

## **Good third quarter – on track to meet expectations once again**

Moutier, November 14, 2006

### **Rise in new orders**

In the third quarter of 2006, Tornos Group booked CHF 51.0 million in new orders (2005: CHF 49.2 million). This brings this year's order intake to CHF 193.0 million, up 14.6% on the previous year (CHF 168.4 million).

### **Increase in sales and satisfactory result**

Gross sales for the third quarter came to CHF 60.1 million (2005: CHF 53.4 million), bringing the cumulative total to CHF 175.0 million as at September 30, up 3.6% on the previous year (CHF 168.9 million).

The group's net profit for the first nine months of the year stands at CHF 10.6 million, down 18.6% compared to the same period of last year (CHF 13.0 mn). This decline is in line with expectations and mainly attributable to the weak result for the first quarter of 2006 (CHF 2.1 million), resulting from the economic downturn recorded in the second half of 2005.

As at September 30, 2006, net debt came to CHF 12.1 million, while equity of CHF 111.3 million amounted to 60.3% of the balance sheet total of CHF 184.6 million.

### **Outlook**

The first nine months of the current year were successful, as demonstrated by the 14.6% rise in bookings. Asia, Switzerland and the medical sector were the most dynamic markets, while Germany and the automotive industry contributed less to growth. New orders have slackened off slightly in the past two months. However, it would be premature to say whether this is simply because of the volatile nature of this indicator or one of the earliest signs that the trend is reversing. This makes it difficult to formulate a forecast for 2007. If a slight downturn transpires, this could result in a certain decline in activity at the beginning of next year, but would have little impact on the financial results for the fourth quarter of 2006. The guidance issued previously therefore remains unaltered, with gross sales predicted to be within the range CHF 240 to 250 million and an EBIT margin of 6 to 7%.

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<b>Tornos Group</b>	1 quarter	1 quarter	2 quarter	2 quarter	3 quarter	3 quarter	9 months	9 months	Change	Change
<b>Unaudited Key Figures</b>	2006	2005	2006	2005	2006	2005	2006	2005		% / bps
(in KCHF unless otherwise stated)										
Bookings	65'089	58'483	76'942	60'642	50'957	49'243	192'988	168'368	24'620	14.6%
Gross sales	52'397	60'595	62'473	54'839	60'121	53'427	174'991	168'861	6'130	3.6%
EBITDA	4'412	6'763	7'111	6'492	6'285	6'871	17'808	20'126	-2'318	-11.5%
<i>Gross sales %</i>	8.4%	11.2%	11.4%	11.8%	10.5%	12.9%	10.2%	11.9%		-1.7bps
EBIT	2'085	4'623	4'803	4'311	4'044	4'603	10'932	13'537	-2'605	-19.2%
<i>Gross sales %</i>	4.0%	7.6%	7.7%	7.9%	6.7%	8.6%	6.2%	8.0%		-1.8bps
Net profit	2'060	4'349	4'311	4'289	4'181	4'324	10'552	12'962	-2'410	-18.6%
<i>Gross sales %</i>	3.9%	7.2%	6.9%	7.8%	7.0%	8.1%	6.0%	7.7%		-1.7bps
Net debt	10'568	19'912	13'146	20'718	12'102	15'105	12'102	15'105	-3'003	-19.9%
Equity	102'121	88'990	106'197	94'369	111'260	99'041	111'260	99'041	12'219	12.3%
<i>Total Balance sheet %</i>	58.8%	50.2%	60.0%	56.1%	60.3%	59.6%	60.3%	59.6%		0.7bps
Total Balance sheet	173'774	177'315	177'062	168'227	184'619	166'114	184'619	166'114	18'505	11.1%
Capital expenditures	240	468	733	944	1'350	1'244	2'323	2'656	-333	-12.5%