

Closing of the restructuring relating to the capital markets

Moutier, 20th September 2002

As a part of the restructuring relating to the capital markets, Tornos Holding AG („Tornos“) has completed an ordinary capital increase with a rights offering to all existing shareholders (tranche B). During the subscription period, a total of 2'985'000 new registered shares have been subscribed, respectively taken up by the public, Credit Suisse, Doughty Hanson as well as other parties. The total proceeds from tranche A and B amount to approximately CHF 60'000'000. Suppliers and creditors have given up receivables in a total amount of CHF 9'951'075 and additionally subscribed for 1'083'753 new registered shares through a Debt/Equity Swap.

The ordinary capital increase (tranche B) which was resolved at the Annual General Meeting held on 28th June 2002 has been completed with a rights offering running from 9th to 17th September 2002. A total of 2'985'000 out of the 4'600'000 subscription rights have been exercised, respectively assigned and subsequently taken up. Thus, the share capital has been increased by 2'985'000 registered shares with a nominal value of CHF 5 each. The total proceeds from tranche A and B amount to approximately CHF 60'000'000.

Further restructuring measures included receivables in a total amount of CHF 9'951'075 given up by the suppliers and creditors of Tornos S.A. and additionally subscriptions for 1'083'753 new registered shares with a nominal value of CHF 5 each for a total amount of CHF 10'837'530 within a Debt/Equity Swap.

Furthermore, all 7'015'002 bearer shares issued in tranche A with a nominal value of CHF 5 each have been changed into registered 7'015'002 shares with a nominal value of CHF 5, 6'765'002 of which being submitted to a lock up until 31st January 2003.

After closing of the restructuring relating to the capital markets, the share capital of Tornos Holding AG amounts to 13'383'755 registered shares with a nominal value of CHF 5 each.

For complementary information:
Pierre-Claude Jaquier, CEO TORNOS S.A., 111, rue Industrielle, CH-2740 Moutier
Phone. +41 32 494 44 44, Fax +41 32 494 49 03, www.tornos.ch
direction@tornos.ch

THIS PRESS RELEASE IS NOT BEING ISSUED IN THE UNITED STATES OF AMERICA AND SHOULD NOT BE DISTRIBUTED TO UNITED STATES PERSONS OR PUBLICATIONS WITH A GENERAL CIRCULATION IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES. IN ADDITION, THE SECURITIES OF TORNOS HOLDING AG HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS ABSENT FROM REGISTRATION UNDER OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES LAWS.