8.2 | -10.6 | -22.2 |
| Net income | 26.3 | 33.1 | 72.8 |
| Basic earnings per share (in CHF) | 7.82 | 9.73 | 21.46 |
| Diluted earnings per share (in CHF) | 7.82 | 9.73 | 21.46 |

Condensed statement of comprehensive income

| in CHF million | First half 2009 April – Sept. 2009 | First half 2008 April – Sept. 2008 | Fiscal year 2008 April 2008 – March 2009 |
|---|---------------------------------------|---------------------------------------|---|
| Net income | 26.3 | 33.1 | 72.8 |
| Adjustments of financial instruments | 2.4 | -7.7 | -9.0 |
| Currency translation differences | -0.7 | 0.4 | -1.2 |
| Total comprehensive income for the period | 28.0 | 25.8 | 62.6 |

Condensed balance sheet

| in CHF million | First half 2009 30.09.09 | First half 2008 30.09.08 | Fiscal year 2008 31.03.09 |
|-------------------------------------|-----------------------------|-----------------------------|------------------------------|
| Non-current assets: | | | |
| Intangible assets | 32.7 | 31.5 | 33.9 |
| Property, plant and equipment | 119.2 | 39.1 | 41.5 |
| Financial assets | 2.9 | 2.7 | 3.1 |
| Deferred tax assets | 1.1 | 0.9 | 0.6 |
| Total | 155.9 | 74.2 | 79.1 |
| Current assets: | | | |
| Inventories | 121.5 | 118.7 | 120.3 |
| Trade and other receivables | 62.6 | 93.8 | 100.8 |
| Marketable securities | 5.5 | 5.5 | 5.2 |
| Cash and cash equivalents | 122.7 | 66.4 | 125.6 |
| Total | 312.3 | 284.4 | 351.9 |
| Total assets | 468.2 | 358.6 | 431.0 |
| Total equity | 211.3 | 170.9 | 203.9 |
| Liabilities: | | | |
| Non-current borrowings | 47.4 | 1.7 | 1.3 |
| Other non-current liabilities | 22.9 | 23.9 | 24.4 |
| Current borrowings | 4.0 | 4.6 | 6.2 |
| Other current liabilities | 182.6 | 157.5 | 195.2 |
| Total | 256.9 | 187.7 | 227.1 |
| Total equity and liabilities | 468.2 | 358.6 | 431.0 |

Condensed cash flow statement

| in CHF million | First half 2009 April – Sept. 2009 | First half 2008 April – Sept. 2008 | Fiscal year 2008 April 2008 – March 2009 |
|--|---------------------------------------|---------------------------------------|---|
| Cash flow from operating activities: | | | |
| Operating income | 35.0 | 43.3 | 94.3 |
| Depreciation and amortization | 4.6 | 3.3 | 6.9 |
| Change in net current assets and provisions | 23.8 | -21.8 | -8.9 |
| Net interest and tax paid | -7.9 | -13.8 | -9.8 |
| Total | 55.5 | 11.0 | 82.5 |
| Cash flow from investing activities: | | | |
| Acquisition/disposal of intangible assets, property, plant and equipment | -81.9 | -9.3 | -15.9 |
| Acquisition/disposal of subsidiaries | 0.0 | 0.0 | -2.8 |
| Purchase/sale of financial assets and marketable securities | 0.1 | 25.0 | 25.2 |
| Total | -81.8 | 15.7 | 6.5 |
| Cash flow from financing activities: | | | |
| Increase of borrowings | 44.3 | 0.7 | 1.9 |
| Dividends paid | -20.2 | -20.4 | -20.4 |
| Purchase of treasury shares | -0.4 | 0.0 | -3.9 |
| Total | 23.7 | -19.7 | -22.4 |
| Currency translation differences | -0.3 | 0.4 | 0.0 |
| Net change in cash and cash equivalents | -2.9 | 7.4 | 66.6 |
| Cash and cash equivalents at 01.04. | 125.6 | 59.0 | 59.0 |
| Cash and cash equivalents at 30.09./31.03. | 122.7 | 66.4 | 125.6 |

Condensed statement of shareholders' equity

First half 2008 (April 2008 – Sept. 2008)

| | Share capital | Other Reserves | Treasury shares | Financial instruments | Currency translation differences | Net income | Total |
|---|---------------|----------------|-----------------|-----------------------|----------------------------------|-------------|--------------|
| in CHF million | | | | | | | |
| Total equity at 31.03.08 | 8.5 | 82.0 | 0.0 | 8.5 | -3.1 | 68.0 | 163.9 |
| Adjustment for first-time application of IFRIC 14 | | 1.6 | | | | | 1.6 |
| Total equity at 01.04.08 | 8.5 | 83.6 | 0.0 | 8.5 | -3.1 | 68.0 | 165.5 |
| Total comprehensive income April – Sept. 2008 | | | | -7.7 | 0.4 | 33.1 | 25.8 |
| Dividends | | | | | | -20.4 | -20.4 |
| Allocation of net income | | 47.6 | | | | -47.6 | 0.0 |
| Total equity at 30.09.08 | 8.5 | 131.2 | 0.0 | 0.8 | -2.7 | 33.1 | 170.9 |

First half 2009 (April 2009 – Sept. 2009)

| | Share capital | Other Reserves | Treasury shares | Financial instruments | Currency translation differences | Net income | Total |
|---|---------------|----------------|-----------------|-----------------------|----------------------------------|-------------|--------------|
| in CHF million | | | | | | | |
| Total equity at 31.03.09 | 8.5 | 131.4 | -3.9 | -0.5 | -4.4 | 72.8 | 203.9 |
| Total comprehensive income April – Sept. 2009 | | | | 2.4 | -0.7 | 26.3 | 28.0 |
| Change in treasury shares | | | -0.4 | | | | -0.4 |
| Dividends | | | | | | -20.2 | -20.2 |
| Allocation of net income | | 52.6 | | | | -52.6 | 0.0 |
| Total equity at 30.09.09 | 8.5 | 184.0 | -4.3 | 1.9 | -5.1 | 26.3 | 211.3 |

Notes to the unaudited Group accounts for the first half of fiscal year 2009

1. Basis of presentation

The presentation and disclosure of this unaudited financial report comply with IAS 34, Interim Financial Reporting, and the accounting policies of the Group set out in the 2008 annual report. In addition to the accounting policies given in the 2008 annual report, new or revised IFRS standards and interpretations for fiscal year 2009 were applied (IFRIC 13, IFRIC 15, IFRIC 16, revised IAS 1, revised IAS 23, revised IAS 32, revised IFRS 2 and IFRS 8). Due to the adoption of the revised IAS 1 (Presentation of Financial Statements), income and expenses previously declared as a change in equity (non-owner changes in equity) were disclosed in a separate statement of comprehensive income. IFRS 8 (Operating Segments) is intended to allow users of financial statements a “through the eyes of management” view of the operating segments (“management approach”). The application of IFRS 8 did not result in any changes to the presentation of financial accounts because company management identified only one single reportable segment (compressor business). The breakdown of order intake and sales into the business lines of New Machines, CSS and Compressor Components has no bearing on the segment reporting guidelines in IFRS 8.

2. Significant changes in the scope of consolidation

The company Burckhardt Compression Immobilien AG, domiciled in Winterthur, was established on April 22, 2009 for the purpose of acquiring the commercial real estate in Winterthur from Sulzer. The primary objective of this company is managing the real estate acquired from Sulzer on May 6, 2009. The company has no employees of its own.

3. Events after the balance sheet date

No events have occurred subsequent to the balance-sheet date that would have a material effect on the half-year accounts. The condensed version of the consolidated interim report was approved for publication by the Board of Directors on October 30, 2009.

4. Sales and gross profit

| in CHF million | | First half 2009 April – Sept. 2009 | % | First half 2008 April – Sept. 2008 ¹⁾ | % | Fiscal year 2008 April 2008 – March 2009 ¹⁾ | % |
|--------------------------------|--------------|---------------------------------------|------|---|------|---|------|
| New machines | Sales | 130.5 | | 156.5 | | 308.7 | |
| | Gross profit | 39.8 | 30.5 | 42.3 | 27.0 | 87.6 | 28.4 |
| CSS (Customer Support Service) | Sales | 42.4 | | 38.7 | | 92.1 | |
| | Gross profit | 18.9 | 44.6 | 19.7 | 50.9 | 46.4 | 50.4 |
| Compressor components | Sales | 9.6 | | 11.8 | | 23.7 | |
| | Gross profit | 3.9 | 40.6 | 5.6 | 47.5 | 12.2 | 51.5 |
| Total | Sales | 182.5 | | 207.0 | | 424.5 | |
| | Gross profit | 62.6 | 34.3 | 67.6 | 32.7 | 146.2 | 34.4 |

¹⁾ Restated split of sales and gross profit

This document may contain forward-looking statements, including but not limited to projections of financial results and statements about potential future developments regarding materials and products. These statements are subject to risks and uncertainties and may be modified if the projected results or developments described herein are influenced by known or unknown risks and other factors. The 2009 mid year report is also available in German or can be downloaded from our website at www.burckhardtcompression.com/midyearresults. The original version is German.

About Burckhardt Compression

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.

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