

## MEDIA RELEASE

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Sales and order intake of Tornos Group in the 2016 financial year:

### **Reluctance to invest in high-end products impacts sales and order intake**

- **Successful expansion of the MultiSwiss product range**
- **SwissNano significantly exceeds recent years' sales**
- **Higher revenues in the service business**
- **Muted demand in the high-end segment**

In the 2016 financial year, the Tornos Group posted net sales of CHF 136.2 million (2015: CHF 164.0 million, -16.9%) and order intake of CHF 133.5 million (2015: CHF 160.0 million, -16.6%). Tornos was able to increase order intake considerably in the fourth quarter.

The positive trend in the last quarter is largely attributable to the launch of two newly developed machines in the MultiSwiss product line. Numerous orders have already been received for these innovative machines, which are capable of machining larger-dimension parts. These orders will mainly show through in 2017's sales figures. Sales of the SwissNano also rose gratifyingly. Despite the challenging environment in the watchmaking industry, Tornos sold 80% more models of this innovative Swiss-type automatic lathe than in the previous year, thus gaining additional market share in the watchmaking industry. A marked reluctance to invest in high-end products had a negative impact on net sales and order intake in several target markets. Where there is less investment in new machines, there is greater demand for servicing. The service and spare parts business of Tornos consequently performed well in 2016, generating 5% more revenues than in the previous year.

In the second half of 2016, Tornos saw the number of machines ordered increase by nearly a third compared with the same period of 2015. Looking at the year as a whole, Tornos also received more machine orders during 2016 than it did in 2015. The fact that order intake nevertheless fell is attributable to the change in the product mix, with more standard machines being sold in the medium price category, and fewer high-end machines in the more expensive price category. This further increase in demand for its standard products highlights how well Tornos is able to meet the market's requirements for cost-efficient machines. Tornos' internationalization strategy, which involves the company's own production sites for standard machines in China and Taiwan, has proved its worth. The innovative software solution TISIS has also made Tornos a world leader in user-friendly machine programming and communication.

Owing to the less favorable product mix and the resulting drop in sales revenues, Tornos failed to reach break-even point. Overall, Tornos is expecting a negative operating result (EBIT) and a negative net result, both in the low single-digit millions.

The Group's results for 2016 will be announced at the media and analysts' conference in Zurich on March 14, 2017.

**Next publication dates:**

March 14, 2017	Full-year results 2016
April 12, 2017	Annual General Meeting 2017
August 15, 2017	Half-year report 2017

Further information on Tornos can be found at [www.tornos.com](http://www.tornos.com)

Investor and media relations: Bruno Edelmann, Chief Financial Officer  
Tel. +41 32 494 42 33, fax +41 32 494 49 04, [edelmann.b@tornos.com](mailto:edelmann.b@tornos.com)

**Company profile**

Tornos Group is one of the global leaders for the development, production and distribution of Swiss-type automatic lathes and multi-spindle machines. The company's history dates back to 1880 and marked the beginning of Swiss-type lathe technology. Tornos primarily manufactures CNC Swiss-type (sliding headstock) turning machines, multi-spindle machines with numerical or cam control, and machining centers for complex parts requiring high precision (Almac). Tornos is headquartered in Switzerland. Through a global sales and service network, unique solutions are supplied to customers in dedicated market segments such as Automotive, Medical and dental technology, Micromechanics, and Electronics. With its approximately 630 employees (FTE), Tornos Group generated sales of CHF 136 million in 2016.

Except for the historical information contained herein, the statements in this media release are forward-looking statements that involve risks and uncertainties.