

# PRESS RELEASE

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## Excellent first quarter

Moutier, 15 May 2007

### **Record order intake**

During the first three months of 2007, the Tornos Group reported new orders totalling CHF 77.3 million, the highest quarterly figure in the past six years.

Order intake thus grew by 18.8% compared with the first three months of 2006 (CHF 65.1 million). This positive result comes on the back of a successful final quarter in 2006 (CHF 64.3 million), when business began to pick up steadily again following the dip in the third quarter (CHF 51.0 million).

### **Sales lift, profit grows, net debt successfully eliminated**

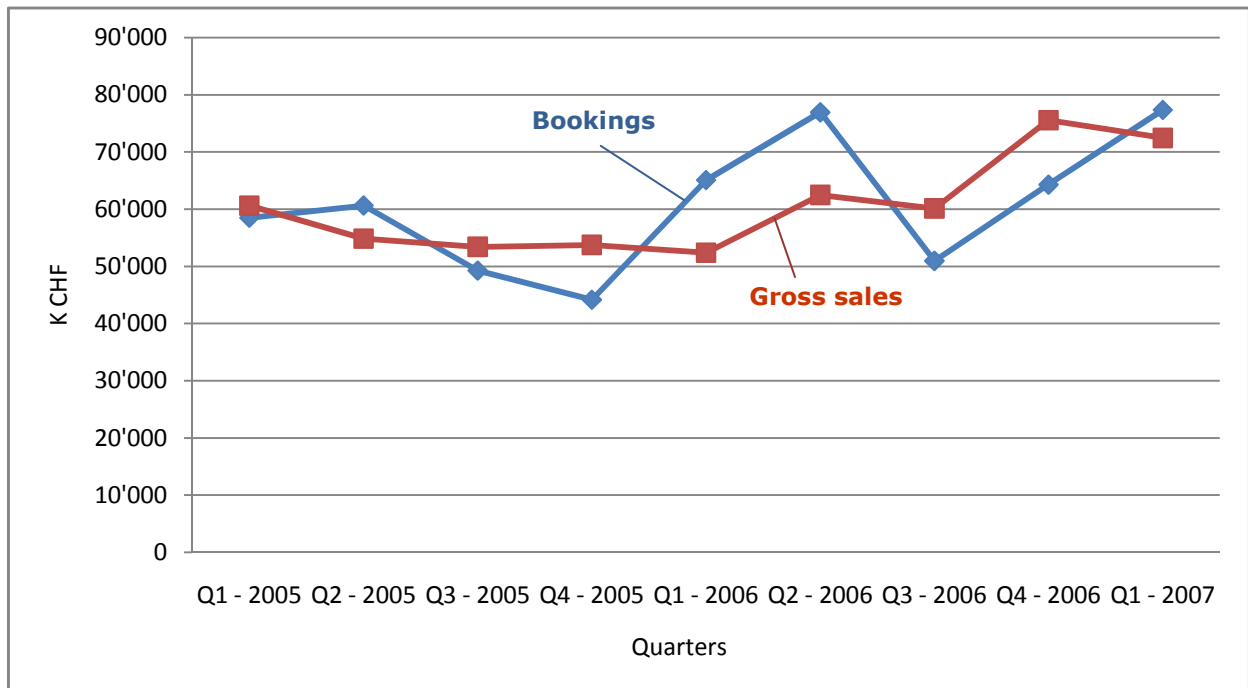
Consolidated gross sales in the first quarter of 2007 reached the CHF 72.4 million mark, 38.2% up on the same period of the previous year (CHF 52.4 million). When considering this strong growth, it should be remembered that business got off to a slow start in 2006. It then picked up steadily during the course of the year before culminating in a record sales figure of CHF 75.5 million in the final quarter, thus creating a favourable starting position in 2007 compared with the year before. The dominant factors in the first three months of the current year have been a healthy level of business activity, a favourable product mix and a strong euro in relation to the Swiss franc. In view of these positive circumstances, net profit for the period is four times higher than the year-back figure, standing at CHF 8.3 million (2006: CHF 2.1 million).

During the first quarter, the Group succeeded in completely eliminating its net debt. As at 31 March 2007, Tornos reported a net cash position of CHF 6.1 million, compared with net debt totalling CHF 7.4 million at the end of December 2006, and an equity of CHF 128.3 million, accounting for 66.2% of the balance sheet total of CHF 193.9 million.

### **Outlook confirmed**

Assuming that the economy remains stable in relation to the past few months, and taking into account the highly cyclical and volatile nature of the business, the Group is confirming its forecast of CHF 270 to 280 million in sales with an EBIT margin in the range of 7.5 to 8.5%.

| <b>Tornos Group</b>                      | First quarter | First quarter | Change | Change  |
|--|---------------|---------------|--------|---------|
| <b>Unaudited Key Figures</b>             | 2007          | 2006          |        | % / bps |
| <i>(in KCHF unless otherwise stated)</i> |               |               |        |         |
| Bookings                                 | 77'349        | 65'089        | 12'260 | 18.8%   |
| Gross sales                              | 72'424        | 52'397        | 20'027 | 38.2%   |
| EBITDA                                   | 10'251        | 4'412         | 5'839  | 132.3%  |
| <i>Gross sales %</i>                     | 14.2%         | 8.4%          |        | 5.8 bps |
| EBIT                                     | 8'497         | 2'085         | 6'412  | 307.5%  |
| <i>Gross sales %</i>                     | 11.7%         | 4.0%          |        | 7.7 bps |
| Net profit                               | 8'298         | 2'060         | 6'238  | 302.8%  |
| <i>Gross sales %</i>                     | 11.5%         | 3.9%          |        | 7.6 bps |
| Net cash / (net debt)                    | 6'105         | -10'568       | 16'673 | N/A     |
| Equity                                   | 128'272       | 102'121       | 26'151 | 25.6%   |
| <i>Total Balance sheet %</i>             | 66.2%         | 58.8%         |        | 7.4 bps |
| Total Balance sheet                      | 193'903       | 173'774       | 20'129 | 11.6%   |
| Capital expenditures                     | 1'013         | 240           | 773    | 322.1%  |



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