

PRESS RELEASE

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Year gets off to a successful start

Moutier, 10 May 2011

Very satisfactory new order intake

The Tornos Group's order intake in the first quarter of 2011 totalled CHF 78.4 million, an 80.6% increase on the same period last year (CHF 43.4 million). All markets were bullish, and Tornos benefitted from customers' investments in both new equipment and increased capacity. Business activity was particularly dynamic in the Swiss watchmaking industry, the medical segment and the automotive subcontracting sector in southern Europe. All geographical regions contributed to the healthy growth in new orders, but Tornos' traditionally strong markets of Switzerland and southern Europe considerably surpassed expectations.

Return to the profit zone

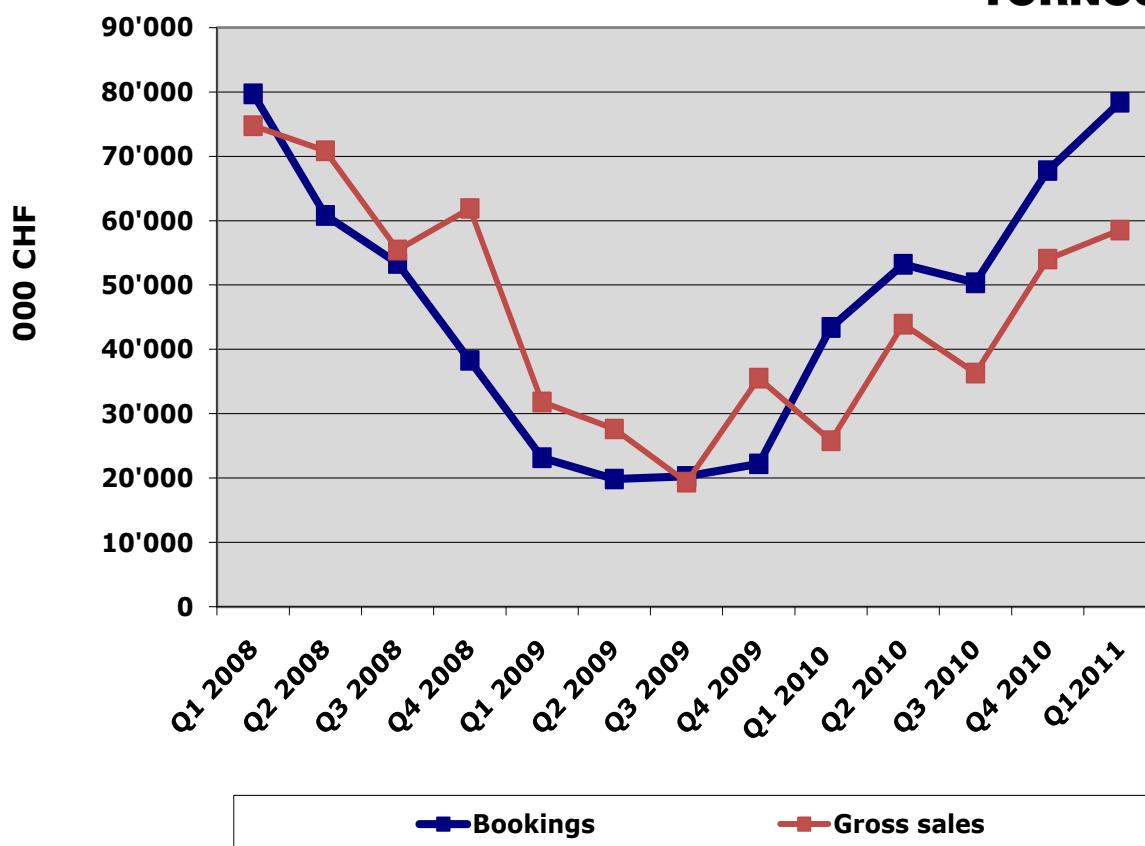
The unavoidable time lag between orders being received and their appearance in Tornos' sales figures combined with a January weakened by the year-end holidays to produce a first-quarter sales figure that was noticeably lower than the figure for new orders. However, gross quarterly sales are in line with forecasts at CHF 58.6 million and are 126.9% up on the same period in 2010 (CHF 25.8 million). This yields an operating result (EBIT) of CHF 3.0 million – as opposed to a loss of CHF 7.2 million in the first quarter of 2010 – and an EBIT margin of 5.1%. Tornos generated a net profit of CHF 1.5 million in the first quarter of 2011, in contrast to a loss of CHF 7.7 million during the same period of 2010. This strong growth, added to the moderate increase in net working capital that it produced, pushed net debt up by CHF 1.7 million in the first quarter to CHF 40.4 million. The Group's balance sheet remains healthy, with equity of CHF 113.0 million accounting for 52.1% of the balance sheet total of CHF 217.1 million.

Positive outlook for 2011 confirmed

On the back of its good first-quarter order intake, Tornos' sales will rise in the second quarter of 2011. Provided that the economic environment remains stable throughout the year and there are no significant changes in exchange rates, we can confirm the positive outlook for 2011 and expect gross sales in the order of CHF 250 to 300 million and an EBIT margin of between 5 and 8%. However, the challenge will be to obtain parts and subassembly deliveries from our suppliers within the agreed deadlines so that we can assemble and supply machines in line with the production schedule.



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Tornos Group Unaudited Key Figures (in KCHF unless otherwise stated)	First quarter 2011	First quarter 2010	Difference	Difference % / pts
Bookings	78'403	43'408	34'995	80.6%
Gross sales	58'550	25'804	32'746	126.9%
EBITDA	4'116	-6'190	10'306	-166.5%
<i>in % of Gross sales</i>	<i>7.0%</i>	<i>-24.0%</i>		<i>+31.0 pts</i>
EBIT	3'007	-7'208	10'215	-141.7%
<i>in % of Gross sales</i>	<i>5.1%</i>	<i>-27.9%</i>		<i>+33.1 pts</i>
Net profit / (Net loss)	1'548	-7'692	9'240	-120.1%
<i>in % of Gross sales</i>	<i>2.6%</i>	<i>-29.8%</i>		<i>+32.5 pts</i>
Net cash / (Net debt)	-40'383	-28'631	-11'752	41.0%
Equity	113'032	121'815	-8'783	-7.2%
<i>in % of Total balance sheet</i>	<i>52.1%</i>	<i>64.7%</i>		<i>-12.7 pts</i>
Total balance sheet	217'137	188'196	28'941	15.4 %
Capital expenditures in tangible fixed assets	513	45	468	1040.0 %

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