

PRESS RELEASE

For immediate distribution

Satisfactory results in fragile economic conditions

Moutier, 20 May 2008

Acquisitions

With effect from 1 January 2008, Tornos Holding SA acquired Almac SA and Almatronic SA. These two companies are referred to jointly as "Almac" and have been consolidated in the 2008 figures published below.

Order flow adversely affected by the uncertain economic climate

In the first three months of 2008, the Tornos Group booked orders totalling CHF 79.7 million. Compared to the first three months of 2007 (CHF 77.3 m) this figure represented growth of 3%. Without the contribution of Almac (CHF 10.0 m) orders booked would have been CHF 69.7 m, a fall of 9.9% compared to the same period in the previous financial year. This result reflects the uncertain economic climate, triggered by the international financial crisis which is becoming protracted and threatening to spill over – at least psychologically – into the industrial sector.

Sales and earnings slightly lower but in line with plan

Gross consolidated turnover for the first quarter of 2008 was CHF 74.8 m, an improvement of 3.2% over the same period last year (CHF 72.4 m). Excluding Almac (CHF 6.1 m), turnover would have been CHF 68.7 m, a fall of 5.2% compared to last year. The slight dip in sales and the strength of the Swiss franc against both the euro and US dollar had the effect of squeezing profitability. EBIT was 33.0% lower at CHF 5.7 m (2007: CHF 8.5 m) with the EBIT margin at 7.6% compared to 11.7% for the corresponding period in 2007. Net earnings were CHF 3.2 m (2007: CHF 8.3 m), a fall of 61.0%, influenced both by the decline in the operating result and foreign exchange losses caused by unfavourable trends in exchange rates. In drawing a comparison with the previous year, it should not be overlooked that the first quarter of 2007 was particularly buoyant in terms of orders, turnover and profitability. This has left the current year with a challenging base effect. In relation to the 2008 plan, which is based on sales of CHF 320 m and an EBIT margin of 10%, the first three months of the year were in line with targets.

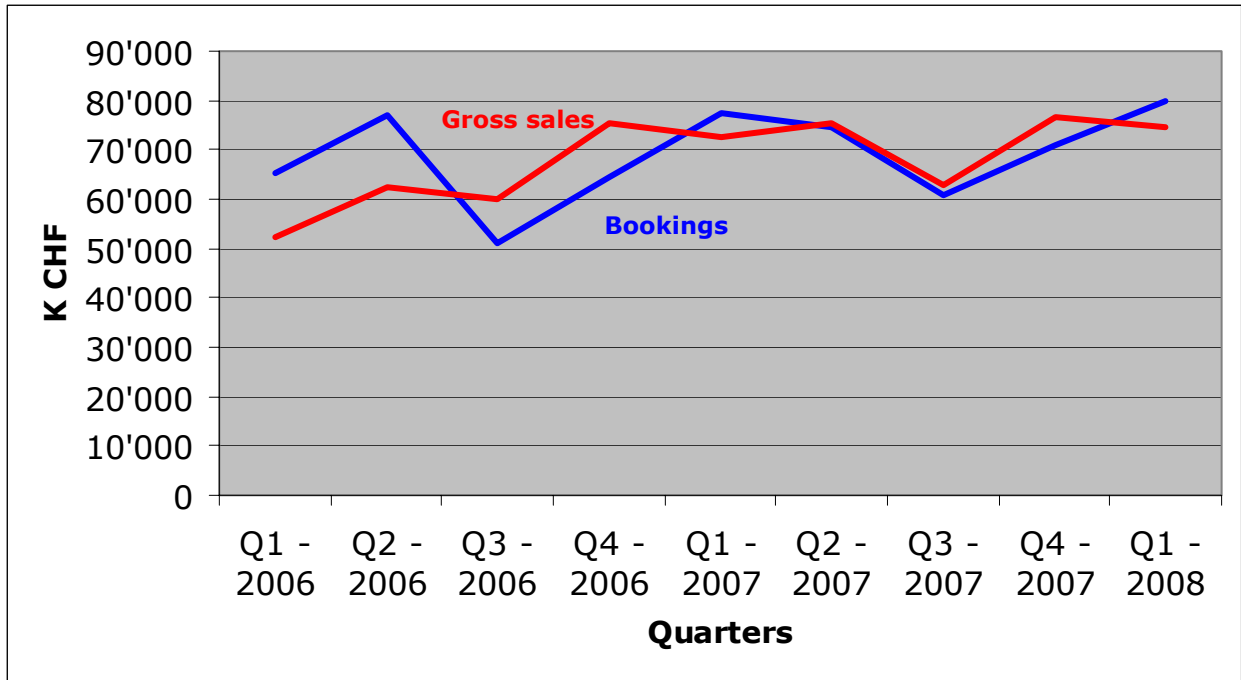
Net cash and liquid assets as at 31 March 2008 stood at CHF 12.8 m, compared to CHF 27.3 m on 31 December 2007. With operating cash flow positive, this reduction is mainly due to the Almac acquisition and to share buybacks. The value of the company's holding of its own shares at the 31 March 2008 closing price stood at CHF 12.8 m (CHF 2.7 m on 31.12.2007), an amount not included in the figure for net cash and liquid assets.

As at 31 March 2008, equity of CHF 153.7 m accounted for 67.9% of the total balance sheet of CHF 226.2 m.

Outlook for 2008

After three quarters dominated by the international financial crisis, the gloom is gradually spreading into industrial markets. The majority of clients of the Tornos group are not seeing any real fall-off in business. However, in this uncertain climate, they are hesitant about investing in production capacity. In these circumstances, it is difficult to take a view on the viability of the 2008 sales forecast of CHF 320 m with an EBIT margin of 10%, issued when publishing our annual report in March 2008. On the one hand, our clients' activity levels remain buoyant, indicating that the forecast should be achievable; on the other, however, the increasingly depressed environment is proving a psychological deterrent to investment, which suggests that a downward revision may be called for. Furthermore, the volatile nature of the order flow has become more marked over the second quarter, and April orders are significantly below plan. In these circumstances, and in view of the current very patchy visibility, the group has decided to make a prudent revision to its forecast, and to activate the instruments designed to improve cost flexibility which have been introduced in recent years. It is now predicting sales in a wider range of CHF 280 to CHF 320 m. The expected EBIT margin is between 7 and 10% on CHF 300 m of sales, and depends on movements in exchange rates.

Tornos Group	First quarter	First quarter	Difference	Difference
Unaudited Key Figures	2008	2007		% / bps
(in KCHF unless otherwise stated)				
Bookings	79'698	77'349	2'349	3.0%
Gross sales	74'760	72'424	2'336	3.2%
EBITDA	7'280	10'251	-2'971	-29.0%
<i>Gross sales %</i>	9.7%	14.2%		-4.5 bps
EBIT	5'689	8'497	-2'808	-33.0%
<i>Gross sales %</i>	7.6%	11.7%		-4.1 bps
Net profit	3'235	8'298	-5'063	-61.0%
<i>Gross sales %</i>	4.3%	11.5%		-7.2 bps
Net cash	12'769	6'105	6'664	109.2%
Equity	153'662	128'272	25'390	19.8%
<i>Total Balance sheet %</i>	67.9%	66.2%		1.7 bps
Total Balance sheet	226'184	193'903	32'281	16.6%
Capital expenditures	1'945	1'013	932	92.0%



Contact: Geri Staudenmann or Julia Moreno, Geri Staudenmann Kommunikation, Biel
Phone +41 32 345 24 44, Fax +41 32 345 24 48, info@geristaudenmann.ch

For further information please go to www.tornos.com