

PRESS RELEASE

For immediate distribution

Confirmation of the recovery

Moutier, 16 November 2010

Strong order book

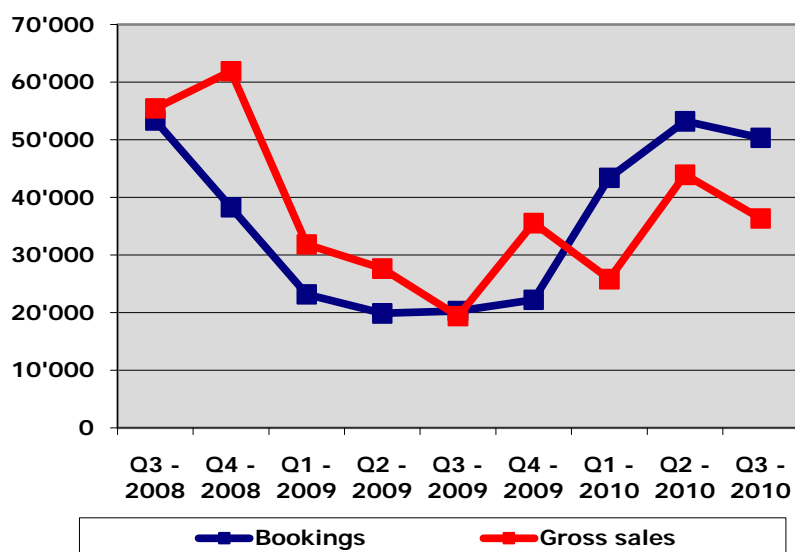
The Tornos Group booked total orders of CHF 50.4 million in the third quarter of 2010, an increase of 148.5% over the same period last year (2009: CHF 20.3 million). Despite the seasonal impact of the summer holiday period which normally depresses commercial activity, orders received in the third quarter were very close to those of the second quarter (CHF 53.2 million), confirming the robustness of the recovery. Cumulative orders for the first nine months of the year therefore stand at CHF 147.0 million, an increase of 132.3% compared to the same period last year (2009: CHF 63.3 million).

Sales rising and a sharp improvement in results

Sales for the third quarter came to CHF 36.3 million, an increase of 87.5% compared to the same period last year. Here again, the 4-week summer holiday closure normally has an adverse seasonal effect on billings. Despite this, third-quarter sales were above the average of the previous two quarters (CHF 34.9 million). After nine months, sales totalled CHF 106.1 million, representing a 34.5% improvement over the comparable period last year (2009: CHF 78.8 million). Usage of the Group's production capacity, which stood at some 30% at the start of the year, has reverted to virtually normal levels during the 3rd quarter, and it is only administrative departments which are still affected by short-time working. However, given the normal time-lag between the receipt of an order, production and invoicing, sales are still at a relatively low level and did not enable the company to return to profit in the three months under review. Third-quarter EBIT was CHF -0.7 million (2009: CHF -6.4 million) with a figure for the first nine months of CHF -13.6 million (2009: CHF -23.0 million). The net loss for the current year stands at CHF 17.4 million (2009: loss of CHF 21.7 million). The Group's net debt increased by CHF 3.8 million in the first nine months, reaching CHF 28.3 million by 30 September 2010 (31 December 2009: CHF 24.6 million). On that date, Group equity of CHF 112.1 million accounted for 59.4% of the balance sheet total of CHF 188.7 million.

Outlook

The fall in sales and new orders between the second and third quarters is a seasonal effect of the summer holiday period and does not reflect a decline in market activity. An order flow in excess of CHF 60 million is expected in the fourth quarter. The 2010 sales figure should be in excess of CHF 150 million, with a sharply negative result in view of the very limited influence of the economic recovery on billings in the current financial year. The 2011 financial year should see a return to a normal level of activity and significant profitability.



Tornos Group	First quarter 2010	First quarter 2009	Second quarter 2010	Second quarter 2009	Third quarter 2010	Third quarter 2009	9 months 2010	9 months 2009	Difference	Difference
Unaudited Key Figures (in KCHF unless otherwise stated)										% / pts
Bookings	43'408	23'154	53'207	19'850	50'350	20'265	146'965	63'269	83'696	132.3%
Gross sales	25'804	31'827	43'921	27'635	36'326	19'375	106'051	78'837	27'214	34.5%
EBITDA	-6'190	-5'815	-4'744	-8'250	193	-5'260	-10'741	-19'325	8'584	-44.4%
<i>in % of Gross sales</i>	-24.0%	-18.3%	-10.8%	-29.9%	0.5%	-27.1%	-10.1%	-24.5%		+14.4 pts
EBIT	-7'208	-7'438	-5'722	-9'131	-700	-6'405	-13'630	-22'974	9'344	-40.7%
<i>in % of Gross sales</i>	-27.9%	-23.4%	-13.0%	-33.0%	-1.9%	-33.1%	-12.9%	-29.1%		+16.3 pts
Net profit / (Net loss)	-7'692	-6'125	-6'545	-9'350	-3'131	-6'272	-17'368	-21'747	4'379	-20.1%
<i>in % of Gross sales</i>	-29.8%	-19.2%	-14.9%	-33.8%	-8.6%	-32.4%	-16.4%	-27.6%		+11.2 pts
Net cash / (Net debt)	-28'631	-3'521	-22'278	-16'193	-28'334	-20'910	-28'334	-20'910	-7'424	35.5%
Equity	121'815	148'043	116'448	139'359	112'064	132'726	112'064	132'726	-20'662	-15.6%
<i>in % of Total Balance sheet</i>	64.7%	73.8%	60.0%	72.3%	59.4%	68.4%	59.4%	68.4%		-9.1 pts
Total Balance sheet	188'196	200'680	194'064	192'805	188'676	193'906	188'676	193'906	-5'230	-2.7%
Capital expenditures in tangible fixed assets	45	79	345	190	0	136	390	405	-15	-3.7%

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