

PRESS RELEASE

For immediate distribution

Low point may have been reached

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Order flow stabilizes

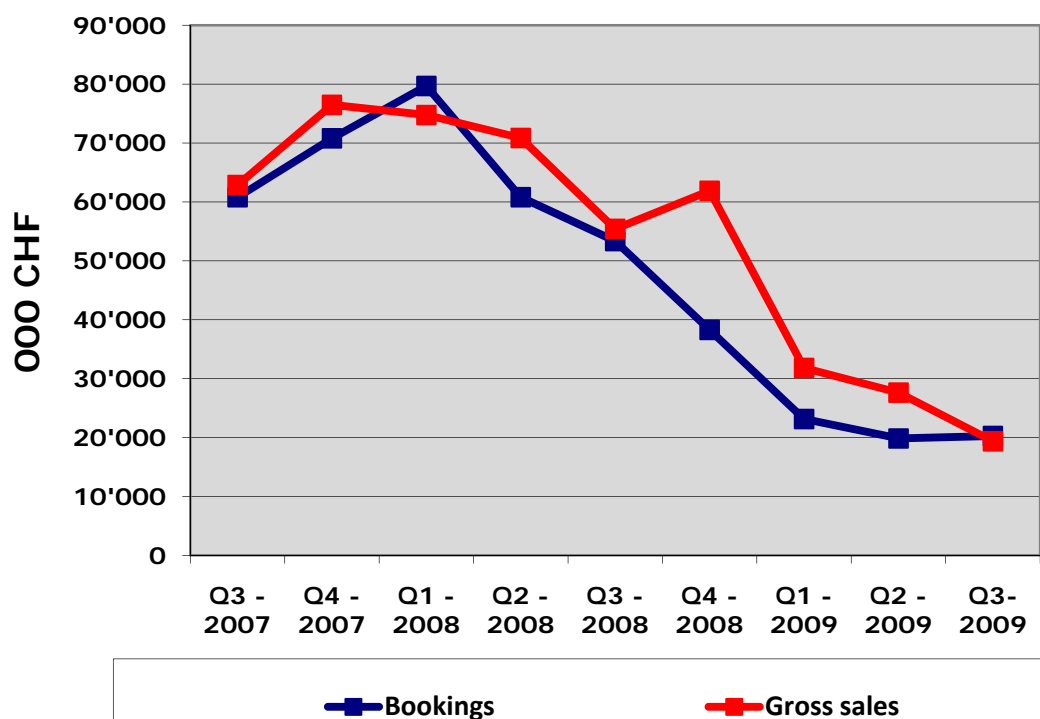
The Tornos Group booked total orders of CHF 20.3 m in the third quarter of 2009 (2008: CHF 53.4 m), a volume comparable to that of the previous quarter (CHF 19.9 m). After five consecutive quarters of falls, orders now appear to be stabilizing at an extremely low level. This suggests that the bottom of the cycle may have been reached, particularly as the third quarter is traditionally the weakest of the year in view of the adverse impact of the summer holiday period on business activity. Cumulative orders for the first nine months of the year were therefore CHF 63.3 m, a fall of 67.4% compared to last year (CHF 193.9 m).

Further fall in sales, negative profit and solid equity base

Sales declined once again in the third quarter, totalling CHF 19.4 m (2008: CHF 55.4 m) – a broad reflection of the average volume of orders for the year to date. The figure for the first nine months of the year was CHF 78.8 m, a reduction of 60.8% compared to the same period last year (CHF 201.1 m). Use of the Group's installed capacity is below 30% and, despite the numerous measures taken to reduce costs, the fall in volume has produced distinctly negative results. The third quarter saw a loss of CHF 6.3 m, bringing the total for the first nine months of the current year to CHF 21.7 m. This is in contrast to 2008 when the figures for the same periods were profits of CHF 2.7 m and CHF 8.3 m respectively. The Group's net debt increased by CHF 4.7 m during the quarter under review, totalling CHF 20.9 m on 30 September 2009. In that context it should be borne in mind that the Group signed a CHF 50 m three-year bank credit agreement at the end of September 2009. At that time, equity of CHF 132.7 m accounted for 68.4% of the balance sheet total of CHF 193.9 m and is testimony to the Group's robust financial situation.

Outlook

Given the current macroeconomic situation, the Group has decided not to publish detailed forecasts. On the one hand, business levels appear to be stabilizing, while on the other certain markets are actually seeing the onset of a revival in activity, which could lead to an improvement in the economic situation over the next few months. However, signs of a recovery are still extremely fragile and it would be premature to expect any significant upturn in the short term. The Group is not predicting any substantial improvement in the order book before the middle of 2010, and is pressing ahead with its policy of widespread recourse to short-time working, thereby avoiding any permanent loss of its industrial and commercial capabilities.



Tornos Group	First quarter 2009	First quarter 2008	Second quarter 2009	Second quarter 2008	Third quarter 2009	Third quarter 2008	9 months 2009	9 months 2008	Difference	Difference
Unaudited Key Figures (in KCHF unless otherwise stated)										% / pts
Bookings	23'154	79'698	19'850	60'813	20'265	53'359	63'269	193'870	-130'601	-67.4%
Gross sales	31'827	74'760	27'635	70'854	19'375	55'437	78'837	201'051	-122'214	-60.8%
EBITDA	-5'815	7'280	-8'250	5'396	-5'260	4'345	-19'325	17'021	-36'346	N/A
<i>in % of Gross sales</i>	-18.3%	9.7%	-29.9%	7.6%	-27.1%	7.8%	-24.5%	8.5%		N/A
EBIT	-7'438	5'689	-9'131	3'624	-6'405	2'696	-22'974	12'009	-34'983	N/A
<i>in % of Gross sales</i>	-23.4%	7.6%	-33.0%	5.1%	-33.1%	4.9%	-29.1%	6.0%		N/A
Net profit / (Net loss)	-6'125	3'235	-9'350	2'409	-6'272	2'664	-21'747	8'308	-30'055	N/A
<i>in % of Gross sales</i>	-19.2%	4.3%	-33.8%	3.4%	-32.4%	4.8%	-27.6%	4.1%		N/A
Net cash / (Net debt)	-3'521	12'769	-16'193	4'484	-20'910	-4'824	-20'910	-4'824	-16'086	333.5%
Equity	148'043	153'662	139'359	155'046	132'726	157'237	132'726	157'237	-24'511	-15.6%
<i>in % of Total Balance sheet</i>	73.8%	67.9%	72.3%	67.7%	68.4%	68.1%	68.4%	68.1%		0.3 pts
Total Balance sheet	200'680	226'184	192'805	229'130	193'906	230'913	193'906	230'913	-37'007	-16.0%
Capital expenditures in tangible fixed assets	79	1'945	190	2'917	136	1'006	405	5'868	-5'463	-93.1%

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Further information on Tornos can be found at www.tornos.com