

Press Release: 9 February 2009



## SinterCast Results October-December 2008 Full Year Results 2008

- **Turnover for period:** SEK 7.4 million (SEK 5.5 million). **Full Year:** SEK 24.8 million (SEK 22.8 million)
- **Result after tax:** SEK -5.0 million (SEK -0.7 million). **Full Year:** SEK 13.1 million (SEK -4.5 million)
- **Earnings/share:** SEK -0.9 per share (SEK -0.1 per share). **Full Year:** SEK 2.4 per share (SEK -0.8 per share)
- **Cashflow:** SEK 0.2 million (SEK 1.0 million). **Full Year:** SEK -7.3 million (SEK 0.8 million)
- Series Production begins for 12.9 L DAF cylinder block and head at Tupy foundry in Brazil
- Series production begins for Volkswagen exhaust components at Dashiang Precision foundry in China
- Jaguar launches new class-leading 3.0 L V6 engine with SinterCast-CGI cylinder block
- Hyundai launches ix55 luxury SUV with 3.0 L V6 engine based on a SinterCast-CGI cylinder block

*Despite the effects of the global economic crisis, the launch of new SinterCast-CGI series production programmes provided year-on-year growth throughout 2008. Year-end series production amounted to approximately 630,000 Engine Equivalents, representing growth of 40% compared to 2007.*

### Current Production and Outlook

Following record production during September 2008, with an annualised production rate of approximately 750,000 Engine Equivalents (37,500 tonnes/year), fourth quarter volumes were influenced by two opposing factors. The overall decline in global automotive sales decreased the volume of many of SinterCast's existing series production programmes, while the start of production of the DAF cylinder block and head at the Tupy foundry in Brazil and of the Volkswagen exhaust components at the Dashiang Precision foundry in China provided incremental volumes. Ultimately, production declined from the September peak, but year-on-year volumes increased throughout 2008. The full-year volume finished at approximately 630,000 Engine Equivalents (31,500 tonnes), representing growth of 40% compared to 2007.

In addition to the new DAF and Volkswagen programmes, which have the potential to provide combined mature volumes of more than 200,000 Engine Equivalents per year, the fourth quarter also resulted in the launch of a new 3.0 L V6 diesel engine for Jaguar. Production of the SinterCast-CGI cylinder block for the class-leading engine began at the Tupy foundry in Brazil during mid-2008. Despite the increased displacement relative to the 2.7 litre predecessor, the new engine provides a 12% improvement in fuel economy and a 10% reduction in CO<sub>2</sub> emissions. Jaguar specifically stated that the use of a CGI cylinder block allowed the engine to be 80 mm shorter than a conventional cast iron engine. This provides significant weight savings and packaging benefits, contributing to the overall fuel economy, performance and design of the vehicle. The engine satisfies Euro 5 emissions requirements two full years before the regulations come into force.

The global economic crisis continues to affect automotive sales volumes. In response to reduced demand, many of SinterCast's foundry customers observed extended shutdowns during the Christmas, New Year and Chinese New Year periods. These shutdowns will affect shipping volumes and revenues during the first quarter of 2009. However, 2009 will also result in the launch of new SinterCast-CGI series production programmes, including the start of series production for the US SUV and pick-up sectors. These new launches will help to offset the potential decline in SinterCast's current series production programmes. Overall, the automotive companies are continuing their development activities to ensure the delivery of fuel efficient and emissions compliant engines for 2010 and beyond, and SinterCast is actively involved in this development.

The market uncertainty during the second half of 2008 also resulted in the delay of some planned foundry installations. While these delays prevented the Company from realising its full-year neutral cashflow target, most foundries have maintained their intentions to install and/or expand CGI production capability, and new installations are expected during 2009. During the period, a complete set of System 2000 back-up modules was delivered to the Dashiang Precision foundry in China. The modules were installed during January 2009 and provide Dashiang with expansion capability as the SinterCast-CGI production continues to grow. In parallel, the extended production trial at a major international foundry has continued throughout the period. While the progress of the trial has recently been affected by production demand and foundry scheduling, the

trial is expected to be concluded during the first half of 2009. Additional installation discussions are currently active in Europe, Asia and the Americas.

SinterCast's five year forecast has been updated to reflect the anticipated reduction in industry volumes caused by the current economic downturn. Accordingly, the potential mature volume of the current series production programmes has decreased from 1.3 million Engine Equivalents (30 September 2008) to 1.1 million Engine Equivalents. In addition to the programmes that are already in series production, SinterCast's foundry customers have secured orders for new CGI components that can provide mature volumes of approximately 1.0 million additional Engine Equivalents per year. A further 2.8 million Engine Equivalents are currently under development, providing a near-term total market opportunity of approximately 4.9 million Engine Equivalents per year. The recent changes in exchange rates between the Swedish Kronor and SinterCast's two main revenue currencies, the Euro and the US dollar, provide a positive effect on series production revenues.

Based on current activities and knowledge, the near-term (<5 year) market opportunity can be summarised as follows:

<u>Activity</u>	<b>Approximate Annual Production Potential and Revenue</b>			
	<b>31 December 2008</b>		<b>30 Sept 2008</b>	
	<b>KEQVS*</b>	<b>MSEK/yr**</b>	<b>KEQVS*</b>	<b>MSEK/yr**</b>
Current Series Production <sup>1</sup>	625	17	750	13
Potential Mature Volume <sup>2</sup>	1,100	25	1,300	28
Production Orders Secured <sup>3</sup>	1,000	23	1,000	21
Development Pipeline <sup>4</sup>	2,800	64	3,000	65
<b>Near-term Market Opportunity<sup>5</sup></b>	<b>4,900</b>	<b>112</b>	<b>5,300</b>	<b>114</b>

- Notes:**
1. Current annualised production rate
  2. Annualised potential mature volume of Current Series Production (Item 1 above) 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. Total Near-term Market Opportunity (sum of items 2, 3 and 4)
- \* KEQVS: Thousands of Engine Equivalents  
 \*\* Assumes 22 SEK/Engine Equivalent on 30 Sept 2008 and 23 SEK/Engine Equivalent on 31 Dec 2008

## Financial Summary

### Revenue

The revenue for the SinterCast Group relates primarily to income from equipment (sales and leases), series production, and engineering service. During October-December 2008, series production revenue amounted to SEK 3.8 million, representing a 5% decrease compared to the same period during 2007. The decreased revenue for the period results from the combined effect of an 11% increase in Engine Equivalent shipments offset by a 15% reduction in Sampling Cup shipments, as foundries adjusted stock levels. Equipment revenue for the period was SEK 3.3 million, primarily due to the sale of the System 2000 back-up modules to Dashiang and rental fees received for the System 2000 installed to conduct the previously mentioned extended production trial.

Series production revenue for the full year increased by approximately 23% compared to 2007, to SEK 17.2 million. This increase in the series production revenue enabled the Company to achieve increased total revenue during 2008, despite a SEK 1.2 million reduction in installation revenue compared to 2007. As mentioned previously, the global economic uncertainty affected foundry investment planning during the second half of 2008, although many of the discussions remain active and provide opportunities for new installation revenues during 2009.

Revenue Breakdown	October-December		January-December	
	2008	2007	2008	2007
Number of Sampling Cups shipped	13,600	15,700	57,600	50,170
Equipment <sup>1</sup>	3.3	1.2	5.7	6.9
Series Production <sup>2</sup>	3.8	4.0	17.2	13.9
Engineering Service <sup>3</sup>	0.3	0.3	1.8	1.9
Other	0.0	0.0	0.1	0.1
<b>Total</b>	<b>7.4</b>	<b>5.5</b>	<b>24.8</b>	<b>22.8</b>

(Amounts in SEK million if not otherwise stated)

- Notes:**
1. includes revenue from System 2000 sales and leases, and sales of the Mini-System 2000 and spare parts
  2. includes revenue from production fees, consumables and software licence fees
  3. Includes revenue from technical support, on-site trials and sales of test pieces

## Result

The October-December 2008 operating result of SEK -1.2 million is SEK 0.3 million lower than the same period 2007. The operating result is affected by investments in technical development, primarily related to the previously mentioned extended production trial, and also to restructuring costs taken in advance of 2009.

The full year operating result of SEK -5.7 million is SEK 0.6 million lower than the 2007 result. This result is primarily affected by increased investment in personnel, increased sales activities and associated travel expenses, and new market development, primarily in India and China. Following the capitalisation of the deferred taxes, the result after financial net, extraordinary items and taxes was SEK 13.1 million, which is SEK 17.6 million higher than the same period 2007.

	October-December		January-December	
	2008	2007	2008	2007
<b>Operating Result</b>	<b>-1.2</b>	<b>-0.9</b>	<b>-5.7</b>	<b>-5.1</b>
<b>Result after calculated tax</b>	<b>-5.0</b>	<b>-0.7</b>	<b>13.1</b>	<b>-4.5</b>
<b>Result after tax per share (SEK)</b>	<b>-0.9</b>	<b>-0.1</b>	<b>2.4</b>	<b>-0.8</b>

(Amounts in SEK million if not otherwise stated)

## Deferred Tax Asset

SinterCast calculates its estimated near-term future taxable profit on a quarterly basis, in order to determine the valuation of its deferred tax asset. As of 30 September 2008, this calculation indicated that SEK 80.0 million, representing 13.5% of the Company's total carried-forward tax losses, could be capitalised. However, the onset of the global economic crisis has resulted in a reduced forecast of the secured production orders. Accordingly, the revised calculation of the near-term future taxable profit has resulted in a reduction of SEK 9.9 million during the fourth quarter, resulting in SEK 70.1 million (11.8%) of SinterCast's total carried-forward tax losses taken into consideration. Additionally, with effect from 1 January 2009, the Swedish corporate tax rate was reduced from 28% to 26.4%. This change in the tax rate results in a reduction of SEK 1.4 million, incorporated in the fourth quarter result. The Company will continue to review its near-term forecast on a quarterly basis, and to capitalise additional tax assets as new production orders are confirmed and as the Company's five-year tax planning horizon rolls forward.

	October-December		January-December	
	2008	2007	2008	2007
<b>Estimated near-term future taxable profit</b>	<b>70.1</b>	<b>0.0</b>	<b>70.1</b>	<b>0.0</b>
<b>Carried-forward tax losses taken into consideration</b>	<b>-9.9</b>	<b>0.0</b>	<b>70.1</b>	<b>0.0</b>
<b>Deferred tax asset</b>	<b>18.5</b>	<b>0.0</b>	<b>18.5</b>	<b>0.0</b>
<b>Tax result</b>	<b>-3.9</b>	<b>0.0</b>	<b>18.5</b>	<b>0.0</b>

(Amounts in SEK million if not otherwise stated)

### Employee Stock Option Programme

As of 31 December 2008, the cost of the employee stock option programme was calculated at a total amount of approximately SEK 3.2 million (SEK 6.0 million as of 31 December 2007), based on a closing share price of SEK 32.5 on 31 December 2008 (SEK 150 on 31 December 2007). During 2008, SEK 0.1 million (SEK 0.4 million on 30 September 2008) was accounted for as costs related to the option programme.

### Cashflow, Liquidity and Investments

The October-December 2008 cashflow result was SEK 0.2 million (SEK 1.0 million for 2007), providing a Group liquidity of SEK 9.0 million on 31 December 2008 (SEK 16.3 million). The full year cashflow result of SEK -7.3 million was primarily affected by the lower than expected installation revenue, increased personnel and recruitment costs (on average, 16 employees during 2008 compared to 14 employees during 2007), and the establishment of the new representation activities in China and India. The cashflow result of SEK -7.3 million results from the combined effect of cashflow from operations of SEK -3.3 million, increase in working capital of SEK -3.7 million and investments of SEK -0.3 million. The increase in working capital affects SinterCast during the current transition period toward higher production activities, as stock levels and accounts receivables are increased in combination with decreased liabilities. Investments by the Group during the period amounted to SEK 0.3 million (SEK 0.4 million).

	October-December		January-December	
	2008	2007	2008	2007
Cashflow from operating activities	-0.5	-0.8	-3.3	-2.2
Cashflow from working capital	1.0	2.8	-3.7	4.4
Cashflow from Investment activities	-0.3	-1.0	-0.3	-1.4
<b>Cashflow total</b>	<b>0.2</b>	<b>1.0</b>	<b>-7.3</b>	<b>0.8</b>
<b>Liquidity</b>	<b>9.0</b>	<b>16.3</b>	<b>9.0</b>	<b>16.3</b>
<b>Investments</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>

(Amounts in SEK million if not otherwise stated)

### Risks and Uncertainty Factors; Global Economic Crisis

#### Market Development

The main uncertainty factor for SinterCast is the timing of the CGI market ramp-up, which primarily depends on the global economy for new vehicle sales and on the individual sales success of the vehicles equipped with SinterCast-CGI components. The economic conditions facing the global foundry and automotive industries have resulted in significant reductions in demand in both the passenger vehicle and commercial vehicle sectors. Despite the start of new SinterCast-CGI production programmes during the fourth quarter, the overall market decline resulted in a reduction of the near-term market opportunity from 5.3 million Engine Equivalents (30 September 2008) to the current value of 4.9 million Engine Equivalents.

#### Liquidity

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 revenue has been increased, thus significantly reducing the financing risk. While the Company believes that the start of production of new SinterCast-CGI production programmes will help to offset the global decline in automotive volumes, and that new installations during 2009 will provide cash injections to reinforce the liquidity, a pro-active liquidity protection plan has already been implemented. The objective of this plan is to reduce expenses, including personnel costs. The Board and Management continuously monitor the status of the current and future SinterCast-CGI programmes, as well as the overall market development, to navigate the Company through the economic crisis.

SinterCast's risks and uncertainty factors have been described in the Annual Report 2007. Thereafter, the global economic crisis has had a significant impact on the automotive and foundry industries, the ultimate effect of which cannot yet be fully quantified.

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

## **Market Penetration and Competition**

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. As the market demand for CGI continues to grow, and production demand begins to exceed the capability of in-house techniques, it is likely that competitive pressures will increase in the supply community. Based on its proven 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.

## **Organisation**

The Group management and sales activities are based at the headquarter office in London, UK. The Technical Centre based in Katrineholm, Sweden is responsible for technical and commercial support of ongoing foundry production activities, product development, production of the control systems and sampling consumables, ISO 9001:2000 quality certification, and finance and administration. Local support of customer activities in North and South America is provided by SinterCast Inc., based in Chicago, USA, while local support for the Chinese market is provided by the SinterCast AB Shanghai Representative Office, which began operation on 13 March 2008. Technical back-up for the US and Chinese offices is provided by the Technical Centre in Katrineholm.

In order to expand SinterCast's market reach, representation agreements have been established with Ashland Casting Solutions on a global basis, ASD International in Japan, Pantech Engineering in Australia and with the STPC (Swedish Trade Promotion Center) in Korea. Consultancy agreements have also been established to support SinterCast's local sales activities in France and India. Together with the global presence of technology partners such as ABP for foundry automation, Grainger & Worrall for rapid prototyping and MAG Industrial Automation Systems for manufacturing, the representation and consultancy agreements provide a familiar and respected local presence for the SinterCast technology.

Two new employees joined the Company on 1 January 2008, both of whom are university graduates with PhD degrees. As of 31 December 2008, the Group had 15 (14) employees, three of which were female. Further recruitment will be phased with the development of field activities, particularly the need to support new installations.

## **Patents**

SinterCast currently holds 16 (18) patents. The core technology is primarily protected by ten of the most recent patents that will remain valid until at least 2015. During the early-1990s, SinterCast's strategy was to aggressively file new patents, in order to establish and protect the value of the technology. As the market development has evolved, SinterCast has gradually transitioned from a strategy of publishing patents to retaining internal know-how.

During 2008, several patents were intentionally allowed to lapse. It was judged that these older patents no longer reflected SinterCast's current technology and that the protection offered did not warrant continued payment of the annual fees. SinterCast currently maintains 79 (91) individual national phase patents granted or pending worldwide. The 16 base patents address SinterCast's metallurgical technology, the Sampling Cup, product applications and machining.

## **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 effect of the reduction in the Swedish corporate tax rate from 28.0% to 26.4 % has been accounted for during the fourth quarter of 2008. During the period, no material transactions have taken place between SinterCast and the Board or the Management.

## **Parent Company**

SinterCast AB (publ) is the Parent Company of the SinterCast Group, with registered office located in Stockholm, Sweden. The Parent Company has 12 (11) employees. The majority of the operations are conducted by the Parent Company, including responsibility for the representative office in China and sales representatives in Australia, India, Japan and Korea. 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.

### **Nomination Committee**

The Nomination Committee, elected by the Annual General Meeting 2008, consists of Ulla-Britt Fräjdin-Hellqvist, Lars Ahlström (the second largest shareholder as of 6 May 2008) and Lennart Svantesson. The Nomination Committee can be contacted at: [nomination.committee@sintercast.com](mailto:nomination.committee@sintercast.com)

### **Audit Committee**

SinterCast established an Audit Committee during 2008. All Board Members sit on the Audit Committee, although the President & CEO does not participate in the direct contact between the Audit Committee and the Auditor. A separate Audit Committee has not been appointed.

### **Information**

The Interim Report January-March 2009 will be published on 22 April 2009

The Interim Report April-June 2009 will be published on 19 August 2009

The Interim Report July-September 2009 will be published on 4 November 2009 (revised from 11 November)

The Interim Report October-December and Full Year Results 2009 will be published on 10 February 2010

### **Annual Report**

The Annual Report for 2008 will be published during the week commencing 20 April 2009.

### **Annual General Meeting**

The Annual General Meeting 2009 will be held at 15:00 on 7 May 2009 at The Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm.

The Board of Directors intend to propose to the AGM to decide that the results for 2008 be carried forward, to propose no dividend for 2009 and, on an annual basis, to seek shareholder approval to authorise a share buy-back programme.

This report has not been reviewed by the Company's auditors.

Stockholm, 9 February 2009

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**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 1.6 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	October-December		January - December	
	2008	2007	2008	2007
Revenue	7.4	5.5	24.8	22.8
Cost of goods sold	-3.3	-2.1	-9.4	-8.7
<b>Gross result</b>	<b>4.1</b>	<b>3.4</b>	<b>15.4</b>	<b>14.1</b>
Cost of sales and marketing	-2.7	-2.6	-11.0	-9.8
Cost of administration	-1.6	-1.7	-6.5	-6.3
Cost of research & development	-1.3	-1.0	-3.9	-4.1
Other operating income	0.0	1.0	0.0	1.0
Other operating costs	0.3	0.0	0.3	0.0
<b>Operating result</b>	<b>-1.2</b>	<b>-0.9</b>	<b>-5.7</b>	<b>-5.1</b>
Interest income and similar items	0.3	0.4	0.7	0.9
Interest expenses and similar items	-0.2	-0.2	-0.4	-0.3
Income Tax	-3.9	0.0	18.5	0.0
<b>Result for the period</b>	<b>-5.0</b>	<b>-0.7</b>	<b>13.1</b>	<b>-4.5</b>
Number of shares at the close of the period, thousands	5,552.9	5,552.9	5,552.9	5,552.9
Average number of shares, thousands	5,552.9	5,552.9	5,552.9	5,552.9
Earnings per share, SEK	-0.9	-0.1	2.4	-0.8
Earning per share, diluted, SEK	-0.9	-0.1	2.4	-0.8
Depreciation	-0.3	-0.2	-1.2	-1.3
<b>GEOGRAPHICAL MARKETS*</b>	<b>Revenue</b>		<b>Operating Result</b>	
	January - December		January - December	
	2008	2007	2008	2007
Europe	6.9	8.0	-19.4	-16.7
Americas	11.5	11.8	8.8	9.2
Asia	6.4	3.0	4.9	2.4
<b>Total</b>	<b>24.8</b>	<b>22.8</b>	<b>-5.7</b>	<b>-5.1</b>

\*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	October-December		January - December	
	2008	2007	2008	2007
<b>Operating activities</b>				
Operating result	-1.2	-0.9	-5.7	-5.1
Adjustments for items not included in the cash flow				
Depreciation	0.3	0.2	1.2	1.3
Other	0.2	-0.4	0.6	0.9
Exchange rate differences	0.1	0.1	0.3	0.1
Received interest income and similar items	0.4	0.4	0.7	0.9
Paid interest expenses and similar items	-0.3	-0.2	-0.4	-0.3
Income tax	0.0	0.0	0.0	0.0
<b>Total cashflow from operating activities before change in working capital</b>	<b>-0.5</b>	<b>-0.8</b>	<b>-3.3</b>	<b>-2.2</b>
<b>Change in working capital</b>				
Stock	-1.4	-0.2	-1.8	0.3
Operating receivables	1.3	3.7	-0.5	1.9
Operating liabilities	1.1	-0.7	-1.4	2.2
<b>Total change in working capital</b>	<b>1.0</b>	<b>2.8</b>	<b>-3.7</b>	<b>4.4</b>
<b>Cashflow from operations</b>	<b>0.5</b>	<b>2.0</b>	<b>-7.0</b>	<b>2.2</b>
<b>Investing activities</b>				
Acquisition of intangible assets	-0.2	0.0	-0.2	-0.3
Acquisition of tangible assets	-0.1	-0.1	-0.1	-0.1
Acquisition of Financial assets	0.0	0.1	0.0	0.0
Increase/decrease in long-term receivables/payables	0.0	-1.0	0.0	-1.0
<b>Cashflow from investing activities</b>	<b>-0.3</b>	<b>-1.0</b>	<b>-0.3</b>	<b>-1.4</b>
<b>Financing activities</b>				
<b>Cashflow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in cash and cash equivalents*	0.2	1.0	-7.3	0.8
Cash - opening balance	8.8	15.3	16.3	15.5
<b>Cash - closing balance</b>	<b>9.0</b>	<b>16.3</b>	<b>9.0</b>	<b>16.3</b>

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

## BALANCE SHEETS SINTERCAST GROUP

AMOUNTS IN SEK MILLION	31 Dec 2008	31 Dec 2007	30 Sept 2008	30 Sept 2007
<b>ASSETS</b>				
Intangible assets	3.5	4.4	3.7	4.6
Tangible assets	0.1	0.1	0.1	0.0
Financial assets	18.7	0.2	22.6	0.3
<b>Total fixed assets</b>	<b>22.3</b>	<b>4.7</b>	<b>26.4</b>	<b>4.9</b>
Stock	5.0	3.2	3.6	3.1
Short-term receivables	4.4	3.9	5.8	4.4
Short term deposits and cash at bank and in hand	9.0	16.3	8.8	15.3
<b>Total current assets</b>	<b>18.4</b>	<b>23.4</b>	<b>18.2</b>	<b>22.8</b>
<b>Total Assets</b>	<b>40.7</b>	<b>28.1</b>	<b>44.6</b>	<b>27.7</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity*</b>	<b>34.1</b>	<b>20.0</b>	<b>39.0</b>	<b>20.5</b>
Long term liabilities	0.0	0.0	0.0	1.0
Current liabilities	6.6	8.1	5.6	6.2
<b>Total shareholders' equity and liabilities</b>	<b>40.7</b>	<b>28.1</b>	<b>44.6</b>	<b>27.7</b>
Adjusted equity per share	6.1	3.6	7.0	3.7

*STATEMENTS OF CHANGES IN EQUITY	Share Capital	Additional Paid In Capital	Exchange Differences	Accumulated Gain/Deficit	Total Equity
<b>Opening balance 1 January 2007</b>	<b>5.55</b>	<b>81.27</b>	<b>6.05</b>	<b>-69.44</b>	<b>23.43</b>
Exchange rate differences foreign subsidiaries	-	-	0.24	-	0.24
Result for the period	-	-	-	-4.55	-4.55
<b>Total recognised income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-4.55</b>	<b>-4.31</b>
Employee share option programme				0.93	0.93
<b>Closing balance 31 December 2007</b>	<b>5.55</b>	<b>81.27</b>	<b>6.29</b>	<b>-73.06</b>	<b>20.05</b>
<b>Opening balance 1 January 2008</b>	<b>5.55</b>	<b>81.27</b>	<b>6.29</b>	<b>-73.06</b>	<b>20.05</b>
Exchange rate differences foreign subsidiaries	-	-	0.06	-	0.06
Result for the period	-	-	-	13.10	13.10
<b>Total recognised income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.10</b>	<b>13.16</b>
Transfer tied up capital to Accumulated deficit		-71.74		71.74	0.00
Employee share option programme				0.94	0.94
<b>Closing Balance 31 December 2008</b>	<b>5.55</b>	<b>9.53</b>	<b>6.35</b>	<b>12.72</b>	<b>34.15</b>

## KEY RATIOS SINTERCAST GROUP AND DATA PER SHARE

KEY RATIOS	October-December 2008	October-December 2007	January - December 2008	January - December 2007
	Revenue, SEK millions	7.4	4.7	24.8
Net result, SEK millions	-5.0	-1.8	13.1	-4.5
Solidity, %	83.8	74.0	83.8	71.2
Adjusted shareholders' equity, SEK millions	34.1	20.5	34.1	20.0
Capital employed, SEK millions	34.1	20.5	34.1	20.0
Total assets, SEK millions	40.7	27.7	40.7	28.1
Return on shareholders' equity, %	-18.5	-8.2	48.3	-20.7
Return on capital employed, %	-17.8	-7.6	50.0	-19.2
Return on total assets, %	-14.1	-5.4	66.5	-29.7
Debt-to-equity ratio	-	-	-	-
<b>Employees</b>				
Number of employees at the end of the period	15	14	15	14
<b>Data per Share</b>				
Dividends per share, SEK	-	-	-	-
Share price at the end of the period, SEK	32.5	151.0	32.5	140.0
<b>Average number of shares</b>				
Weighted average of the number of shares outstanding for the period				
<b>Average number of shares adjusted for outstanding warrants</b>				
No outstanding warrants				
<b>Earnings per share</b>				
Net result divided by the average number of shares				
<b>Earnings per share adjusted for outstanding warrants</b>				
No outstanding warrants				
<b>Adjusted equity per share</b>				
Adjusted shareholders' equity divided by the average number of shares				
<b>Adjusted equity per share adjusted for outstanding warrants</b>				
No outstanding warrants				
<b>Solidity</b>				
Adjusted shareholders' equity expressed as percentage of total assets				
<b>Adjusted shareholders' equity</b>				
Shareholders' equity plus 72% of untaxed reserves				
<b>Capital employed</b>				
Total assets less non-interest bearing liabilities, including deferred tax liabilities				

<b>Return on shareholders' equity</b>
Net result as a percentage of average adjusted shareholders' equity
<b>Return on capital employed</b>
Net result after financial items plus financial expenses as a percentage of average capital employed
<b>Return on total assets</b>
Net result after financial items plus financial expenses as a percentage of total average assets
<b>Debt-to-equity ratio</b>
Interest bearing liabilities divided by adjusted shareholders' equity
<b>Share price at the end of the period</b>
Latest paid price for the SinterCast share at the Nordic exchange, Stockholm.
<b>Value presented as "0.0"</b>
Amount below SEK 50,000
<b>Value presented as "-"</b>
No amount applicable



## PROFIT AND LOSS ACCOUNTS SINTERCAST AB

AMOUNTS IN SEK MILLION	October-December		January - December	
	2008	2007	2008	2007
Revenue	6.5	4.5	22.3	20.7
Cost of goods sold	-3.2	-2.1	-9.3	-8.3
<b>Gross result</b>	<b>3.3</b>	<b>2.4</b>	<b>13.0</b>	<b>12.4</b>
Cost of sales and marketing	-5.0	-2.1	-11.1	-8.8
Cost of administration	-2.2	-1.4	-6.6	-6.2
Cost of research & development	-1.3	-1.0	-3.9	-4.1
Other operating income	0.1	1.0	0.2	1.0
Other operating costs	0.0	0.0	0.0	0.0
<b>Operating result</b>	<b>-5.1</b>	<b>-1.1</b>	<b>-8.4</b>	<b>-5.7</b>
Interest income and similar items	0.2	0.5	0.6	1.0
Interest expenses and similar items	-0.2	-0.4	-0.4	-0.3
Income Tax	-3.9	0.0	18.5	0.0
<b>Result for the period</b>	<b>-9.0</b>	<b>-1.0</b>	<b>10.3</b>	<b>-5.0</b>

## BALANCE SHEETS SINTERCAST AB

AMOUNTS IN SEK MILLION	31 Dec	31 Dec	30 Sept	30 Sept
	2008	2007	2008	2007
<b>ASSETS</b>				
Intangible assets	3.5	4.4	3.9	4.8
Tangible assets	0.1	0.1	0.0	0.0
Financial assets	20.1	1.0	23.8	0.3
<b>Total fixed assets</b>	<b>23.7</b>	<b>5.5</b>	<b>27.7</b>	<b>5.1</b>
Stock	5.0	3.2	3.6	3.0
Short-term receivables	3.8	3.1	7.3	7.6
Short term deposits and cash at bank and in hand	8.2	15.4	11.1	16.3
<b>Total current assets</b>	<b>17.0</b>	<b>21.7</b>	<b>22.0</b>	<b>26.9</b>
<b>Total Assets</b>	<b>40.7</b>	<b>27.2</b>	<b>49.7</b>	<b>32.0</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Restricted capital	15.1	86.8	15.1	86.8
Accumulated gain/deficit	11.3	-71.7	19.4	-64.6
<b>Total Shareholders' equity</b>	<b>26.4</b>	<b>15.1</b>	<b>34.5</b>	<b>22.2</b>
Long term liabilities	0.1	0.1	0.1	1.0
Current liabilities	14.2	12.0	15.1	8.8
<b>Total shareholders' equity and liabilities</b>	<b>40.7</b>	<b>27.2</b>	<b>49.7</b>	<b>32.0</b>