

MEDIA RELEASE

Moutier, May 5, 2015

Tornos increases order intake once again; exchange rate depresses quarterly figures

- **New orders again exceed the strong prior-year quarter**
- **Currency-adjusted sales also up year-on-year**
- **Efficiency programme being implemented – impact will be greater from second half of the year onwards**
- **New Global Supply Chain Management business area and redistribution of responsibilities**

For the Tornos Group, the first quarter of 2015 was marked by the SNB's decision to remove the currency floor with the euro in mid-January. Tornos promptly introduced an efficiency programme with a targeted raft of measures. This will have a greater impact from the second half of the year onwards.

Stable order intake in Europe and the BRIC countries, significant revival in America

In the quarter under review, new orders came to CHF 51.3 million (2014: CHF 50.3 million), up another 1.9% on the strong figure for the same quarter of the previous year. The prior-year level was maintained in Europe and the BRIC countries. As intended, the adjustments to the distribution structure that were implemented in the United States in 2014 are starting to take effect. A new product launched in the fourth quarter supported this trend, which was reflected in a significant increase in customer orders. Worldwide demand from the different market segments confirms the trend towards a balanced product mix of high-end and standard products of the type that Tornos has been offering for several quarters now.

Sales slightly below the prior-year figure, but showing an increase after currency adjustment

Net sales totalled CHF 41.3 million in the first quarter of 2015 (previous year: CHF 43.2 million). In local currencies, however, this decline nevertheless converts to an increase of 2.1%. The negative effect of lower net sales and the altered exchange rate situation hit EBIT, which fell to CHF –1.0 million (previous year: CHF +0.3 million).

It was not possible to complete and invoice a number of demanding customer projects as expected in the first quarter, and this had an additional negative impact on the results, along with inventories that were acquired at the previous exchange rate and still need to be run down.

Considerable importance is still being placed on the implementation of the efficiency measures.

Global Supply Chain Management is a new area of General Management responsibility; CFO post refilled

Further enhancing flexibility and ensuring the operational excellence of the Tornos Group are two of the key priorities being addressed by strategy implementation. A higher level of outsourcing than before and a consistent policy of transferring the supply chain to the euro and Asian currency zones are of great importance. They form the basis of the targeted improvement in cost structures from 2016 onwards.

In order to vigorously pursue these strategic goals, a new business area, Global Supply Chain Management, is being created at General Management level. It will be headed by former CFO Luc Widmer. Since joining Tornos in August 2012, he has contributed significantly to ensuring that Tornos Group is solidly financed today. Key financial management figures improved considerably under his oversight. Furthermore, he oversaw the internationalization of the Group in terms of its production sites. With his extensive knowledge of procurement processes, Luc Widmer is ideally qualified to take on this vital role in the Tornos Group.

The vacancy that arises as a result of this structural development was immediately filled. The Board of Directors of the Tornos Group has appointed Bruno Edelmann as CFO and as a new member of General Management, effective May 6, 2015. Bruno Edelmann has extensive management experience in finance and controlling in international industry and has been Head of Group Finance & Controlling and Deputy CFO of Feintool for seven years. He previously had senior controlling roles at Saia-Burgess and Feldschlösschen, after spending nine years as an auditor at Ernst & Young in the rank of vice-president. Bruno Edelmann, born in 1966, is a Swiss citizen and a Swiss certified accountant.

General Management thus consists of Michael Hauser, CEO (since 2011); Bruno Edelmann, CFO (new); Luc Widmer, Head of Global Supply Chain Management (new; previously CFO since 2012); and Bruno Allemann, Head of Sales & Marketing (since 2013).

Outlook

Tornos Group confirms its goal for 2015 to achieve an improved result compared to 2014.

First quarter 2015

Tornos Group	First quarter 2015	First quarter 2014**	Difference	Difference % / pts
Unaudited Key Figures (in KCHF unless otherwise stated)				
Order intake	51'302	50'334	968	1.9%
Net sales	41'254	43'213	-1'959	-4.5%
EBITDA	-346	950	-1'296	n/a
<i>in % of Net sales</i>	<i>-0.8%</i>	<i>2.2%</i>		<i>n/a</i>
EBIT	-998	254	-1'252	n/a
<i>in % of Net sales</i>	<i>-2.4%</i>	<i>0.6%</i>		<i>n/a</i>
Net result*	-1'907	262	-2'169	n/a
<i>in % of Net sales</i>	<i>-4.6%</i>	<i>0.6%</i>		<i>n/a</i>
Net cash / (Net debt)	7'949	-1'900	9'849	n/a
Equity*	82'120	81'133	987	1.2%
<i>in % of Total balance sheet</i>	<i>60.9%</i>	<i>58.7%</i>		<i>2.2 pts</i>
Total balance sheet	134'945	138'257	-3'312	-2.4%
Capital expenditures in tangible fixed assets	258	91	167	183.5%

*Attributable to owners of the parent

**Restated to Swiss GAAP FER

The French version of this media release prevails.

Next publication dates

August 11, 2015 Half-year report 2015
November 3, 2015 Nine months result 2015

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 630 employees (in FTE), Tornos Group generated sales of CHF 175.8 million in 2014.