

PRESS RELEASE

For immediate publication

Excellent first six months and earnings revised upwards

Moutier, 14th August 2007

Good economic climate in all markets

Business in the first half of the year took place against the backdrop of an excellent economic climate. The first six months of 2007 saw CHF 152.1 million of new orders, up 7.1% on the same period a year earlier. All geographical markets experienced high levels of activity and all Tornos's key market segments – automotive, medical, electronics and microtechnology – have posted positive growth over the past few months. Worthy of note is the particularly strong growth of the Swiss watch-making market, which has boosted demand for movement parts and casings.

Sales and earnings up strongly

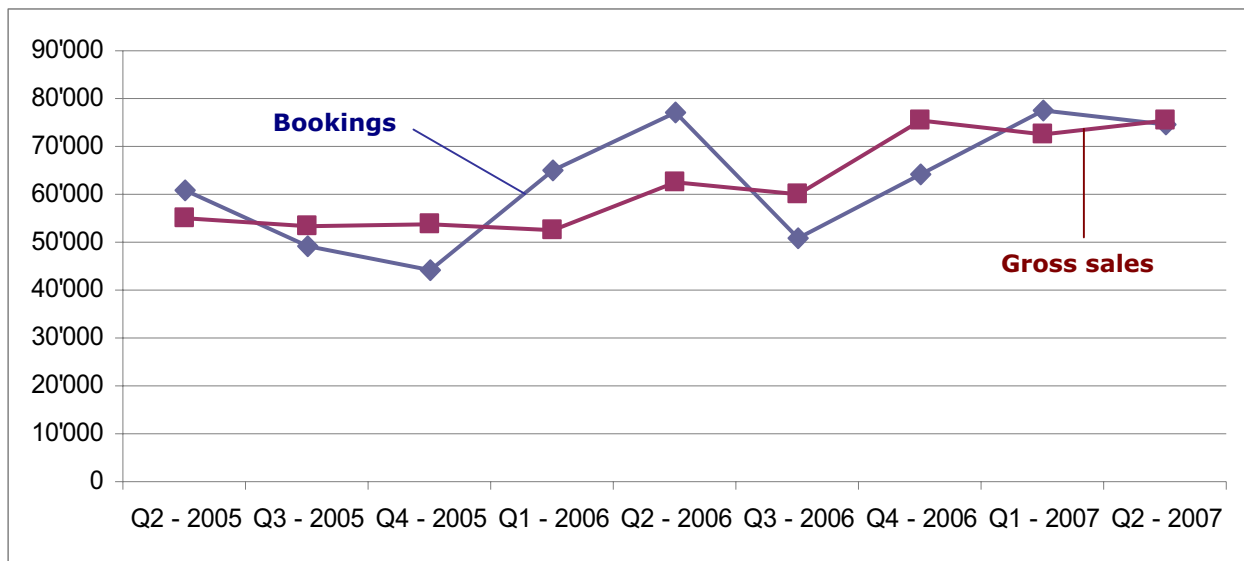
The EBIT margin was 11.3% on gross sales of CHF 148.0 million, a result that exceeded both the objectives for the current financial year (7.5 to 8.5%) and the Group's long-term objective of 10%. This better than expected result was due to the good economic climate of the past few months, a favourable product mix and the depreciation of the Swiss franc against the euro. Net profit stood at CHF 20.0 million as at 30 June 2007, including a tax credit of CHF 2.8 million from the capitalization in the balance sheet of deferred tax credits. Equity of CHF 145.8 million accounts for 69.7% of the balance sheet total of CHF 209.2 million and includes CHF 7.1 million for the issue in 2007 of 1,100,535 shares. The Group cleared its debt in the first quarter, and the net cash position was CHF 13.6 million as at 30 June 2007, compared with net debt of CHF 7.4 million as at 31 December 2006.

Outlook for 2007

Assuming the economic climate remains stable compared with the last few months and taking into account the highly cyclical and volatile nature of its business, the Group reiterates its forecast of sales between CHF 270 and 280 million in 2007 and predicts a higher EBIT margin in the range of 9 to 10%.

The report for the first half of 2007 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>.

Tornos Group Unaudited Key Figures <small>(in KCHF unless otherwise stated)</small>	First quarter 2007	First quarter 2006	Second quarter 2007	Second quarter 2006	First half 2007	First half 2006	Change	Change % / bps
Bookings	77'349	65'089	74'705	76'942	152'054	142'031	10'023	7.1%
Gross sales	72'424	52'397	75'597	62'473	148'021	114'870	33'151	28.9%
EBITDA	10'251	4'412	9'817	7'111	20'068	11'523	8'545	74.2%
<i>Gross sales %</i>	<i>14.2%</i>	<i>8.4%</i>	<i>13.0%</i>	<i>11.4%</i>	<i>13.6%</i>	<i>10.0%</i>		<i>3.6 bps</i>
EBIT	8'497	2'085	8'158	4'803	16'655	6'888	9'767	141.8%
<i>Gross sales %</i>	<i>11.7%</i>	<i>4.0%</i>	<i>10.8%</i>	<i>7.7%</i>	<i>11.3%</i>	<i>6.0%</i>		<i>5.3 bps</i>
Net profit	8'298	2'060	11'657	4'311	19'955	6'371	13'584	213.2%
<i>Gross sales %</i>	<i>11.5%</i>	<i>3.9%</i>	<i>15.4%</i>	<i>6.9%</i>	<i>13.5%</i>	<i>5.5%</i>		<i>8.0 bps</i>
Net cash / (net debt)	6'105	-10'568	13'618	-13'146	13'618	-13'146	26'764	N/A
Equity	128'272	102'121	145'778	106'197	145'778	106'197	39'581	37.3%
<i>Total balance sheet %</i>	<i>66.2%</i>	<i>58.8%</i>	<i>69.7%</i>	<i>60.0%</i>	<i>69.7%</i>	<i>60.0%</i>		<i>9.7 bps</i>
Total balance sheet	193'903	173'774	209'230	177'062	209'230	177'062	32'168	18.2%
Capital expenditures	1'013	240	2'886	733	3'899	973	2'926	300.7%



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