

SinterCast Results January-March 2008

- **Turnover for period:** SEK 5.4 million (SEK 5.0 million)
- **Result after tax:** SEK 18.8 million (SEK -1.3 million).
- **Earning/share:** SEK 3.4 per share (SEK -0.2 per share)
- **Cashflow:** SEK -3.1 million (SEK 1.7 million)
- Commercial vehicle production pushes current series production rate over 650,000 Engine Equivalents per year
- Series production orders secured for more than 2 million Engine Equivalents per year
- New representation office established in China

*Capitalisation of deferred tax assets results in a statutory profit of SEK 18.8 million
SinterCast to address dividend strategy during the 6 May 2008 Annual General Meeting*

Series Production

Series production during the period grew by more than 10% compared to the fourth quarter of 2007, and by over 50% compared to the same period a year ago, to a current annualised production rate in excess of 650,000 Engine Equivalents per year. The production increase was primarily fuelled by growth in the commercial vehicle sector, following sales launches of the Ford-Otosan 9.0 litre Ecotorq engine in Turkey and the International-Navistar 11 and 13 litre MaxxForce™ big bore engines in the United States. Over the past nine months, commercial vehicle production has grown from no production to a rate of approximately 200,000 Engine Equivalents per year. Even with this positive growth, the passenger vehicle sector continues to lead SinterCast's series production activities with a current production rate of approximately 400,000 Engine Equivalents per year. SinterCast-CGI cylinder blocks are currently available in 18 vehicles and 8 car brands.

Series production activities have also increased for products other than cylinder blocks and heads. Specifically, series production has started for a 2.1 kg torsion damper for C. F. Gomma, one of Europe's leading automotive suppliers. Although the torsion damper is SinterCast's lightest series production component, the initial order provides for approximately 15,000 Engine Equivalents per year, with future opportunities for additional CGI components. SinterCast has also begun series production of one other component in the non-block and head sector, although authorisation has not yet been received to announce this specific programme. Automotive production of components other than cylinder blocks and heads, combined with series production in the industrial power sector, currently contribute over 50,000 Engine Equivalents per year. It is anticipated that this production will continue to account for approximately 10% of SinterCast's production volume, even as the core cylinder block and head sector increases.

Market Development

SinterCast's current series production programmes have the potential to provide approximately 1.2 million Engine Equivalents per year when the programmes reach mature volume. In addition to the programmes that are already in series production, SinterCast's foundry customers have secured production orders for new CGI components that will provide more than one million additional Engine Equivalents per year when mature volume is reached. In total, approximately 40% of SinterCast's current pool of 5.5 million Engine Equivalents has already been approved by the OEM end-users and series production orders have been awarded to SinterCast foundries, corresponding to mature annual volumes of approximately 2.3 million Engine Equivalents.

On 13 March 2008, SinterCast launched a new representation office in Shanghai to provide technical and commercial support in China as the domestic demand for high quality Compacted Graphite Iron develops. Following the successful pre-production period at the Da Shiang Precision foundry in Tianjin, SinterCast's local office will provide on-going support for the planned series production and will also support the overall Chinese CGI market development. SinterCast continues to actively support the foundry industries in China, India, Korea, Japan and Russia, and regards Asia as an important growth area for Compacted Graphite Iron.

During the period, the Tupy foundry of Brazil – SinterCast's largest CGI production partner – announced a new investment of Brazilian Reais 385 million (approximately SEK 1.35 billion). Although Tupy has not specified the exact allocation of the investment, it has indicated that part of the investment will be used to install up to 70,000 tonnes (potentially up to 1.4 million Engine Equivalents) of new production capacity, with the majority of the new capacity being allocated for the production of Compacted Graphite Iron cylinder blocks. SinterCast is currently supporting Tupy in the planning of its new CGI production facilities.

Market Outlook

The typical concept-to-showroom development cycle for new engine programmes in the automotive industry is approximately four years. The planning of the automotive OEMs therefore allows SinterCast to estimate the Start of Production (SOP) dates for new engine programmes within the near-term (<5 year) period. Following the start of series production, the ramp-up rates for new production programmes and the time required to reach mature volume depend largely on the sales success of the vehicles and are therefore more difficult to forecast. In general, new engine programmes ramp-up to mature volume within approximately two years after SOP. While SinterCast does conduct sales and marketing activities that are targeted toward development programmes beyond the near-term period, these are more speculative and are generally not included in the Development Pipeline. Many of the programmes in the Development Pipeline have already progressed through the initial product development stages and are expected to begin foundry production within the next two years. Based on current activities and knowledge, the near-term market opportunity can be summarised as follows:

<u>Activity</u>	<u>Approximate Annual Engine Equivalents (Thousands)</u>	
	<u>31 March 2008</u>	<u>31 December 2007</u>
Current Series Production ¹	650	525
Potential Mature Volume ²	1,200	1,000
Production Orders Secured ³	1,100	200*
Development Pipeline ⁴	3,200	4,300*
Total⁵:	5,500	Total⁵: 5,500

- Notes:**
1. Current annualised production rate
 2. Annualised potential mature volume of current series production when fully ramped-up
 3. Annualised mature volume of programmes for which SinterCast's foundry customers have secured production orders, but have not yet started series production
 4. Annualised mature volume of development programmes that SinterCast is currently supporting, but have not yet been awarded as series production orders
 5. Sum of items 2, 3 and 4
- * Refers to format of previous Report, "Announced Programmes" and "Development Pipeline", as at 31 December 2007

With SinterCast's current business model, the total near-term market opportunity, when fully ramped to mature volume, provides for running revenues in excess of SEK 100 million per year. Additional revenues will continue to be realised from Engineering Services, new System 2000 installations and other business activities.

Market Penetration and Competition

Virtually every company encounters competition, and SinterCast is no exception. Some foundries, for example in Germany, follow in-house CGI production techniques to differentiate their offering from off-shore competition. However, in the global market, SinterCast enjoys the respect of the industry as the market leader for CGI process control technology and CGI know-how, and is welcomed as a reliable and trustworthy technology partner. At present, SinterCast's market penetration in comparison to the combined penetration of other companies that may present themselves as providers of CGI process control technology can be summarised as follows:

<u>Category</u>	<u>SinterCast</u>	<u>All Others</u>
CGI Cylinder Blocks/month	~ 30,000	0
Last 5 CGI foundry installation orders	5	0
Penetration of global cast iron block and head capacity (%)	50	0

Based on its leading technology and engineering service, SinterCast will continue to support new CGI development activities and further increase its share of the world CGI cylinder block and head production capacity.

Financial Results

The Group revenue of SEK 5.4 million (SEK 5.0 million for the same period 2007) primarily relates to income from installations, series production and engineering services. Installation revenues were positively impacted by one foundry customer exercising the purchase option on its leased System 2000. However, despite the increase in series production compared to the same period 2007, revenues were lower than expected. This is primarily due to the uncharacteristically low shipment of only 11,000 (13,700) Sampling Cups. Sampling Cup shipments are expected to increase during the second quarter, and for the balance of 2008.

The cashflow result during the quarter was SEK -3.1 million (SEK 1.7 million), providing a Group liquidity of SEK 13.2 million on 31 March 2008 (SEK 17.2 million). The cashflow result was primarily affected by increased personnel (16 employees vs. 12 employees during the same period 2007), recruiting costs, and costs to establish the new representative office in China. Cashflow was also affected by the timing of the receipt of payment for invoices, as evidenced by the change in outstanding operating receivables of SEK 2.8 million compared to the first quarter of 2007. The operating result of SEK -2.2 million for the period is SEK 0.7 million lower than the same period 2007, again, primarily affected by increased investments in personnel and the establishment of the representative office in

China. SinterCast will continue to focus on internal growth and investment in human resources and new market development during 2008, in anticipation of increased series production volumes during 2009 and beyond. Although increased staffing and sales activities will increase the overall expense level, SinterCast continues to target neutral cashflow for the full year.

During the period, the Company began the capitalisation of its deferred tax assets by activating SEK 75 million of its unused carried-forward tax losses, resulting in a deferred tax asset of SEK 21 million being reported as statutory income in March 2008. Approximately 12.5% of SinterCast's total potential deferred tax assets were utilised in this first step and additional tax assets will be capitalised in the future, as new production orders are confirmed and as the Company's five-year tax planning horizon rolls forward. Following the capitalisation of the deferred taxes, the result after financial net, extraordinary items and taxes was SEK 18.8 million, which is SEK 20.1 million higher than the same period 2007.

As of 31 March 2008, the cost of the employee stock option programme was calculated at a total amount of approximately SEK 4.6 million (SEK 5.0 million as of 31 December 2007), based on a share price of SEK 131 (SEK 140). Thus far, during 2008, SEK 0.5 million (SEK 0.3 million) has been accounted for as costs related to the option programme. Investments by the Group during the period amounted to SEK 0.0 million (SEK 0.1 million).

	January – March	
	<u>2008</u>	<u>2007</u>
Revenue	5.4	5.0
Result after calculated tax	+18.8	-1.3
Result after tax per share (SEK)	+3.4	-0.2
Cashflow	-3.1	+1.7
Liquidity	13.2	17.2
Investments	0.0	-0.1

Amounts in SEK million if not otherwise stated

Personnel

Two new employees joined the Company as of 1 January 2008, both of whom are university graduates with PhD degrees. As of 31 March 2008, the Group had 16 (12) employees. Further technical and commercial recruitment is planned to support the increasing market demand.

Risks and Uncertainty Factors

SinterCast has historically been financed by risk capital provided by its shareholders. SinterCast regularly monitors its cash position with reference to market forecasts and expense budgets. During recent years, the expense level has been reduced and the revenues have been increased, thus significantly reducing the financing risk. The main uncertainty factor for SinterCast is the timing of the CGI market ramp-up. SinterCast's risks and uncertainty factors have been described in the Annual Report 2007 and no significant changes have occurred thereafter.

There have been no significant events since the balance sheet date of 31 March 2008 that could materially change these financial statements.

Accounting Principles

The information provided on behalf of the Group in this interim report has been prepared in accordance with Sweden's Annual Accounts Act and IAS 34 Interim Financial Reporting. The reporting for the Parent Company has been prepared in accordance with Sweden's Annual Accounts Act. The accounting policies that have been applied for the Group and for the Parent Company are in agreement with the accounting policies used in the preparation of the company's latest annual report. The company auditors have not audited this report.

Parent Company

SinterCast AB (publ) is the parent company of the SinterCast Group, with registered office located in Stockholm, Sweden. The Parent company has 13 (9) employees. The majority of the operations are conducted by the parent company, including responsibility for the representative office in China. Operations in the UK and the USA are managed by the local companies. The information given for the Group in this report corresponds in all material respect to the parent company.

Annual Report 2007 and Annual General Meeting

The Annual Report 2007 was issued on 18 April 2008 and sent to all registered shareholders and to those who have requested the report. The Annual Report can be downloaded, or ordered, from the SinterCast website.

The Annual General Meeting of SinterCast AB (publ) will be held on 6 May 2008 at 16:00, at the premises of the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm. The notice for the AGM and the proposals for the shareholders to decide upon were published on 8 April 2008. These documents, and the AGM registration form, are available on the SinterCast website.

Information

The Interim Report April-June 2008 will be published on 20 August 2008.

The Interim Report July-September 2008 will be published on 5 November 2008.

The Interim Report October-December 2008 and Full Year Results 2008 will be published on 9 February 2009.

Stockholm, 29 April 2008 on behalf of the Board of Directors**Dr. Steve Dawson****President & CEO****Office: +44 1932 862 100****Mobile: +44 7710 026 342****e-mail: steve.dawson@sintercast.com***The company auditors have not audited this report*

SinterCast is the world's leading supplier of process control technology for the reliable high volume production of Compacted Graphite Iron (CGI). With at least 75% higher tensile strength, 45% higher stiffness and approximately double the fatigue strength of conventional grey cast iron and aluminium, CGI allows engine designers to improve performance, fuel economy and durability while reducing engine weight, noise and emissions. SinterCast produces a variety of CGI components ranging from 2.1 kg to 17 tonnes, all using the same process control technology. The end-users of SinterCast-CGI components include Aston Martin, Audi, Caterpillar, Chrysler, Ford, General Electric Transportation Systems, General Motors, Hyundai, International Truck and Engine, Jaguar, Kia, Land Rover, MAN, MAN B&W Diesel, PSA Peugeot-Citroën, Rolls-Royce Power Engineering, Toyota, Volkswagen, Volvo and Waukesha Engine. The SinterCast share is quoted on the Small Cap segment of the Nordic Exchange, Stockholm (Stockholmsbörsen: SINT).

END

PROFIT AND LOSS ACCOUNTS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	January - March		January - December	
	2008	2007	2007	
Revenue	5.4	5.0	22.8	
Cost of goods sold	-1.8	-1.8	-8.7	
Gross result	3.6	3.2	14.1	
Cost of sales and marketing	-3.0	-2.6	-9.8	
Cost of administration	-1.5	-1.4	-6.3	
Cost of research & development	-1.3	-0.7	-4.1	
Other operating income	0.0	0.0	1.0	
Other operating costs	0.0	0.0	0.0	
Operating result	-2.2	-1.5	-5.1	
Interest income and similar items	0.2	0.2	0.9	
Interest expenses and similar items	-0.2	0.0	-0.3	
Income Tax	21.0	0.0	0.0	
Result for the period	18.8	-1.3	-4.5	
Number of shares at the close of the period, thousands	5,552.9	5,552.9	5,552.9	
Average number of shares, thousands	5,552.9	5,552.9	5,552.9	
Earnings per share, SEK	3.4	-0.2	-0.8	
Earning per share, diluted, SEK	3.4	-0.2	-0.8	
Depreciation	-0.2	-0.2	1.3	
GEOGRAPHICAL MARKETS*	Revenue		Operating Result	
	January - March		January - March	
	2008	2007	2008	2007
Europe	2.1	1.3	-5.0	-4.1
Americas	2.0	2.5	1.7	1.6
Asia	1.3	1.2	1.1	1.0
Total	5.4	5.0	-2.2	-1.5

*SinterCast provides only one product, process control systems for the reliable production of Compacted Graphite Iron, and related services for product development, installations, calibration and maintenance. The company judges that the opportunities and risks are not primarily related to the geographical markets but associated with the overall CGI market development. The operation is defined as the primary segment and no further split has been made other than the presented financial statements.

Based on the present customer base and the geographical areas, the secondary segment has been split into Europe Americas, and Asia. The income, operating results, assets and investments presented are allocated based on the location of the individual customers in these geographical areas.

CASHFLOW STATEMENTS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	January - March		January - December	
	2008	2007	2007	
Operating activities				
Operating result	-2.2	-1.5	-5.1	
Adjustments for items not included in the cash flow				
Depreciation	0.2	0.6	1.3	
Other	0.4	0.5	0.9	
Exchange rate differences	-0.1	0.0	0.1	
Received interest income and similar items	0.2	0.2	0.9	
Paid interest expenses and similar items	-0.2	0.0	-0.3	
Income tax	0.0	0.0	0.0	
Total cashflow from operating activities before change in working capital	-1.7	-0.2	-2.2	
Change in working capital				
Stock	0.0	0.0	0.3	
Operating receivables	-1.6	1.2	1.9	
Operating liabilities	0.2	0.8	2.2	
Total change in working capital	-1.4	2.0	4.4	
Cashflow from operations	-3.1	1.8	2.2	
Investing activities				
Acquisition of intangible assets	0.0	-0.1	-0.3	
Acquisition of tangible assets	0.0	0.0	-0.1	
Increase/decrease in long-term receivables/payables	0.0	0.0	-1.0	
Cashflow from investing activities	0.0	-0.1	-1.4	
Financing activities				
Cashflow from financing activities	-	-	-	
Change in cash and cash equivalents*	-3.1	1.7	0.8	
Cash - opening balance	16.3	15.5	15.5	
Cash - closing balance	13.2	17.2	16.3	

*The cash and cash equivalents comprises short-term deposits and cash at bank and in hand.

PROFIT AND LOSS ACCOUNTS SINTERCAST AB

AMOUNTS IN SEK MILLION	January - March		January - December	
	2008	2007	2008	2007
Revenue	5.0	4.5	20.7	
Cost of goods sold	-3.2	-1.1	-8.3	
Gross result	1.8	3.4	12.4	
Cost of sales and marketing	-2.5	-0.9	-8.8	
Cost of administration	-1.4	-1.2	-6.2	
Cost of research & development	-1.2	-1.0	-4.1	
Other operating income	0.0	0.0	1.0	
Other operating costs	0.0	0.0	0.0	
Operating result	-3.3	0.3	-5.7	
Interest income and similar items	0.2	0.2	1.0	
Interest expenses and similar items	-0.2	0.0	-0.3	
Income Tax	21.0	0.0	0.0	
Result for the period	17.7	0.5	-5.0	

BALANCE SHEETS SINTERCAST AB

AMOUNTS IN SEK MILLION	31 March	31 March	31 Dec
	2008	2007	2007
ASSETS			
Intangible assets	4.1	5.0	4.4
Tangible assets	0.1	0.1	0.1
Financial assets	22.2	0.4	1.0
Total fixed assets	26.4	5.5	5.5
Stock	3.2	3.5	3.2
Short-term receivables	5.3	5.1	3.1
Short term deposits and cash at bank and in hand	12.8	15.8	15.4
Total current assets	21.3	24.4	21.7
Total Assets	47.7	29.9	27.2
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted capital	86.8	86.8	86.8
Accumulated Deficit	-53.7	-67.2	-71.7
Total Shareholders' equity	33.1	19.6	15.1
Long term liabilities	0.1	1.1	0.1
Current liabilities	14.5	9.2	12.0
Total shareholders' equity and liabilities	47.7	29.9	27.2