

MEDIA RELEASE

For immediate distribution

Tornos makes solid start to year

Moutier, May 6, 2014 – The first quarter of 2014 shows signs of a recovery. Both new orders and sales are rising substantially and have permitted a result that is close to breakeven point.

At CHF 50.3 million (2013: CHF 43.8 million), order intake for the first quarter of 2014 is 14.9% above the year-back period, making this the best quarterly result for two years and an essential foundation for the Group's economic recuperation. Compared with the fourth quarter of 2013, orders have risen by 39.1%.

Pick-up in Asia, consolidation in southern Europe

The positive trend of recent months as regards the high level of acceptance for the latest product generation has continued. The greatest interest is coming from projects for the automotive supply industry, many of which involve multispindle products, as well as high-end products for the medical technology industry. Compared to the same period last year, there is a discernible and encouraging increase in demand from Asia, although figures for the United States fall short of expectations by a significant margin. In Europe, which accounts for around three quarters of new orders, Switzerland and Germany are the dominant markets, backed up by southern Europe, where there are signs that demand is starting to pick up again.

Marked increase in order intake causes temporary challenge

Net sales for the first quarter of 2014 total CHF 43.2 million, 27.6% above the year-back figure of CHF 33.9 million. This has brought the operating result (EBIT) close to breakeven point at CHF -0.3 million (2013: CHF -7.3 million). While this figure includes a positive contribution of CHF 0.5 million from the sale of surplus equipment, it has also been negatively impacted by the sale of expiring, low-margin products.

The gratifying rise in demand for multispindle products has confronted the Group with the temporary challenge of increasing its production volume so as to improve its delivery capabilities for the exacting projects that customers have entrusted to it.

First quarter 2014

Tornos Group	First quarter 2014	First quarter 2013	Difference	Difference % / pts
Unaudited Key Figures (in KCHF unless otherwise stated)				
Order intake	50'334	43'811	6'523	14.9%
Net sales	43'213	33'861	9'352	27.6%
EBITDA	554	-6'211	6'765	n/a
<i>in % of Net sales</i>	<i>1.3%</i>	<i>-18.3%</i>		<i>n/a</i>
EBIT	-342	-7'272	6'930	n/a
<i>in % of Net sales</i>	<i>-0.8%</i>	<i>-21.5%</i>		<i>n/a</i>
Net profit / (Net loss)	-359	-7'032	6'673	n/a
<i>in % of Net sales</i>	<i>-0.8%</i>	<i>-20.8%</i>		<i>n/a</i>
Net cash / (Net debt)	-1'900	-24'044	22'144	n/a
Equity	71'986	71'524	462	0.6%
<i>in % of Total balance sheet</i>	<i>51.2%</i>	<i>38.8%</i>		<i>12.4 pts</i>
Total balance sheet	140'584	184'274	-43'690	-23.7%
Capital expenditures in tangible fixed assets	91	163	-72	-44.2%

The French version of this media release is definitive.

Next publication date

August 12, 2014: Half-year report 2014

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

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Company profile

Tornos Group is one of the global leaders for the development, production and distribution of Swiss-type automatic lathes and multi-spindle machines. The company's history dates back to 1880 and marked the beginning of Swiss-type lathe technology. Tornos primarily manufactures CNC Swiss-type (sliding headstock) turning machines, multi-spindle machines with numerical or cam control, and machining centers for complex parts requiring high precision (Almac). Tornos is headquartered in Switzerland. Through a global sales and service network, unique solutions are supplied to customers in dedicated market segments such as Automotive, Medical and dental technology, Micromechanics, and Electronics. With its approximately 570 employees (in FTE), Tornos Group generated sales of CHF 155.3 million in 2013.