

PRESS RELEASE

For immediate distribution

Pleasing results in a very challenging economic environment

Moutier, 15 November 2011

Strong order book

In the third quarter of 2011, the Tornos Group received orders worth CHF 59.2 m, an increase of 17.7% year-on-year (2010: CHF 50.4 million). Owing to the usual seasonal impact of the summer holiday period, the level of new orders received in the third quarter was lower than that in the two preceding quarters. EMO, the most important machine-tool trade fair in our industry, was held in September in Hanover. The new products we presented there met with great interest from customers and numerous orders were placed during the fair. This was particularly the case for our new revolutionary MultiSwiss multispindle lathe which made its world debut at EMO.

In the first nine months of 2011, the cumulative order intake was CHF 216.4 million, up 47.2% on the same period last year (2010: CHF 147.0 million).

Strong growth in sales and substantial improvement in results

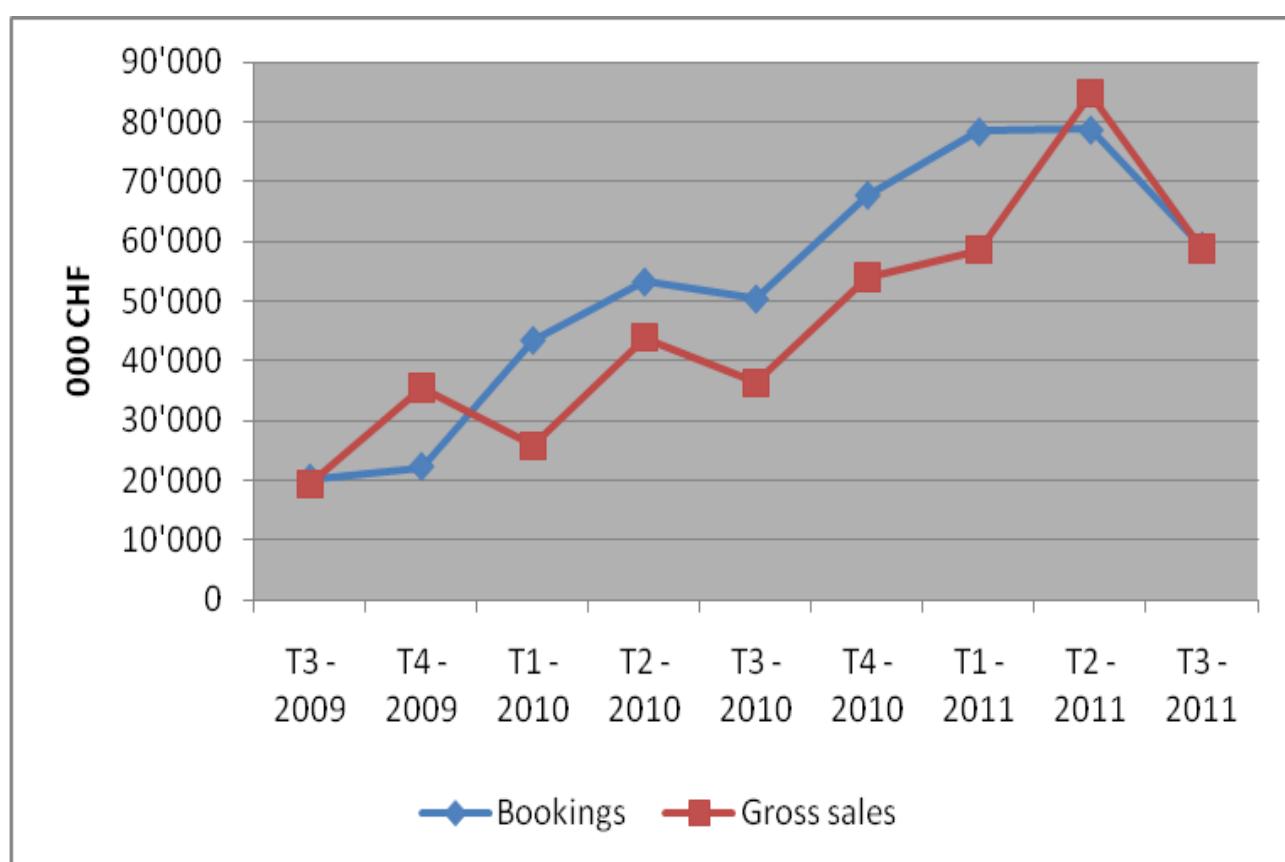
Gross sales in the third quarter were in line with expectations, rising to CHF 58.7 million, which is a 61.6% increase over the year-back period (2010: CHF 36.3 million). As was the case for new orders, the summer holiday period had an impact here too, leading to lower gross sales in the third quarter than in the second quarter. In the first nine months of 2011, gross sales totalled CHF 202.0 million, a substantial improvement of 90.5% over the same period last year (2010: 106.1 million).

The strength of the Swiss franc compared to the euro and the US dollar negatively affected the third-quarter results. Measures taken to deal with the challenge posed by exchange rate fluctuations had only a slight influence on the third quarter, as their effects will take hold progressively. Nevertheless, earnings before interest and taxes (EBIT) improved substantially year on year. Looking at the third quarter in isolation, EBIT stood at -CHF 0.7 million in 2010 compared to +CHF 1.2 million in 2011. For the first three quarters, the improvement was even more impressive: In contrast to EBIT of -CHF 13.6 million for the first three quarters of 2010, a positive result of CHF 12.1 million was achieved in the same period of 2011. This corresponds to an EBIT margin of 6.0%, which is fully in line with expectations. In the first nine months of the current financial year, the Group's net profit totalled CHF 6.7 million, after a net loss of CHF 17.4 million in the same period of 2010. This equates to an improvement year on year of CHF 24.1 million.

The Group's net debt stood at CHF 26.3 million on 30 September, 2011 (31.12.2010: CHF 38.7 million). It fell by CHF 12.4 million during the first nine months of 2011. Operating cash flow in the same period was CHF 13.7 million. Group equity of CHF 121.8 million at 30 September 2011 represented 54.6% of the balance sheet total of CHF 223.1 million.

Outlook

The current economic climate is characterised by numerous uncertainties. Customer sentiment worldwide is mixed, and visibility surrounding the future business trend has deteriorated substantially. Based on the double hypothesis of the economy not significantly deteriorating further and of exchange rates remaining at their current levels, the Group anticipates gross sales in the region of CHF 260-270 million for the 2011 financial year as a whole, with an EBIT margin of around 6%. To safeguard the Group's profitability, cost-saving measures will continue to be implemented, and the Group will further reduce its exposure to exchange rate fluctuations.



Tornos Group	First quarter 2011	First quarter 2010	Second quarter 2011	Second quarter 2010	Third quarter 2011	Third quarter 2010	9 months 2011	9 months 2010	Difference	Difference
Unaudited Key Figures (in KCHF, unless otherwise stated)										% / bps
Bookings	78'403	43'408	78'719	53'207	59'243	50'350	216'365	146'965	69'400	47.2%
Gross sales	58'550	25'804	84'729	43'921	58'712	36'326	201'991	106'051	95'940	90.5%
EBITDA	4'116	-6'190	9'001	-4'744	2'224	193	15'341	-10'741	26'082	-242.8%
<i>In % of Gross sales</i>	7.0%	-24.0%	10.6%	-10.8%	3.8%	0.5%	7.6%	-10.1%		+17.7 pts
EBIT	3'007	-7'208	7'942	-5'722	1'169	-700	12'118	-13'630	25'748	-188.9%
<i>In % of Gross sales</i>	5.1%	-27.9%	9.4%	-13.0%	2.0%	-1.9%	6.0%	-12.9%		+18.9 pts
Net profit / (loss)	1'548	-7'692	3'852	-6'545	1'300	-3'131	6'700	-17'368	24'068	-138.6%
<i>In % of Gross sales</i>	2.6%	-29.8%	4.5%	-14.9%	2.2%	-8.6%	3.3%	-16.4%		+19.7 pts
Net cash / (net debt)	-40'383	-28'631	-34'346	-22'278	-26'253	-28'334	-26'253	-28'334	2'081	-7.3%
Equity	113'032	121'815	120'321	116'448	121'756	112'064	121'756	112'064	9'692	8.6%
<i>In % of Total Balance sheet</i>	52.1%	64.7%	54.1%	60.0%	54.6%	59.4%	54.6%	59.4%		-4.8 pts
Total Balance sheet	217'137	188'196	222'571	194'064	223'107	188'676	223'107	188'676	34'431	18.2%
Capital expenditures	513	45	559	345	408	0	1'480	390	1'090	279.5%

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

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