

PRESS RELEASE

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Emerging signs of an upturn

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Pick-up in new orders

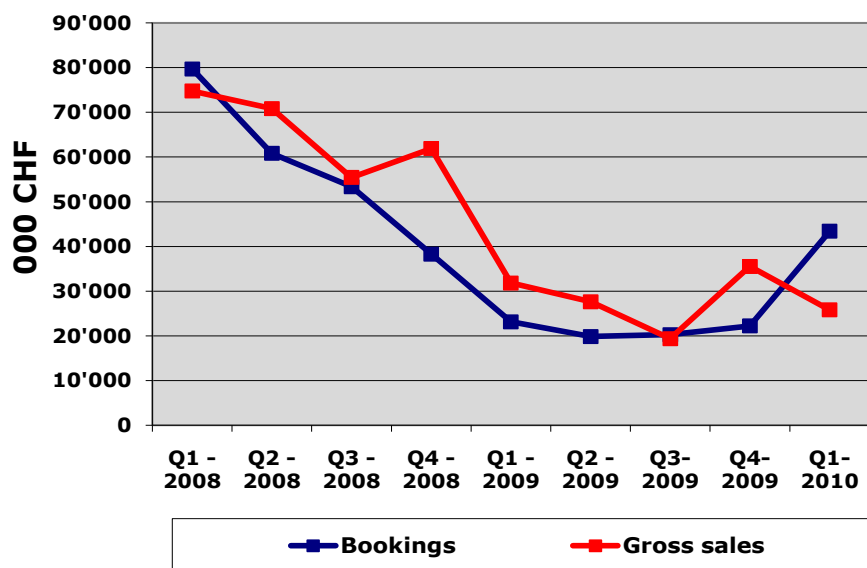
The Tornos Group booked orders totalling CHF 43.4 million in the first quarter of 2010. This represents an increase of 87.5% compared with the CHF 23.2 million recorded during the same period last year. The signs of an upturn are continuing in the United States and Latin Europe. Asia is stable. The upturn has yet to make itself felt in northern and eastern Europe, but companies' production capacities are now at a level that it ought to be possible for them to start investing in machinery again over the next few months. The automotive market has come furthest, and electronics and the medical sector are consolidating, but watchmaking is still very quiet. It seems from this that countries and industrial markets are starting to recover in the order in which they went into recession.

Sales fall, negative results, solid equity base

In view of the usual time lag between orders being received and invoiced, the first-quarter sales figure has hit a low point. At CHF 25.8 million, it is 18.9% down on 2009. The result is a loss of CHF 7.7 million at the end of the first quarter. Net debt increased by CHF 4.1 million during the quarter, totalling CHF 28.6 million on 31 March. Equity of CHF 121.8 million accounts for 64.7% of the balance sheet total of CHF 188.2 million and is testimony to the Group's healthy financial structure.

Outlook

Even if new orders rose substantially during the first quarter, their absolute level remains low and the company is unable to operate without a loss. The pick-up that has been observed is expected to continue, subject to the impact of the euro crisis. A continuing upturn would enable sales to return to an adequate level during the second half of 2010, although this would have only a limited impact on the results for the financial year, which will again be significantly negative. 2011 should, however, see an improvement in the situation. Until then the Group will maintain the crisis management policy it has followed since the beginning of 2008, and measures similar to those taken in 2009 will continue to be deployed in response to developments in the economic situation.



Tornos Group	First quarter	First quarter	Difference	Difference
Unaudited Key Figures (in KCHF unless otherwise stated)	2010	2009		in % / pts
Bookings	43'408	23'154	20'254	87.5%
Gross sales	25'804	31'827	-6'023	-18.9%
EBITDA	-6'190	-5'815	-375	6.4%
<i>in % of Gross sales</i>	<i>-24.0%</i>	<i>-18.3%</i>		<i>-5.7pts</i>
EBIT	-7'208	-7'438	230	-3.1%
<i>in % of Gross sales</i>	<i>-27.9%</i>	<i>-23.4%</i>		<i>-4.6 pts</i>
Net profit / (Net loss)	-7'692	-6'125	-1'567	25.6%
<i>in % of Gross sales</i>	<i>-29.8%</i>	<i>-19.2%</i>		<i>-10.6 pts</i>
Net cash / (Net debt)	-28'631	-3'521	-25'110	713.1%
Equity	121'815	148'043	-26'228	-17.7%
<i>in % of Total balance sheet</i>	<i>64.7%</i>	<i>73.8%</i>		<i>-9.0 pts</i>
Total balance sheet	188'196	200'680	-12'484	-6.2%
Capital expenditures in tangible fixed assets	45	79	-34	-43.0%

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Further information on Tornos can be found at www.tornos.com