



FIRST-HALF RESULTS FOR FISCAL 2012

Compressors for a Lifetime™

FIRST-HALF RESULTS FOR FISCAL 2012: HIGHER SALES AND SOLID EARNINGS POWER

DEAR SHAREHOLDERS

Business at Burckhardt Compression during the first half of the year was stable amid a challenging economic environment. Overall order intake for the reporting period nearly matched the high level reached in the first half of the previous fiscal year and was particularly strong at the "Components, Services & Support" (CSS) business area. Consolidated sales increased compared to the prior year period and the Group's financial results remained strong at high levels.

Key figures

in CHF million	April–Sept. 2012	April–Sept. 2011	Change 2011/2012	Fiscal year 2011
Order intake	192.4	197.8	-2.7%	404.9
– Compressors Systems (CS)	105.8	120.1	-11.9%	259.3
– Components, Services & Support (CSS)	86.6	77.7	+11.5%	145.6
Sales	160.7	144.4	+11.3%	328.9
Gross profit	58.3	52.7	+10.6%	122.3
Operating income (EBIT)	29.6	21.2	+39.6%	64.8
In % of sales	18.4%	14.7%		19.7%
Net income	22.1	14.8	+49.3%	50.5
Balance sheet total	551.2	493.3	+11.7%	530.7
Shareholders' equity	281.8	247.8	+13.7%	282.8
Earnings per share (CHF)	6.64	4.40	+50.9%	15.22
Headcount as per 30.09/31.03	1'031	940	+9.7%	983

Order intake slightly less than in the prior year period

New orders received during the first half of the year totaled CHF 192.4 million, nearly matching the high level that was reported in the year-ago period (CHF 197.8 million). Orders received at the Compressor Systems (CS) business declined by 11.9% to CHF 105.8 million but showed pleasing growth of 11.5% to CHF 86.6 million in the service and components business. In the CS business various orders from the petrochemicals industry and for gas transport and storage applications accounted for a substantial share of order intake. In the service and components business, spare parts and maintenance services showed solid growth as did the engineering/revamp and repair units and monitoring and diagnostics systems. Particular mention is also made of the growth in service and component orders for reciprocating compressors built by other manufacturers.

First-half sales and profits higher year-on-year

Consolidated sales in the first half of the fiscal year rose by 11.3% (10.4% at constant exchange rates) to CHF 160.7 million thanks to the significantly higher CSS volume. As in the preceding fiscal year, there will be a sequential increase in sales in the second half of the year due to the delivery dates specified by customers for the compressor systems they have ordered. Gross profit increased by 10.6% from the prior year figure to CHF 58.3 million, resulting in a gross profit margin of 36.3% (36.5% in the prior year period). The gross profit margin was virtually unchanged because of the greater share of total sales generated by the CSS business, whose gross margin remained at the year-ago level, while exchange-rate impacts had a negative effect on gross profit in the CS business.

Selling and administrative expenses rose by CHF 1.2 million or 5.0% compared to the prior year period as a result of the ongoing expansion of distribution and logistics operations, especially in the CSS business. Spending on research and development was around the same level as in the previous year's period. Other operating income is mainly attributable to Burckhardt Immobilien AG and is significantly higher than in the prior-year period, when the translation of balance-sheet assets denominated in foreign currencies had a very negative impact. Operating income of CHF 29.6 million for the first half year represents a year-on-year increase of 39.6%. The corresponding profit margin rose to 18.4% (14.7% in the year-ago period). Net income rose by 49.3% to CHF 22.1 million corresponding to 13.8% of sales, and earnings per share grew 50.9%.

Balance sheet remains strong

Total balance sheet assets at the end of September 2012 amounted to CHF 551.2 million, up 11.7%, and the equity ratio was a solid 51.1%. Holdings of cash and cash equivalents increased by CHF 29.8 million to CHF 150.4 million compared to the previous year's figure (September 30, 2011).

Exchange rates still challenging

The floor set by the Swiss National Bank for the EUR/CHF currency pair and the lower rate of inflation in Switzerland compared to neighboring European countries have played an important role in easing competitive pressure. In view of the persisting margin pressure, especially in the CS business, internal measures will be steadfastly implemented. They are focused on increasing procurement and value creation activities in foreign countries, raising efficiency, developing new products and addressing new application areas.

Manufacturing of compressor components consolidated at Oberwinterthur

The consolidation of the formerly Ohringen-based subsidiary MT Sealing with the Valves unit in Oberwinterthur as well as the related capital expenditure were successfully completed during the period under review. Besides efficiency improvements and process simplifications, bringing these two units together allows them to broaden and deepen their previous cooperation and brings the company closer to realizing its medium-term growth targets for the CSS business.

Expansion of market presence

Local presence, competent customer relations teams and a good service offering are key factors that will fuel the further growth of the business. It was with this in mind that the Group's subsidiaries have been expanded and strengthened during recent years. In the period under review the decision was taken to establish a new subsidiary with a service center in Turkey.

Further market success for extended product line of Process Gas Compressors

The extended product line of Process Gas Compressors at the high end of the performance range enjoyed further market success during the period under review, leading to additional high profile reference projects. Judging by the considerable number of offers outstanding, more orders for these systems are likely to be received before the current fiscal year closes.

Outlook

The markets of relevance to Burckhardt Compression continue to show positive developments amid a demanding economy. Burckhardt Compression expects a higher order intake for the current fiscal year (ending March 31, 2013) compared to the previous fiscal year. This forecast is supported by a strong order intake at the CS business early in the second half of the year. Sales for the current fiscal year will be substantially higher than last year in view of the currently high order backlog. The operating profit margin is expected to be near the middle of the long-term target range of 15% to 20%.


A word of thanks

On behalf of the Board of Directors and the Executive Board, we thank our employees around the world for their dedication and hard work. We are grateful to our shareholders for their continued loyalty to the company and their trust in our management. Our long-standing partnerships with customers and their confidence in our solutions are also deeply appreciated. Even in a challenging environment, our primary objective as a well-financed company with above-average profitability is to be a reliable long-term partner for our customers, suppliers, employees and shareholders.

Yours sincerely,



Valentin Vogt
Chairman of the
Board of Directors



Marcel Pawlicek
CEO

Winterthur, November 6, 2012

IR calendar:

June 4, 2013	Results for fiscal 2012 (as per March 31, 2013)
June 29, 2013	Annual General Meeting

CONDENSED INCOME STATEMENT

in CHF million	First half 2012 April–Sept. 2012	First half 2011 April–Sept. 2011	2011 fiscal year April 2011–March 2012
Sales	160.7	144.4	328.9
Cost of goods sold	-102.4	-91.7	-206.6
Gross profit	58.3	52.7	122.3
Selling, marketing and general administrative expenses	-26.4	-25.2	-50.0
Research and development expenses	-3.4	-3.7	-8.1
Other operating income/expenses	1.1	-2.6	0.6
Operating income (EBIT)	29.6	21.2	64.8
Finance costs	-0.7	-1.5	-2.4
Other financial income/expenses	0.1	-0.1	0.3
Profit before income taxes	29.0	19.6	62.7
Income tax expenses	-6.9	-4.8	-12.2
Net income	22.1	14.8	50.5
Basic earnings per share (in CHF)	6.64	4.40	15.22
Diluted earnings per share (in CHF)	6.64	4.40	15.22

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

in CHF million	First half 2012 April–Sept. 2012	First half 2011 April–Sept. 2011	2011 fiscal year April 2011–March 2012
Net income	22.1	14.8	50.5
Adjustments of financial instruments	-1.3	-3.9	-4.5
Currency translation differences	1.1	-2.1	-2.4
Total comprehensive income for the period	21.9	8.8	43.6

CONDENSED BALANCE SHEET

in CHF million	First half 2012 09/30/12	First half 2011 09/30/11	2011 fiscal year 03/31/12
Non-current assets			
Intangible assets	28.3	29.0	27.6
Property, plant and equipment	131.3	121.8	126.9
Financial assets	0.8	1.4	1.0
Deferred tax assets	1.3	1.3	1.1
Total	161.7	153.5	156.6
Current assets			
Inventories	113.9	107.9	93.6
Trade and other receivables	125.2	85.6	95.5
Marketable securities	0.0	25.7	0.0
Cash and cash equivalents	150.4	120.6	185.0
Total	389.5	339.8	374.1
Total assets	551.2	493.3	530.7
Total equity	281.8	247.8	282.8
Liabilities			
Non-current borrowings	37.5	43.6	35.9
Other non-current liabilities	24.7	23.0	24.6
Current borrowings	3.9	8.5	13.6
Other current liabilities	203.3	170.4	173.8
Total	269.4	245.5	247.9
Total equity and liabilities	551.2	493.3	530.7

CONDENSED CASH FLOW STATEMENT

in CHF million	First half 2012 April–Sept. 2012	First half 2011 April–Sept. 2011	2011 fiscal year April 2011–March 2012
Cash flow from operating activities			
Operating income	29.6	21.2	64.8
Depreciation and amortization	5.3	4.9	10.6
Change in net current assets and provisions	-17.2	8.3	14.3
Net interest and tax paid	-11.9	-12.1	-15.2
Total	5.8	22.3	74.5
Cash flow from investing activities			
Acquisition/disposal of intangible assets, property, plant and equipment	-9.6	-3.2	-14.4
Purchase/sale of financial assets and marketable securities	0.0	-20.7	5.2
Total	-9.6	-23.9	-9.2
Cash flow from financing activities			
Decrease/increase of borrowings	-7.8	-0.7	-3.0
Dividends paid	-23.3	-16.6	-16.6
Purchase of treasury shares	-0.1	-3.7	-3.9
Total	-31.2	-21.0	-23.5
Currency translation differences	0.4	-0.6	-0.7
Net change in cash and cash equivalents	-34.6	-23.2	41.1
Cash and cash equivalents at 01.04.	185.0	143.8	143.9
Cash and cash equivalents at 30.09./31.03.	150.4	120.6	185.0

CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY

	Share capital	Other reserves	Treasury shares	Financial instruments	Currency translation differences	Net income	Total
in CHF million							
First half of 2011 (April 2011–Sept. 2011)							
Total equity at 03/31/11	8.5	225.0	-13.8	2.3	-9.1	45.1	258.0
Total comprehensive income April–Sept. 2011				-3.9	-2.1	14.8	8.8
Purchase of treasury shares		-2.2	-0.3				-2.5
Share based payments		0.1					0.1
Dividends						-16.6	-16.6
Allocation of net income		28.4				-28.4	0.0
Total equity at 09/30/11	8.5	251.3	-14.1	-1.6	-11.2	14.9	247.8
First half of 2012 (April 2012–Sept. 2012)							
Total equity at 03/31/12	8.5	251.7	-14.1	-2.2	-11.5	50.5	282.8
Total comprehensive income April–Sept. 2012				-1.3	1.1	22.1	21.9
Net change in treasury shares			-0.1				-0.1
Share based payments		0.5					0.5
Dividends						-23.3	-23.3
Allocation of net income		27.2				-27.2	
Total equity at 09/30/12	8.5	279.4	-14.2	-3.5	-10.4	22.1	281.8

NOTES TO THE UNAUDITED GROUP ACCOUNTS FOR THE FIRST HALF OF FISCAL 2012

1. Basis of presentation

The unaudited consolidated half-year financial statements were prepared in conformity with IAS 34 (Interim Financial Reporting). The financial statements are in compliance with the requirements of the Swiss Code of Obligations and the SIX Exchange Regulations. The consolidated half-year financial statements are presented in a condensed form and should be read together with the consolidated financial statements for fiscal year 2011. The applied accounting principles and valuation standards as well as calculation methods are in accordance with those mentioned in the Annual Report 2011.

Several new or revised IFRS standards and interpretations came into effect during the reporting period. Burckhardt Compression has assessed these new standards and interpretations and concluded that none of them have any material effect on the presented consolidated half-year financial statements.

2. Significant changes in the scope of consolidation

There were no significant changes in the scope of consolidation during the period under review.

3. Sales and gross profit

in Mio. CHF		First half 2012 April–Sept. 2012		First half 2011 April–Sept. 2011		2011 fiscal year April 2011–March 2012	
			%		%		%
Compressor Systems (CS)	Sales	85.3		85.8		206.0	
	Gross profit	19.0	22.3	22.1	25.8	59.2	28.7
Components, Services & Support (CSS) ¹	Sales	75.4		58.6 ¹		122.9	
	Gross profit	39.3	52.1	30.6 ¹	52.2 ¹	63.1	51.3
Total	Sales	160.7		144.4		328.9	
	Gross profit	58.3	36.3	52.7	36.5	122.3	37.2

¹ New presentation – previously reported separately as “Customer Support Service” and “Compressor Components”

4. 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 29, 2012.

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 2012 interim report is also available in German and can be downloaded from our website at www.burckhardtcompression.com/finanzberichte. The original version is German.

ABOUT BURCKHARDT COMPRESSION

Burckhardt Compression is one of the market leaders worldwide 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.

Burckhardt Compression Holding AG
Im Link 5
8404 Winterthur
Switzerland

Contact: Rolf Brändli, CFO
Telephone: +41 (0)52 262 55 00
Fax: +41 (0)52 262 04 08
E-mail: rolf.braendli@burckhardtcompression.com
Internet: www.burckhardtcompression.com



Burckhardt Compression Holding AG

CH-8404 Winterthur, Switzerland

Tel. +41 (0)52 262 55 00

Fax +41 (0)52 262 00 51

info@burckhardtcompression.com

www.burckhardtcompression.com