

Media release of November 8, 2011

Significantly higher order intake in a challenging currency environment

Burckhardt Compression, one of the world's leading manufacturers of reciprocating compressors, recorded a strong 20.4% increase in order intake during the first half of fiscal 2011 (April to September). Sales were 17% below the figure reported for the year-ago period (-12.8% at constant exchange rates) primarily because of the delivery schedules for new machines specified by customers. An EBIT margin of 14.7% was achieved. As announced earlier this year, Burckhardt Compression expects sales in the 2011 fiscal year to amount to approximately CHF 330 million with an EBIT margin near the middle of its targeted long-term range of 10% to 20%.

Burckhardt Compression received significantly more new orders in all of its business areas during the first half. Compared to the year-ago level, total order intake rose by 20.4% to CHF 197.8 million. Incoming orders for new machines advanced 20.1% to CHF 120.1 million. The CSS business reported a likewise pleasing 22.7% increase in new orders to CHF 62.6 million while the compressor components business reported a high 13.5% increase in new orders to CHF 15.1 million.

Lower sales and profits

As announced earlier this year, sales in the first half were subdued primarily because of the delivery schedules for new machines specified by customers and declined by 17.0% from the previous fiscal year (-12.8% at constant exchange rates) to CHF 144.4 million. Gross profit declined by 11.4% to CHF 52.7 million, resulting in a gross profit margin of 36.5% (34.2% in prior-year period). Selling and administrative expenses rose by CHF 1.8 million or 7.7% compared to the prior-year period because of the continued expansion of our distribution structure.

Operating income for the first half amounted to CHF 21.2 million, a decline of 31.4% from the prior-year period. This resulted in a lower EBIT margin of 14.7% (17.8% in the year-ago period). Net income declined by 35.1% to CHF 14.8 million, corresponding to 10.2% of sales, and earnings per share were down by 35.8% to CHF 4.40.

Sound balance sheet

Total balance sheet assets at the end of September 2011 amounted to CHF 493.3 million and the equity ratio was a solid 50.2%. Holdings of cash and cash equivalents increased by CHF 38.3 million to CHF 146.3 million compared to the previous year (September 30, 2010).

Adverse currency situation

Despite the action taken by the Swiss National Bank during the period under review, the situation remains difficult for Burckhardt Compression due to the strength of the Swiss franc. Measures taken early on to improve the operating results will be further intensified. This will primarily entail increased sourcing in EUR and USD regions and greater efforts to improve efficiency. Measures to

enhance efficiency will be introduced in its manufacturing, logistics, administrative and engineering operations. From a medium-term perspective, the company's exposure to exchange-rate fluctuations will be reduced through new products and applications and by generating more value added at its subsidiaries in growing markets and further expanding the CSS and components businesses.

First market success of extended product line of Process Gas Compressors

As expected, the extension of the product line of Process Gas Compressors at the high end of the performance range attracted considerable market interest. A key reference project was realized during the period under review, marking an important initial success. Numerous outstanding offers should lead to further orders.

Outlook

The markets of relevance to Burckhardt Compression continue to show a positive development. New orders received in the current fiscal year (ending March 31, 2012) are expected to exceed the order intake from the previous fiscal year. As announced earlier this year, Burckhardt Compression expects sales in the 2011 fiscal year to amount to approximately CHF 330 million with an EBIT margin near the middle of its targeted long-term range of 10% to 20%. The positive trend in new orders during the current year will lead to higher sales in the following year (fiscal 2012) with similar margins as in the 2011 fiscal year.

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.

**Key figures for the first half (April – September 2011)
of fiscal 2011**

in CHF million	April – Sept. 2011	April – Sept. 2010	Change 2010/2011	2010 fiscal year
Order intake	197.8	164.3	+20.4%	362.5
Sales	144.4	173.9	-17.0%	355.6
Gross profit	52.7	59.5	-11.4%	115.6
Operating profit (EBIT)	21.2	30.9	-31.4%	61.5
As a % of sales	14.7%	17.8%		17.3%
Net income	14.8	22.8	-35.1%	45.1
As a % of sales	10.2%	13.1%		12.7%
Balance sheet total	493.3	469.8	+5.0%	502.4
Shareholders' equity	247.8	238.0	+4.1%	258.0
As a % of total assets	50.2%	50.6%		51.3%
Earnings per share (in CHF)	4.40	6.85	-35.8%	13.56
Headcount as of Sept. 30 / March 31	940	910	+3.3%	917

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Additional information on the interim results for the 2011 fiscal year has been published on our website at www.burckhardtcompression.com/midyearresults