



TORNOS

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PRESS RELEASE

Recession hits first-quarter results: Tornos prepares for medium-term recovery

Moutier, 19 May 2009

Weak order intake

The Tornos Group booked CHF 23.2 million in new orders in the first quarter of 2009, making this the fourth quarter in a row in which sales have fallen. Compared with the same period last year, when the effects of the downturn had yet to bite, the fall is 70.9%.

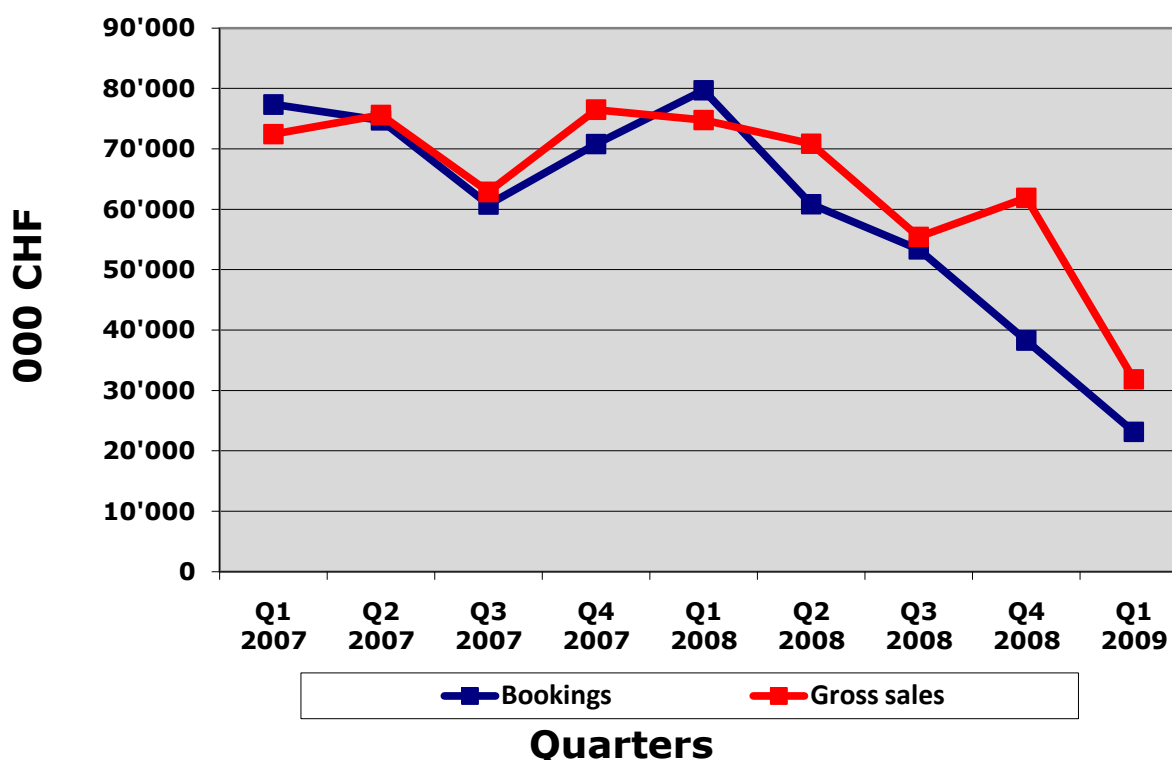
The Group did not receive any new orders to speak of during January, and customers did not become active again until February. Orders seem to be totalling around CHF 10 million a month. However, this figure is still very much hypothetical because market visibility is all but non-existent. While the number of projects and bids in progress may have increased in recent weeks, the majority of customers are still hesitating a long time before they commit and delaying investment decisions because of the current unstable economic situation.

Sales fall, negative results, solid equity base

Sales are down 57.4% on the year-back period at CHF 31.8 million. As a result, Tornos is closing the first quarter with a loss of CHF 6.1 million. Net debt was CHF 3.5 million on 31 March compared to a net cash position of CHF 5.3 million at the end of the 2008 financial year. Equity of CHF 148.0 million accounts for 73.8% of the balance sheet total of CHF 200.7 million and is testimony to the Group's particularly healthy financial structure.

Outlook

In light of the current economic situation, the Group has decided not to publish forecasts. Although it is not counting on a short-term recovery, it is adhering to its policy of product development, a strong market presence and maintaining its installed production capacity because it is convinced that the recovery will be as sudden and vigorous as the decline was dramatic. At the same time operating cost control has been tightened and large-scale short time working implementation in Switzerland and abroad has been increased. This policy serves the double objective of cushioning the impact of the current crisis on the Group's financial situation while preserving its long-term industrial and commercial potential, which will guarantee its ability to bounce back at the first sign of a pick up in the world economy.



Tornos Group Unaudited Key Figures (in KCHF, unless otherwise stated)	First quarter 2009	First quarter 2008	Difference	Difference % / bps
Bookings	23'154	79'698	-56'544	-70.9%
Gross sales	31'827	74'760	-42'933	-57.4%
EBITDA	-5'815	7'280	-13'095	N/A
<i>in % of Gross sales</i>	-18.3%	9.7%		N/A
EBIT	-7'438	5'689	-13'127	N/A
<i>in % of Gross sales</i>	-23.4%	7.6%		N/A
Net profit / (loss)	-6'125	3'235	-9'360	N/A
<i>in % of Gross sales</i>	-19.2%	4.3%		N/A
Net cash / (net debt)	-3'521	12'769	-16'290	N/A
Equity	148'043	153'662	-5'619	-3.7%
<i>in % of Total Balance sheet</i>	73.8%	67.9%		5.8 bps
Total Balance sheet	200'680	226'184	-25'504	-11.3%
Capital expenditures	79	1'945	-1'866	-95.9%

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