

**TORNOS**

For immediate publication

PRESS RELEASE

Tornos unveils its 2007-2012 strategic plan

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Tornos 2012: sales of CHF 400 million and an EBIT margin of 10%

For several years, Tornos has reiterated its aim of achieving turnover of CHF 300 million and an EBIT margin of 10% by the 2008 financial year. A press conference will be held today in Zurich at which the company will give details of its strategic plan for the period 2007 to 2012. The CHF 300 million target for 2008 with a 10% EBIT margin is confirmed in the new plan, but a higher sales target of CHF 400 million has now been set for 2012, to be achieved through annual organic growth of 8%. From 2008 onwards, the annual target for the EBIT margin is set at a constant 10%.

Continuation of the strategy of organic growth in the core business

Essentially, the company is maintaining the strategy it has followed since 2003. The target for sales growth is based on continuing the enlargement of the company's product offering which began in 2005 with the launch of the Sigma range, and on increasing its market share in the USA and Asia. The group will also consider launching a new Delta range, competing in the lower-priced machinery segment, with the potential to contribute a further CHF 30 million of turnover over time. However, this is still only at the project stage and no decision will be taken before 2008. It has therefore not been included in the plan presented.

Substantial equity, no net debt and capital distributions to shareholders

The group's financial policy is also based on continuity. It involves preserving substantial equity and avoiding any structural net debt. An initial distribution to shareholders will be proposed at the Ordinary General Meeting in April 2008. In parallel, a cash reserve equal to between 10 and 15% of annual sales will be accumulated over time and, once this objective has been reached, surplus liquidity will be distributed to shareholders by way of a reduction in the face value of shares and a stock buyback program still to be defined in detail. Although Tornos does not rule out the possibility of an acquisition if the opportunity arises, it is not the group's financial policy to create a liquidity reserve for that eventuality. Any plan to make an acquisition with a significant financial impact would be referred to the shareholders who would then decide on the proposal and how it would be financed.

Changes at Board level but no alteration in the overall organization

At the Ordinary General Meeting of Shareholders in April 2008, Claude Elsen, Vice-Chairman and Hans-Otto Stenzel, a member of the Board, will not be standing for re-election. No changes are planned at general management level and the group's current organization will be unaltered.

2007 Outlook

Assuming the economic situation of recent months remains unchanged, and with the inevitable reservations owing to the highly cyclical, fluctuating nature of its business, the group is confirming its 2007 forecast of sales between CHF 270 and 280 million, with an EBIT margin in the 9% to 10% range. With non-recurring income of more than CHF 6 million from the capitalization of tax credits resulting from tax losses available for carry forward and the disposal of fixed assets, the group's net earnings should exceed CHF 30 million.

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