

# PRESS RELEASE

For immediate publication

## **Tornos 2006 : Net profit up 34.4%**

Moutier, 13<sup>th</sup> March 2007

### **Growth in sales and profitability**

The Tornos Group aimed to grow sales by around 10% in 2006, with a stable or slightly increased operating margin. These targets have been exceeded. In the year under review, gross sales advanced to CHF 250.5 million, representing an increase of 12.5% on the previous financial year, and the EBIT margin was 7.0%, compared with 6.4% in 2005. The year closed with net profit of CHF 17.2 million, up 34.4% on the previous year's figure, and with shareholders' equity totalling CHF 118.5 million, equivalent to 61.4% of the balance sheet total of CHF 193.0 million.

### **Focus on new product development**

One of the cornerstones of the Group's strategy is to offer its clients innovative products. This is why, since 2004, research and development activities have been given priority. The first results of this policy were seen in 2005 with several new product launches, including a new line of single-spindle products known as "Sigma". The success of this broadening of the product range has been confirmed by the commercial results reported in 2006. We also designed several new machines for both our Sigma line and our traditional Deco and Multideco ranges. These new products will be presented in 2007 at the European machine tool fair (EMO) to be held in Hanover in September.

### **Strong growth in Asia**

In terms of geographical coverage, our expansion in Asia has continued at a good pace. This region now accounts for nearly 16% of our machine sales, compared with less than 2% only 3 years ago. Very high growth figures were posted in Asia (+ 94%), while business in Europe also developed well (+18%). Only the Americas registered a negative trend, with sales decreasing by 21%.

### **Outlook for 2007**

In terms of order intake, economic activity over the first three quarters of 2006 was excellent, with the pace only slackening towards the end of the year. In view of the clear drop in new orders from the end of the third quarter of 2006 onwards, Tornos expects the first half year of 2007 to be lower than the second in terms of invoicing and, if the overall economic context proves similar to that of 2006, the company expects to post an increase in sales of around 10% in 2007. In this scenario, and under reserve of the highly cyclical and volatile nature of this business, the operating margin should improve within a 7.5% to 8.5% range on a sales volume of between CHF 270 and 280 million.

**Key figures**

Tornos Group	2006	2005	2004	2003	2002
(in CHF million, unless otherwise stated)					
Bookings	257.3	212.5	225.0	170.6	154.1
Gross sales	250.5	222.6	213.0	174.7	180.6
EBITDA	26.5	23.2	19.4	9.7	-85.1
as % of gross sales	10.6	10.4	9.1	5.6	-47.1
EBIT	17.6	14.2	11.0	0.4	-176.3
as % of gross sales	7.0	6.4	5.1	0.2	-97.6
Net profit (loss)	17.2	12.8	6.8	-2.8	-121.4
as % of gross sales	6.9	5.8	3.2	-1.6	-67.2
Net debt	7.4	10.8	28.0	44.9	42.2
Equity	118.5	100.2	83.5	78.4	81.9
As % of total balance sheet	61.4	60.4	48.5	43.7	39.9
Total balance sheet	193.0	165.8	172.3	179.5	205.2
<b>Capital expenditures</b>	3.3	2.9	3.6	1.6	6.5

The annual report of the Tornos Group (available in three languages), as well as the consolidated financial statements (in English only) are available for download at <http://www.tornos.com/invest-reports-e.html>.

**Contact:** Geri Staudenmann or Julia Moreno, Geri Staudenmann Kommunikation, Biel  
Tel. +41 32 345 24 44, Fax +41 32 345 24 48, [info@geristaudenmann.ch](mailto:info@geristaudenmann.ch)